Australian Retirement Trust 2022 Annual Member Meeting – Responses to unanswered member questions

Contents

About this document

Australian Retirement Trust's (ART) 2022 Annual Member Meeting was held in person and via webcast on Wednesday 22 February 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 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 either not relevant or not within the legal scope of questions which are not appropriate to be asked and answered in a public forum. 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-7.30pm AEST/AEDT Monday to Friday **ART QSuper Accounts:** 1300 360 750 8.00am – 6.00pm AEST Monday to Friday
Online	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:** qsuper.qld.gov.au/-/media/pdfs/qsuper-public/publications/qiib09.pdf

Advertising and sponsorships

How much was spent on advertising in the last year?

Why is there now so much advertising for ART on television?

How much is the spend on promotion and sponsorship in the last year?

We believe the continued growth of our Fund is in the best financial interests of our members, because with more members we can continue to keep our costs low and invest on a global scale. This helps us to provide the best possible outcome for our members' retirement.

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.

Mass market advertising such as TV and radio is one of the most cost-effective ways that we share information about our products and services to many people at the same time. This helps current and future members hear about what Australian Retirement Trust (ART) stands for.

ART's advertising investment is comparable to what other super funds are spending and considers that we are a new brand. In depth media spend modelling has occurred to help ensure we achieve the best outcome for our media spend. We include a total figure on our sponsorship and advertising spend in our financial statements each financial year and have provided an overview below:

Short form expenditure summary for the 2021-22 financial year

Expense category	Australian Retirement Trust 1 July 2021 – 30 June 2022
Aggregate remuneration expenditure	$11,588,790
Aggregate industrial body payments	$21,837*
Aggregate political donations	Nil
Aggregate promotion, marketing, or sponsorship expenditure	$21,272,260
Aggregate related party payments	$435,791,664

*Aggregate industrial body payments include (1) $11,937 paid to The Australian Workers' Union (AWU) as the employer of an Australian Retirement Trust board committee member (2) $7,400 paid to AWU as the employer of one director. This amount is also included in Aggregate remuneration expenditure.

Additional expenditure information for the 2021-22 financial year

Expense category	Sunsuper Fund 1 July 2021 – 27 February 2022
Aggregate remuneration expenditure	Included in the above table
Aggregate industrial body payments	$108,981*
Aggregate political donations	Nil
Aggregate promotion, marketing, or sponsorship expenditure	$6,283,736
Aggregate related party payments	$147,654,456

*Aggregate industrial body payments consist of (1) $61,494 paid to The Australian Workers' Union (AWU) as the employer of an Australian Retirement Trust board committee member (2) $47,487 paid to AWU as the employer of one director. This amount is also included in the Aggregate remuneration expenditure in the Australian Retirement Trust table (above)

You can view our current financial report and statements for FY2021-22 on our website: australianretirementtrust.com.au/about/annual-reports

Please discuss the practice of using members' retirement funds to finance, for e.g. Riverfire.

Please provide information about sponsorship of Riverfire and associated costs.

Shouldn't the fund reduce the amount being wasted in sponsorship? So members get more return instead of negative return?

The expenditure associated with promotion, marketing and sponsorship is exorbitant. Attracting new members does not benefit my super balance. Sponsorship of Riverfire also has environmental consequence and ongoing involvement should be put to a member vote.

How is spending money on Riverfire fireworks in the best financial interest of members?

Continuing to grow the fund is a key focus for ART, as we believe that size and scale are important to unlocking benefits for our members. As we grow, 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.

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 and 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.

When it comes to Riverfire by Australian Retirement Trust, an annual event in Brisbane, the value of the media exposure achieved through the sponsorship created double the value for ART than that of the investment – i.e. ART considers it would need to invest substantially more to get the equivalent brand exposure through paid advertising placements. After more than 10 years of sponsoring this event (initially through Sunsuper prior to the merger), we are confident this is a highly efficient channel to support fund awareness and growth. We also know from research that as a profit-for-members fund, 79% of members want us to sponsor community events, such as Riverfire by Australian Retirement Trust. Members who are aware of the sponsorship are also significantly more likely to recommend and be satisfied with ART than those that are not aware of the sponsorship.

The cost of our sponsorship of Riverfire is commercial in confidence. We include a total figure on our sponsorship and advertising spend in our financial statements each financial year. You can view our current financial report and statements for FY2021-22 on our website: australianretirementtrust.com.au/governance-and-reporting/prescribed-information

Riverfire by Australian Retirement Trust is an event that is part of the Brisbane Festival. For more information on the event, including the environmental impact, please see the Brisbane Festival website: brisbanefestival.com.au/info/faqs#riverfire-faqs

Meaningful contact with a company and product is seen as more likely to result in on-going links than a fleeting exposure to a brand name. Instead of attempting to gain member growth and brand space through sponsorship of events such as Riverfire, can promotional funds be channelled to education and training programmes in Australia? Participants in such programmes will move into careers and employment with increased and secure personal incomes to be invested in superannuation services and products. Having a positive interaction with ART as a sponsor of their education and training, participants will see membership with ART as an attractive and logical move and be likely to recommend ART to friends and family. Programmes such as The Smith Family, Not-for-Profit Adult Community Colleges, Ardoch, Ginda Barri, Kurnal Young Parents, The Outdoor Education Foundation, Foundation Learning Centre, etc. are seen as more socially beneficial and effective than festival events.

We believe the continued growth of our fund is in the best financial interests of our members, because with more members we can continue to keep our costs low and invest on a global scale. This helps us to provide the best possible outcome for our members' retirement.

To help achieve this growth, we invest in a range of national marketing activities such as advertising, sponsorships (like Riverfire), events, and community partnerships to help us raise our profile in the community and 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.

Alongside our strategy to grow the fund, we also provide support to our members and the community through various programs, including education.

We believe that members can get the most out of their super and make informed decisions by accessing a range of education opportunities. ART experts share what you can do right now to help grow your super and prepare for retirement via seminars, videos, podcasts, newsletters and learning modules. These can be accessed at: australianretirementtrust.com.au/advice/events-and-seminars and qsuper.qld.gov.au/super/seminars

As a newly merged fund, we are currently developing programs and partnering with community groups to support our members and their communities, to help more Australians retire well with confidence. This is an evolving space for ART. We value your feedback and it has been passed on to our Social Impact team, who continue to have discussions with a range of community-based organisations. We look forward to sharing more on our social impact in future.

How can your super Fund stop wasting my money on Facebook advertising?

We advertise on social media to connect with our members and prospective members in a cost-effective way. Our aim is to reach many people at the same time and to educate and inform in an engaging way.

Can you provide members with information and details of the $21m expenditure on promotion, marketing and sponsorship (as outlined on the Short Form Expenditure Summary)?

The information included in the summary, as required by law, relates to ART (being the superannuation fund previously called QSuper from 1 July 2021 to 27 February 2022 and then known as Australian Retirement Trust from 28 February 2022 to 30 June 2022).

We have voluntarily included the Sunsuper expenses from 1 July 2021 to 28 February 2022 for transparency.

This is expenditure that helps promote and grow ART. It includes activities that build awareness and attract new members (for example advertising, partnerships, and sponsorships), as well as activities that educate existing members (for example seminars, newsletters, videos, podcasts, and events).

Associated costs include design, production, and distribution of collateral materials (for example print and postage – where requested by members).

All expenditure decisions must demonstrably be made in the best financial interests of members, supported by strong analysis and evidence.

Will member functions ever be held in Melbourne rather than webcasts?

We're here to help our members retire well with confidence by providing the information and access to advice they need to manage their super and retirement.

We aim to reach 2.2 million members who live all around Australia through seminars, videos, podcasts, newsletters and learning modules.

We understand the communication benefits that face-to-face education and guidance provides to our member, financial advisers, and employers. In addition to online resources, we do run face-to-face seminars in different locations, including in workplaces, throughout the year.

You can access the latest information on events and seminars at: australianretirementtrust.com.au/advice/events-and-seminars and qsuper.qld.gov.au/super/seminars

The ART app is very basic and not as functional as QSuper app. When will the ART app be updated?

When it comes to helping members access services, we are continuously looking at how to improve and support members' best financial interests. This includes ongoing investment in the information and services available across our websites and apps for all members of ART. As we continue to integrate, we anticipate that both Super Savings and QSuper account holders that use their respective apps will have updates released over time to assist them to engage with services.

Will all the logins remain the same for QSuper people?

QSuper account holders will continue to access information and services digitally via QSuper Member Online and the QSuper mobile app using their existing credentials. We will keep you informed if any changes are required in the future as we strive to protect your privacy and security online to keep your super safe.

For any more information related to your online security and super please review the information we provide to member here: qsuper.qld.gov.au/misc/security or get in touch with us by phone.

We were told pre-merger that QSuper members would not see any front office, front website changes and that our scheme would remain branded and be known as QSuper. Have we been lied to?

No. The QSuper brand is part of ART, dedicated to providing superannuation products and services to existing QSuper account holders, Queensland Government employees and families of QSuper members.

QSuper account holders continue to access information and services online the same as they did before the merger that created ART.

We are continuously looking at how to improve and support our 2.2 million members to access information and services. This includes making regular information, visual and functional updates to the QSuper website, mobile app and other online services.

Advice

What is the best way for interstate members to have a meeting with Australian Retirement Trust financial advisers?

Being a national fund, ART has a range of advice options for members. Personal financial advice about your super account from a qualified financial adviser is included with your membership and available over the phone.[1] Super Savings account holders can phone 13 11 84 and QSuper account holders 1300 360 750.

If you need financial advice about more than just your super, we can refer you to an accredited external financial adviser on ART's National Advice Panel.[2] Our panel comprises carefully selected and appointed financial advisers, located across the country, based on our trust in their expertise, experience, approach and ability to provide our members with valuable comprehensive financial advice. Advice of this nature may incur a fee.

When will you introduce a referral program to external financial advisers with product accreditations?

ART has established a national referral arrangement with external financial advisers through ART's National Advice Panel. Our panel comprises carefully selected and appointed financial advisers, located across the country, based on our trust in their expertise, experience, approach and ability to provide our members with valuable comprehensive financial advice. To access the National Advice Panel, just call us on 13 11 84 if you're a Super Savings account holder or 1300 360 750 if you're a QSuper account holder and speak to one of our financial advisers. They can help identify your advice needs and refer you to the most appropriate financial adviser as required.[2]

Does ART support external potential customers rolling over funds into ART, without requiring an advisor?

You can easily consolidate your account into ART a number of ways, including on our website. You can find out how on the consolidation pages on our website:

- Super Savings account holders can view information at: australianretirementtrust.com.au/superannuation/consolidate
- QSuper account holders can view information at: qsuper.qld.gov.au/super/consolidate

Before you combine your super accounts, it is important to consider if the timing is right and if you will lose access to benefits such as insurance or pension options, or if there are any fee or tax implications.

1 Advice for Super Savings account holders is provided by Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information. Advice for QSuper account holders is provided by QInvest Limited (ABN 35 063 511 580, AFSL 238274) (QInvest) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information.

2 Australian Retirement Trust has established a panel of accredited external financial advisers who are not employees of Australian Retirement Trust. Australian Retirement Trust is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

Board and governance

This has been a consistent fund in the terms of growth over the years. With the merge of the funds will ART continue to be one of the best performing funds? With the merge of the funds, have there been changes to the Board? What value and expertise do they bring? Are they evaluating risk and being transparent with diversification?

Yes, ART aims to be one of the best performing funds.

Chair Andrew Fraser, Chief Executive Officer Bernard Reilly and Chief Investment Officer Ian Patrick provided statements about ART's performance, anticipated benefits of the merger, and future focus in their respective addresses at the AMM, all of which help to answer details of this question. A recording, including their addresses, is available on our website at australianretirementtrust.com.au/events-and-seminars/annual-member-meeting.

In addition, we provide the following comments.

ART aims to be a consistently strong performing fund taking into account the Trustee's obligation to act in members' best financial interests, and to empower our members to retire well with confidence.

The merger increased that scale and delivered global access to investment opportunities and increased our comparative advantage to invest on members' behalf. We have brought together two strong investment capabilities from the predecessor funds that we look forward to leveraging for all members.

With respect to changes to the Board, ART's inaugural Board of Directors were appointed on 28 February 2022, comprising representatives from the heritage Sunsuper Board (6 directors) and heritage QSuper Board (7 directors). Previously both funds were overseen by 18 trustees (9 at each fund). The merged fund is now overseen by a Board of 13 Trustees. Since the merger, 3 new directors have been appointed to fill vacancies. Their replacements include:

- **Aaron Santelises**: A lawyer who holds a Bachelor of Laws and Bachelor of International Relations (Honours), and who has been both a Director of QLeave as well as a commissioned Lieutenant in the Australian Army Reserves.
- **Linda Apelt**: A business and community leader who was formerly the Queensland Trade and Investment Commissioner in Europe and the Agent-General for Queensland in the United Kingdom , and also a long-serving Chief Executive of the Queensland Government's Departments of Housing and Community Services.
- **Mark Burgess (from 1 July 2023):** A former managing director of the Future Fund who has held roles as both chief executive officer and chief investment officer for major investors and financial institutions internationally and in Australia.

The remaining ART directors have considerable experience across areas such as private equity and investment; corporate law; advocacy; takeovers, mergers and acquisitions; government and treasury; banking and superannuation; industrial relations; therapy and healthcare; governance; human resources; law enforcement; not for profit; and education.

The Board has developed a skill matrix which incorporates 14 areas of competency that the Board considers important, and a provision that the directors collectively should hold an appropriate level of skill, knowledge and experience to oversee a fund of the size and complexity of ART.

Risk management and investment diversification are fundamental aspects of good fiduciary oversight and the ART Board has prudently established an Audit, Finance & Risk Committee and an Investment Committee in order to devote to those matters the dedicated time and attention that they warrant.

Please explain clause 15.16 of the ART Trust Deed inserted by the May 2022 deed of amendment?

Individuals have choice over where their super is paid. When starting a new job, if an employee doesn't make a choice, the employer will need to check with the Australian Taxation Office for any existing super account and pay super into that account (this is called 'Stapling'). This is known as "Choice of Fund".

Clause 15.16 of the Australian Retirement Trust Deed of Amendment refers to Part 3A of the *Superannuation Guarantee (Administration) Act 1992*, which establishes the Choice of Fund requirements. Clause 15.16 states that employer contributions to ART must comply with the Choice of Fund requirements (as is the situation for most other regulated superannuation funds open to the public) unless the contribution is for a Queensland Government employee. Employees of Queensland Government can still choose their super fund, but if no choice is made, a QSuper account will automatically be opened for contributions to be made by the Queensland Government. This reflects the practice and law from prior to the merger.

Why is the AWU paid an amount itemised in the aggregate industrial body payments schedule when no similar payments are made to other organisations who provide directors to the ART Board?

Does Australian Retirement Trust donate to any registered union with members' funds either directly or indirectly?

How much money is being paid to unions?

You state that ART does not make political donations, does ART make any donations to unions?

Did ART make any payments to unions in the last 12 months?

How much are the union officials now sitting on this board being paid per year as board [members]?

On the Short Form Expenditure Summary it is stated that Aggregate Political Donations is NIL. Aggregate Industrial Body Payments is a total of $130,818. If an employer of a director or committee member, AWU for example ($108,981 total) - How can you guarantee that none of this money is the indirectly moved forward to a political party?

Does ART currently make any political donations with members funds?

Does the Australian retirement trust make political donation?

How much of members superannuation is being spent being paid to unions, and how much of that amount is being paid to the ALP?

ART does not donate to any registered Union with members' funds either directly or indirectly. ART makes no political donations, in accordance with ART Board policy.

The details relating to payments to unions are disclosed in accordance with the law.

In FY 2021-22 ART (formerly QSuper and Sunsuper) paid $402,717 k to Unions for remuneration of directors and $54,887 for committee member fees as disclosed in our financial accounts, and $8,864 for marketing.

In the same year, ART (formerly QSuper and Sunsuper) paid $210,939 to employer groups including Chamber of Commerce and Industry Queensland, Melbourne Chamber of Commerce, Canegrowers Queensland, Growcom, AgForce, and the Future Farmers Network, amongst others.

The ART Board Remuneration Policy allows directors who are nominated by Union organisations to have their remuneration paid to their employing organisations. This reflects the fact that the director will be required to prepare for and attend Board and Committee meetings during hours where they would otherwise be carrying out their work roles. The decision to direct their remuneration to their employing organisations is an individual one for the respective director(s) and all Board remuneration is reported annually in the ART Financial Statements available on our website: australianretirementtrust.com.au/about/annual-reports

The law prescribes that payments made to industry bodies, trade associations or organisations registered under the *Fair Work (Registered Organisations) Act 2009 (Cth)* are to be included in the Aggregate industrial body payments amount disclosed in the materials accompanying the Annual Member Meeting (AMM) notice.

Aggregate industrial body payments are payments made to industry bodies, trade associations or organisations, so it captures payments paid to an employer of a director or committee member that is such a body, association or organisation.

As the Australian Workers' Union (AWU) is registered under *Fair Work (Registered Organisations) Act 2009 (Cth)* and is the relevant director's nominated recipient of their remuneration, the director's remuneration is included in the aggregate industrial body payments amount. A full listing of the relevant organisations can be found at: fwc.gov.au/registered-organisations/find-registered-organisation

ART only makes payments for services it receives and for which it is legally obligated to pay. ART cannot control, limit or prohibit the use (or forwarding) of any money paid to a third party once it is received by that party.

Why are payments made to industry bodies as an employer of a director or committee member?

The initiatives of ART are managed by the Board, which is comprised of 6 member representative directors, 5 employer representative directors and 2 independent directors.

The member representative directors are nominated by Member Representative Nominees Pty Ltd, which is an independent company representing the key union organisations whose members are also members of the fund.

The employer representative and independent directors are nominated by the Superannuation Fund Nominees Panel, which is comprised of nominees of the Queensland Treasurer, nominees of the Queensland Chamber of Commerce and Industry Limited, and the Australian Retirement Trust Pty Ltd Board Chair.

The ART Board Remuneration Policy allows directors who are nominated by Union organisations to have their remuneration paid to their employing organisations. This reflects the fact that the director will be required to prepare for and attend Board and Committee meetings during hours where they would otherwise be carrying out their work duties. The decision to direct their remuneration to their employing organisations is an individual one for the respective director(s) and all Board remuneration is reported annually in the ART Financial Statements.

What are the remuneration benefits for the CEO and Board members?

Why does the Board allow so many executives with annual executive bonuses that exceed most member's individual account balances?

You can see detail for each individual here on our website.

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

The People and Nomination Committee recommends the Group's remuneration framework, policy and practices to the Board for approval to assist the Board to fulfill its responsibilities and ensure a framework is in place that enables the ART Group to attract, motivate and retain executive talent and support the achievement of the Group's strategic objectives. ART executives are paid in accordance with the ART Board Remuneration Policy. The policy is available on the website at australianretirementtrust.com.au/governance-and-reporting/corporate-governance,

Executive remuneration is competitive with the market and paid under salary package arrangements which include an appropriate mix of fixed and variable performance payments, explicitly linked to performance, behaviours and risk management. Executive remuneration is reviewed annually and benchmarked against independent external sources that consider the size and complexity of ART's operations to others of a similar size and profile and delivering value to members.

What did Australian Retirement Trust meetings focus on, what were the agendas?

The ART Board has 9 scheduled meetings per year and considers matters such as, but not limited to:

- Investment performance
- Member offerings and services
- Financial position and performance of the Fund
- Fund strategy and growth opportunities
- Governance, compliance and risk management issues
- Insurance arrangements for members
- People/ employment matters
- Technology.

The Board and its committees also meet outside this schedule as necessary.

What work is being done to increase diversity (other than gender) in the Board's representation?

Inclusion and belonging are at the heart of ART's culture – with more inclusive leadership and a more inclusive workplace comes diversity of thought, enabling us to create more innovative solutions for members. We know that diverse thinking, backgrounds and perspectives help us respond to what really matters for our members and the communities we operate within. ART's cultural aspirations and key behaviours have been shaped by our people, signalling a shared commitment to building a culture of belonging, and inform everything we do at ART. Our approach to inclusion and belonging is underpinned by core principles that are anchored in ART's cultural aspirations and guide how we bring this policy to life with our people day to day.

The ART Board is a diverse group with varying backgrounds to help bring diversity of experience and thought to the Board's deliberations. A cornerstone of strong governance is diversity at the Board table. The ART Board is comprised of member representative, employer representative and independent directors with varying backgrounds and across a broad age profile. With respect to gender, the Board supports the concept of 40:40:20 with 40% female representation, 40% male representation and 20% of any gender. Board diversity in all its broader forms will continue to be an important factor in all of ART's director appointments.

Please clarify whether the funds in the General Reserve are funds of the member investors?

All assets of the fund, including the reserves, are held for the benefit of members.

Will there be an independent review of the current Board to assess the size, composition, skill level and financial experience? There appears to be a deficiency in knowledge in business, finance, information technology and digital transformation and a disproportionate number of union representatives.

The ART Board undertakes an annual Board Performance Review (conducting such a review is a regulatory requirement). The Board has determined that at least once every 3 years, this review should be conducted by an external facilitator who has industry experience and access to comparative data for benchmarking.

In addition, the ART Board also undertakes reviews of the directors' skills and experience at least annually, but also when there are changes to the Board's composition. The Board has developed a Board Skills Matrix which incorporates 14 areas of competency that the Board considers are important, and a provision that the directors collectively should hold an appropriate level of skill and experience to oversee a fund of the size and complexity of ART.

Directors are also required to complete ongoing professional development in order to enhance their existing skills, knowledge and experience, thereby raising the Board's collective expertise.

ART's inaugural Board of Directors was appointed on 28 February 2022, with representatives from the heritage Sunsuper Board (6 directors) and heritage QSuper Board (7 directors). Since the merger, 3 new directors have been appointed to fill vacancies:

- Aaron Santelises: A lawyer who holds a Bachelor of Laws and Bachelor of International Relations (Honours), and who has been both a Director of QLeave as well as a commissioned Lieutenant in the Australian Army Reserves.
- Linda Apelt: A business and community leader who was formerly the Queensland Trade and Investment Commissioner in Europe and the Agent-General for Queensland in the United Kingdom, and also a long-serving Chief Executive of the Queensland Government's Departments of Housing and Community Services.
- Mark Burgess (from 1 July 2023): A former managing director of the Future Fund who has held roles as both chief executive officer and chief investment officer for major investors and financial institutions internationally and in Australia.

The remaining ART Board directors have considerable experience across areas such as private equity and investment; corporate law; advocacy; takeovers, mergers and acquisitions; government and treasury; banking and superannuation; industrial relations; therapy and healthcare; governance; human resources; law enforcement; not for profit; and education.

I note that in the documents for the meeting, the short form expenditure statement is prepared in accordance with regulations in force as at 2 November 2022. As these have now been disallowed and have reverted to the original regulations, which require itemised disclosure, for the benefit of members will you now commit to voluntarily publishing a set of itemised disclosures in accordance with the regulations that are now in place? If not, why not?

On 9 February 2023, the Senate disallowed the *Superannuation Industry (Supervision) Amendment (Annual Members' Meetings Notices) Regulations 2022* (the 2022 Regulations). The 2022 Regulations had a short tenure (since only September 2022) and had come into force as the new Federal Government had removed some of the itemised expenditure disclosure categories, and instilling aggregate reporting of disclosures of expenses to members.

The disallowance now means the disclosure requirements for annual members' meetings revert to what they were before the 2022 Regulations were enacted.

The original legislative reform (which dates from 2021) will require funds to make itemised (rather than aggregated) disclosures of these expenses, as well as itemise any political donations, payments to industrial bodies and related payments, and capture what is expected to be a wider net of related party transactions.

The reinstated regulations take effect from February 2023 and our 2022-23 AMM disclosures will be prepared in line with these regulations, in the normal course of giving notice of our forthcoming annual members' meeting.

The Related Party transactions disclosed for FY2021-22 relate principally to the services from ART subsidiary companies.

Are there any females on the Board?

6 of ART's current 13 Board directors are women: Elizabeth Hallett, Linda Apelt, Beth Mohle, Kate Ruttiman, Janine Walker and Georgina Williams.

Costs

What is the percentage of executive/staff costs in relation to earnings in the past 5 years? Discretionary spendings erode members' returns; can you describe how this is not so?

ART was formed on 28 February 2022 through the merger of Sunsuper and QSuper. Over the past 5 years to 30 June 2022, for ART (and the heritage organisations) the percentage of executive/employee costs in relation to earnings has been 3.65% for total employee costs and 0.17% for executive costs only.

Small differences in both investment performance and fees and costs can have a substantial impact on long-term superannuation returns. ART fees and costs are disclosed in the PDS (available on our websites) which allows members to compare costs between different superannuation products.[1] Our PDSs are available at:

- Super Savings: australianretirementtrust.com.au/pds-guides
- QSuper: qsuper.qld.gov.au/calculators-and-forms/publications/product-disclosure-statements

ART is committed to returning profits to members as lower fees and better services, as the less you pay in fees on your super account the more you could have to live your best retirement. This is why we reduced administration fees charged to most members' accounts from 1 July 2022.

On a per capita or per $ funds under management, have costs increased or decreased following the merger?

From 1 July 2022, we were able to implement a fee reduction forecast at $35M for FY2022/23, which is an 8% reduction in overall fee revenue and reflects the savings in operating costs achieved and forecast.

1 Past performance is not a reliable indicator of future performance

Cybersecurity

What is ART doing about cybersecurity?

Please tell members what is done to secure our funds, how are our funds protected, how can members improve their security?

Could you please give a statement as to the degree of protection members have to hacking of our funds?

Please inform us about your confidence in cybersecurity matters and any steps recently taken to improve yours and customers' confidence in this highly important area?

What is the likelihood of a cyberattack on ART and should we be concerned?

ART takes the protection of our members' money and their personal data and details very seriously. We believe this is one of our most significant responsibilities.

In light of the data breaches and cyberattacks experienced by large organisations in late 2022, 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 talented team who remain 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 as possible.

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
- 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

What security is in place to stop unauthorised access to my life savings?

How secure are our deposits?

ART takes the protection of our members' superannuation seriously. We comply with the strict legislative and regulatory obligations with regards to accepting and releasing members money. We have an Anti-Money Laundering (AML) / Counter Terrorism Financing (CTF) Program to comply with our AML and CTF obligations, including the "Know your Customer" obligations. This means that we have processes in place to confirm a member's identity prior to providing any account specific information.

Members are also able to request additional security questions for their accounts. To protect the activity on members accounts, all telephone calls are recorded. Specialised training is delivered to our Contact Centre employees (who handle all account enquiries from our members) with regular annual training being provided to all employees.

Our Financial Crimes team conduct transaction monitoring across every member account daily, and our Information Security team provide ART with the security systems to continuously protect the information of our members.

With an aging population, and a corresponding potential reduction in an individual's 'capacity', can ART implement a secondary level of 'permissions' so that any withdrawals made by a member (online, or in person) can be protected from scammers and/or inappropriate purposes?

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In addition, members can control access to their ART accounts. We advise our members never to share their password.

We offer members the ability to authorise a financial representative and/or a personal representative to have access to account information. To help prevent any fraudulent attempts to access a members account, members can also request notifications be sent to nominated individuals, including themselves, when a claim for a withdrawal is made.

A member can also establish separate legal instruments (independent of ART) that provide authorised access to their accounts, based on their own preferences. Such instruments may include an Enduring Power of Attorney. Respective state legislation may also permit guardianship appointments when a member can no longer manage their own financial affairs and does not have an Enduring Power of Attorney in place.

Economy and market outlook

How to better to invest our super funds under the pressures now?

Slowing of the global economy will no doubt affect superannuation returns, what sort of returns can members of Australian Retirement Trust expect to receive during this period of economic uncertainty?

How will the geopolitical turmoil affect Australian Retirement Trust and how much of a key consideration has risk in this time become?

Super growth is stalling or decreasing. What is QSuper's planned strategy / recommendation in relation to global downturn?

What are you doing to manage the expected downturn in 2023?

If we are heading to recession what will happen to our super?

With changing and somewhat unpredictable markets, how do you intend to better protect investments of retirees?

World financial markets have been very volatile in 2022 as the war in Ukraine as well as rising interest rates and stubbornly high inflation have adversely affected returns from both bonds and shares. However, this volatile period followed around 18 months of very strong returns, particularly from world share markets.

In a year where both bonds and shares lost value, ART's diversified options have delivered competitive returns. In particular, ART's significant allocation to unlisted assets – real estate, infrastructure, private equity and private debt – was able to greatly mitigate the impact of weaker share and bond markets on member returns.

The challenge facing the world's central banks remains an extraordinarily difficult one: bring inflation back under control without causing a major economic downturn in the process. Further cash rate increases, both here in Australia and elsewhere are almost certain, although the RBA has slowed the pace of its rate increases and may be close to completing its tightening cycle. There is a risk of recession in a number of economies – partly reflecting the ongoing economic impacts from the war in Ukraine, but also the risk of monetary policy being tightened too aggressively. While much of the rise in inflation we have seen over the past year or so is likely to fade in 2023 (as supply chain pressures have clearly eased and key commodity prices stabilise or decline, for example), the medium to longer-term inflation is likely to be somewhat higher than we saw in the pre-COVID years.

We do not design portfolios based on our own or anyone else's short-term economic, market or geopolitical forecasts. No one has a perfect forecast for how long it will take for the markets' inflation and interest rate fears to subside. Superannuation is the longest-term investment any of us will ever have. And when investing for the long-term, recessions, market downturns, crises etc. are both inevitable and temporary. Our focus is on designing investment portfolios that are appropriate to the needs of our members – including our retiree members - and that meet or exceed the medium to long-term performance objectives that are contained in our product disclosure statements.[1]

However, our investment team and our external investment managers do seek to capitalise on opportunities that inevitably emerge during times of crisis and heightened market volatility. We have certainly done so in 2022 and will continue to do so in the year ahead and beyond.

1 Past performance is not a reliable indicator of future performance

Next year's 2023 forecast of worldwide recession, what advice should be given to members about securing their super?

What is ART's outlook with the rising interest rates and members' concern with the cost-of-living pressures?

What is the economic forecast for 2023?

What is the forecast over the next 2 to 5 years and impact of current world crisis and brink of war?

Has the market turned upwards?

What is the outlook for earnings in 2023?

The challenge facing the world's central banks remains an extraordinarily difficult one: bring inflation back under control without causing a major economic downturn in the process. Further cash rate increases, both here in Australia and elsewhere are almost certain, although the RBA has slowed the pace of its rate increases and may be close to completing its tightening cycle. There is a risk of recession in a number of economies – partly reflecting the ongoing economic impacts from the war in Ukraine, but also the risk of monetary policy being tightened too aggressively. While much of the rise in inflation we have seen over the past year or so is likely to fade in 2023 (as supply chain pressures have clearly eased and key commodity prices stabilise or decline, for example), the medium to longer-term inflation is likely to be somewhat higher than we saw in the pre-COVID years.

We do not design portfolios based on our own or anyone else's short-term economic, market, earnings, or geopolitical forecasts. No one has a perfect forecast for how long it will take for the markets' inflation and interest rate fears to subside. Superannuation is the longest-term investment any of us will ever have. Recessions, crises, market downturns etc. are an inevitable part of long-term investing but they are also temporary. However, our investment team and our external investment managers do seek to capitalise on opportunities that inevitably emerge during times of crisis and heightened market volatility, such as we are currently experiencing.

Personal financial advice about your super account from a qualified financial adviser is included with your membership and available over the phone.[1] Super Savings account holders can phone 13 11 84 and QSuper account holders 1300 360 750.

What period of time does Ian Patrick's volatility cover e.g. rest of 2023 or through to 2025?

At the AMM held on February 22, 2023, Chief Investment Officer Ian Patrick provided an update performance for the past financial year, being the year that ended on 30 June 2022 (FY2021-2022).[2] The comments about volatility were in relation to a short-term outlook, so the timeframe referenced was 12 – 24 months. It is important to note that short-term forecasts are prone to swings of market sentiment and not something we rely on for setting long-term investment strategy.

A recording of the AMM, which includes Ian's presentation, is available on our website: australianretirementtrust.com.au/advice/events-and-seminars/annual-member-meeting

1 Advice for Super Savings account holders is provided by Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information. Advice for QSuper account holders is provided by QInvest Limited (ABN 35 063 511 580, AFSL 238274) (QInvest) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information.

2 Past performance is not a reliable indicator of future performance

What's the field ART is willing to focus on in the future to address climate change, Russian invas**ion of** Ukraine and unstable supply chain from China?

How will our super behave when we enter into a world war situation?

As I am 62 and off work for a break, I'd like to know what planning is in place for various age groups if we end up at war in the next few years?

Superannuation is the longest-term investment most of us will ever have – even a member in their early sixties is likely to be invested in super for many years to come. As long-term investors, we do not design portfolios based on our own or anyone else's short-term economic, market or geopolitical forecasts. Even if the war in Ukraine were to end tomorrow, other geopolitical concerns are likely to remain a source of concern for financial markets and for the world in general. What we do know however, is that every crisis, every downturn, and every recession comes to an end. Trying to time when these challenging periods begin and end is extremely difficult.

However, our investment team and our external investment managers do seek to capitalise on opportunities that inevitably emerge during times of crisis and heightened market volatility, such as we are currently experiencing.

On the specific issue of climate change, ART has a target of a net-zero carbon emissions investment portfolio by 2050 and believes mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members.

We believe that a net-zero emissions 2050 (NZE2050) target is increasingly accepted by markets as the base case through which economies will operate. We also acknowledge the importance of the Paris Climate Agreement's aim of keeping global warming to well below 2°C above pre-industrial temperatures as being critical to maintaining orderly functioning economies.

ART has a Climate Change Policy that guides our approach. We are building out our climate change roadmap in accordance with this Policy. Its purpose is to identify and manage the risks and opportunities from a changing climate in conjunction with members' best financial interests. In brief, this program involves:

- A target for net-zero emissions across the entire portfolio by 2050.
- Setting interim targets including the development of baseline emissions for the ART portfolios, where data is available.
- Reporting publicly on our progress against global climate disclosure standards.
- Voting at investee company Annual General Meetings.
- Using engagement and advocacy to work with investment organisations and the companies in which we invest to influence, where possible, their emissions trajectories and alignment with NZE2050.

More information and a copy of our policies can be found on our website:
australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

What is overall effect of COVID on my QSuper investments?

You are talking about COVID in the past tense. COVID restrictions are over but COVID is definitely not over. Without any significant attempts to reduce transmission, repeated infections will lead to unacceptable levels of community ill health, workforce & supply chain disruptions. Life expectancy is reversing in many countries including Australia with substantial excess mortality in 2022 for the first time since WW2. This represents a threat to the economy. Is this on ARTs radar? And what are your plans to mitigate this risk for investors?

Your point is noted. And we cannot absolutely rule out the introduction of further restrictions on economic activity in response to what is an ongoing pandemic. What we can say however, is that any such restrictions – and hence their impact on the economy and financial markets – are likely to be temporary, even if we cannot identify in advance when they may start or end.

The longer-term impact of COVID on global demographics is something we continue to monitor, given that long-term rates of economic growth (which are a key determinant of long-term investment returns) and a function of productivity growth and the rate of growth in the working age population.

As with many other potential impacts on our portfolios, our best defence against the ongoing impact of COVID is to be as widely diversified as possible in the way we build portfolios. That is, to invest broadly across asset classes, countries, industries, companies and individual assets.

What impact do these rising interest rates have on investments?

Rising interest rates have already had an adverse impact on investment returns – not just at ART, but across all superannuation funds. Higher interest rates and higher inflation have resulted in negative returns from bonds and shares in 2022, even though overall returns in the current financial year have been better. However, higher interest rates and bond yields as well as lower share prices in many markets also provide a boost to future returns. All other things being equal, buying company shares at cheaper prices should mean longer term returns are higher. And higher bond yields and cash rates means that future returns from cash and from bonds are also higher.

Is this the rebound of a long-term bear market?

The world's central banks are attempting to bring down stubbornly high inflation rates without causing a significant downturn in the global economy. That is a very difficult exercise, and while a serious global recession is not inevitable, the risk of recession in 2023 is high. That said, investment markets evaluate and attempt to anticipate expected economic growth making the end of a bear market difficult to predict. The bottom in equity markets typically occurs long before the worst of the recession is over as markets begin to anticipate a recovery.

That's why it's important to remember that at ART we do not design portfolios based on our own or anybody else's ability to forecast short-term economic or financial market developments. Our task is to build portfolios that are designed to achieve their long-term return objectives – particularly given that superannuation is the longest-term investment many of us will ever have. [1] Over the long-term, we know that recessions, downturns, and bear markets are inevitable. However, we also know that they all come to an end, even if forecasting when they start and finish is extremely difficult.

How much weight does the Chair and the Board put on the predictions from the Reserve Bank, in light of the forecasts of no interest rates rises until 2024?

We do not design portfolios based on our own or any other single institution's short-term economic, market or geopolitical forecasts. No one knows with any certainty how long it will take for the markets' inflation and interest rate fears to subside. Given the nature of superannuation we are a long-term investor; our portfolios are designed using longer-term projections for a range of variables, including economic growth, inflation and interest rates rather than short-term forecasts. However, our investment team and our external investment managers do seek to capitalise on opportunities that inevitably emerge during times of crisis and heightened market volatility, such as we are currently experiencing.

What does 2023 look like in the superannuation world?

What does the future outlook of super look like over the coming years?

Regarding super investment prospects in 2023, forecasting short-term market returns is extraordinarily difficult, and as long-term investors, we do not design portfolios based on our own or anyone else's short-term economic, market or geopolitical forecasts.

1 Past performance is not a reliable indicator of future performance

What we do is build well-diversified portfolios that are designed to achieve the medium to long-term performance objectives in our product disclosure statement. For example, for our Balanced options, our objective is to deliver real net returns of 3.5% p.a. i.e. the return after inflation, after superannuation tax and after investment fees and costs over rolling 10-year periods. In addition our investment team and our investment managers do aim to add additional value by taking advantage of market volatility, which provides the opportunity to acquire quality assets at more attractive prices. [1]

Environment, Social and Governance (ESG)

How do you see socially responsible investments performing in the next year and then in the next 5 years?

Sustainable investment is a diverse topic. For ART, 'socially responsible investments' is also called sustainable investing or responsible investing, socially responsible investing or ESG investing (meaning we consider the risks and opportunities of investments in a holistic way, which means including the financial implications of ESG issues, alongside other traditional financial matters).

We have no explicit forecast for how portfolios or particular asset classes will perform in any given year or several years. Forecasting short-term market returns is extraordinarily difficult, and as long-term investors, we do not design portfolios based on short-term economic, market or geopolitical forecasts. Nor can we guarantee returns over any particular time period. What we do, is build well-diversified portfolios that are designed to achieve the medium to long-term performance objectives in our product disclosure statement.

For members who prefer a greater focus on sustainable investments, we offer socially responsible investment options for Super Savings and QSuper account holders and report on financial performance in the context of these options.

The objective of the Super Savings Socially Conscious Balanced investment option is to achieve an annual return equal to CPI + 3.5% (after fees and tax), measured over 10 years. This option is suited to investors with an investment timeframe of more than 5 years[1] and has exposure to assets that aim for higher long-term returns. This increases the likelihood that investors may experience negative returns over the short-term.

The fund's 2021-22 Sustainable Investment Report claims Australian Retirement Trust plans on adopting interim emissions reduction targets this year. The Climate Council has concluded that Australia's fair share of global emissions reduction efforts means we need to cut emissions 75% (below 2005 levels) by 2030 and reach net zero by 2035. Can the Fund share with members what its new interim targets will be at this stage? If not, will the Fund commit to adopting science-backed targets, in line with its acknowledgement of the Paris Climate goals?

How is ART going to actively invest to support the transition to net zero not just divesting from non-ethical funds.

Please outline in greater detail the Trust's climate change response and ethical investing strategy?

What is the Trust doing to ensure investments are consistent with meeting Paris Climate Target goals?

Can the trustees provide details of the actions taken to date and future plans to achieve zero net emissions on or prior to 2050?

ART has a target of a net-zero carbon emissions investment portfolio by 2050 and believes mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members.

ART invests in a wide variety of asset classes to gain the benefits of diversification. The transition to a net-zero emissions portfolio will take time, meaning some exposure to fossil fuel investments will continue at this time. We believe mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members.

ART has a Climate Change Policy that guides our approach and we are building out our climate change strategy. Its purpose is to identify and manage the risks and opportunities from a changing climate in conjunction with members' best financial interests. In brief, this program involves:

- A target for net-zero carbon emissions across the entire portfolio by 2050.

1 Past performance is not a reliable indicator of future performance

- Setting interim targets including the development of baseline emissions for the ART portfolios, where data is available.
- Reporting publicly on our progress against global climate disclosure standards.
- Voting at investee company Annual General Meetings.
- Using engagement and advocacy to work with industry bodies and collaborative initiatives and the companies in which we invest to influence, where possible, their emissions trajectories and alignment with NZE2050.

More information and a copy of our policies can be found on our website: australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

ART recognises that it has a responsibility to where possible, influence the management of climate risk within the companies in which it has investments. Engagement is an important pillar of our climate change strategy; we engage listed companies both directly and indirectly through our memberships in several advocacy bodies: the Investor Group on Climate Change, the Australian Council of Superannuation Investors, and Climate Action 100+. We are seeking to be more focused in our company engagements and set objectives to track and monitor outcomes.

As a fund that only came together a little over a year ago we are in the process of developing our climate change strategy and are aiming to share further details in our 2022-2023 Sustainable Investment Report.

With regard to setting interim targets, over the past 12 months we have been building out these requirements to ensure we follow an evidence-based approach to:

- Develop the appropriate interim target and assumptions to support this
- How we will measure progress and milestones.

We will soon be publishing these interim carbon emission reduction targets and we are aiming to share further details in our 2022-2023 Sustainable Investment Report.

What is QSuper doing to ensure higher investment into renewable technologies and move away from non-renewables (RE: Net 0)?

Has ART ended investment in commodities such as coal?

ART talks the talk about climate action but hasn't put in place any process to align investments with a true 1.5 degree warming outlook. When will ART take the lead in divesting completely from fossil fuel investments?

What is ART's planned strategy for exiting fossil fuel investments and transitioning to investments in sustainable, local renewable energy projects?

What, if any, investment rules do you have around fossil fuels?

In the past couple of years every time ART/QSuper has one of these meetings you receive multiple requests about your plans to divest from fossil fuels and make serious climate action. Each time you kick the can down the road and talk in general ways about your goals but there are never any specific actions you are taking or ways that you are planning to meet the goals of the Paris agreement. When will ART take climate seriously? How long will you continue to invest our retirement funds into earth destroying companies?

How does the ART plan on achieving its goal of net zero portfolio emissions by 2050 if the Fund won’t divest from companies pursuing new or expanded fossil fuel projects?

Will ART commit to ceasing investment in fossil fuel companies that are contributing to climate change?

Do we invest in fossil fuels or companies known for environmental damage? On that note do we invest in sustainable energy and companies or companies working to decrease our global temperature before 2050?

ART Super has a bad reputation for investing in fossil fuel, climate wrecking companies. Why are you doing this?

Could you please explain how the Trust will divest from companies that do not act in a sustainable manner? E.g fossil fuel companies.

Climate change is the number one issue facing the world today and Australia is at the frontline of many of these changes having experienced massive floods, fires and coral reef bleaching in recent years. I know that Australian Retirement Trust is well aware of this, has divested from coal and is developing policies to tackle this issue. However, it is my understanding that you are still investing in companies actively drilling for oil and gas and I ask if you have any proposals to limit your exposure to these companies in the future?

For ART to truly have our investment future in mind, it needs to support renewable energy and environmental protection, not industries that tear nature down. Why isn't ART divesting from fossil fuels & investing in renewables?

Please inform us as to what measures are in place to cease investment in dirty industries e.g. coal and gas?

Queensland is the most disaster impacted state in Australia, with Queenslanders being susceptible to a variety of hazards including severe flooding, cyclones and bushfires. Many of us have experienced this firsthand in the last few years. As a Queensland-based superannuation fund, why is Australian Retirement Trust continuing to invest in companies fuelling the climate crisis by expanding fossil fuels?

What steps is ART taking to divest from all fossil fuels in order to not only help protect our global climate related health, but also the financial viability of our super fund?

Wondering if ART will be investing more in renewable industries and not investing in any new coal mines?

ART's climate change policy seeks to manage investment risk by following the IPCC proposal of net zero by 2050, so how does the Trustee justify ongoing investment in fossil fuel companies when their value will logically decline the closer we get to that date?

I am a member and very concerned about climate change. How can a retirement fund still invest in companies expanding fossil fuels if it is not in my best interests in retirement?

The most recent United Nations Environment Program Emissions Gap report found that global emissions need to be cut by 45% between 2020 and 2030 to limit warming to 1.5 degrees. The report also found that divestment by superannuation funds is effective in sidelining fossil fuel companies who are pursuing business as usual, and that climate finance needs to expand 3-6-fold. Given that we are one of the largest superannuation funds in the country, will ART divest from fossil fuel companies who continue to expand dirty rather than clean energy production?

Following the intense flooding in Brisbane and my hometown of Maryborough last February, the Bureau of Meteorology released a Special Climate Statement that noted that East Coast Lows such as the one we experienced are likely to become more intense due to the impacts of climate change. In addition to substantial property and infrastructure damage, floods can lead to an increase in infectious diseases, harms to mental health and other harms to our well-being. This is simply more evidence of the public health emergency (as declared by the Australian Medical Association and the global medical community), that climate change presents. While ART has made progress in developing our climate change policy, some of the companies we invest in are major oil and gas companies that are not only failing to cut emissions with the urgency and timeframes required by the science, but instead going in the opposite direction by building enormous new sources of emissions. At what point will ART decide that companies that are expanding fossil fuel production are not an appropriate investment for our membership funds until those companies are ready to come back with serious clean energy plans? Surely protecting our health and well-being from the impacts of climate change is part of ART's duty to members.

Last year, the UN High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities published a report called 'Integrity Matters,' which concluded: "Non-state actors cannot claim to be net zero while continuing to build or invest in new fossil fuel supply…net zero is entirely incompatible with continued investment in fossil fuels." How can Australian Retirement Trust have a target to achieve net zero emissions when it invests in companies like Woodside and Santos which are building new fossil fuel supply projects?

My greatest concern is risk exposure to fossil fuels. What is ART doing to divest apart from having a passive seat at the table?

What is the Fund's investment approach to fossil fuels and transition to gas, hydro and others?

After saying for years that it needs to sell oil and gas so it can pay for its own transition to renewable energy, Shell has responded to obscene profits by winding down its own ambitions for renewable energy. BP has undergone a similar shift, happily declaring that selling safe energy products isn't lucrative enough and adjusting its production forecasts to show much more planet-heating fossil sales. Fossil fuel companies can obviously not be trusted to do what they promised and take actual climate action. When will ART get rid of all fossil fuel investments?

I have some concerns that the direction taken with climate change is unsustainable as the technology to support zero emissions isn't mature enough yet to work and that by uninvesting in the technologies which support Australia's current lifestyle that you will drag down our future standard of living and thus our retirement prospects. As Australia alone cannot make an iota of difference to climate change then the very resources which will help us adapt to a changing climate (which is inevitable considering the increase in CO2 emissions around the world) will not be developed & that by aligning our investments with net zero is not in the interest of members.

When social conscience undermines returns who makes that call with my money?

Why are we still wasting time & members valuable hard earned super money on the ridiculous ESG Policy? Other funds that have followed this policy have now decided to cease. If you continue to use this ESG Policy & members' money is lost in the process, who then is responsible for compensating members for the loss? We can all be committed to reducing carbon emissions by investing in projects that will give us reliable, low-cost energy. Reliable being the most important issue as renewables are NOT reliable.

The coal and gas industries pay billions of dollars each year to the Qld government, both directly in royalties and indirectly through taxes on its profits and the wages of employees, which in turn provide employment for thousands of Qld public sector workers, most of whom are ART/QSuper members, and innumerable public services. In 2021 the US Energy Information Administration, an official arm of the US government, forecast that 'Despite the rapid growth in renewables, fossil fuels will still provide 70 percent of the world's energy in 2050'. In November 2022, Qld Treasury reviewed the International Energy Agency's World Economic Outlook, and concluded that 'under the long-term scenarios outlined in the IEA's 2022 WEO, it is still expected that international demand should continue to support Queensland's coal exports over coming decades, in particular for the state's metallurgical coal producers. Why is ART/QSuper divesting itself of coal and gas investment rather than supporting them and maximising returns to members and the State of Qld, given that fossil fuels will be required well into the future and will not be 'stranded assets'? How much revenue for members has been foregone by ART/QSuper not investing in those industries since the policy was introduced? How does this policy of non-investment sit with directors' obligation to maximise return to members consistent with the law; is this obligation overridden by directors' personal views on the environmental effects of fossil fuels? Why don't directors give members who may not share their opinions on climate change the option of investing their money in extremely profitable coal and gas companies, or at least ask or poll members on the issue?

Will ART seek best rates of return on behalf of members or will this be sacrificed in relation to supporting government promoted green energy outcomes?

Why is ART pursuing an ESG for all members, when there is substantive data showing ESG compliant investments perform more poorly than non-ESG investments. Why not give members a choice, rather than imposing the latest woke causes on all members to their detriment?

Please confirm the ESG EMPHASIS applies only to the sustainable option, and not to the Balanced option where I hope the members' financial interests are paramount?

Why are you still supporting investments into unsustainable industries such as coal and mining?

All of ART's investment decisions must, by law, be made in the best financial interests of our members. Looking after our members retirement savings is a responsibility we take very seriously. From an investment perspective and in line with our legal obligations, this means generating long-term risk-adjusted investment returns for our members across all of our investments, including those related to sustainable investing. To do this, the fund seeks to maximise members' long-term investment outcomes while being cognisant of both risks and opportunities.

Among the risks that we must manage are the risks that flow from climate change and how governments and businesses respond to it. The Australian Government Treasury and one of our regulators, the Australian Prudential Regulation Authority (APRA) recognise matters such as climate change as global risks that must be managed by financial institutions, including superannuation funds.

ART's sustainable investment and climate change policies lay out our approach to managing investments and exposure to climate change risks and opportunities and they are consistent with APRA's guidance on its expectations for organisations, such as ART. Guidance is available at: apra.gov.au/consultation-on-draft-prudential-practice-guide-on-climate-change-financial-risks

We acknowledge the importance of the Paris Climate Agreement's aim of keeping global warming to well below 2°C above pre-industrial temperatures as being critical to maintaining orderly functioning economies. ART has a target of a net-zero carbon emissions investment portfolio by 2050 (NZE2050) and believes mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members. The NZE2050 target is increasingly accepted by markets as the base case through which economies will operate.

However, the transition to a net-zero emissions portfolio will take time, meaning some exposure to fossil fuel investments in ART's portfolio will continue at this time. Our approach is to seek to ensure our investment decisions, and those of our underlying investment managers, reflect the longer-term risks associated with fossil fuel exposure, including the risk of ending up with stranded assets in years to come.

ART has a Climate Change Policy that guides our approach and we are building out our climate change strategy. Its purpose is to identify and manage the risks and opportunities from a changing climate in conjunction with members' best financial interests. In brief, this program involves:

- A target for net-zero carbon emissions across the entire portfolio by 2050.
- Setting interim targets including the development of baseline emissions for the ART portfolios, where data is available.
- Reporting publicly on our progress against global climate disclosure standards.
- Voting at investee company Annual General Meetings.
- Using engagement and advocacy to work with industry bodies and collaborative initiatives and the companies in which we invest to influence, where possible, their emissions trajectories and alignment with NZE2050.

More information and a copy of our policies can be found on our website:
australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

ART invests in a wide variety of asset classes to gain the benefits of diversification. The transition to a net-zero emissions portfolio will take time, meaning some exposure to fossil fuel investments will continue at this time. Oil and gas companies are not currently excluded from our investment portfolio as they contribute to achieving our overall investment objectives and our legislated duty to act in members' best financial interests. Any decision to fully divest from all companies pursuing new and expanded coal, oil and gas projects would only be made if these decisions were both in line with our Climate Change Policy and our legal obligation to act in our members' best financial interests.

ART recognises that it has a responsibility to, where possible, influence the management of climate risk within the companies in which it has investments. Engagement is an important pillar of our climate change strategy; we engage listed companies both directly and indirectly through our memberships in several advocacy bodies: the Investor Group on Climate Change, the Australian Council of Superannuation Investors, and Climate Action 100+. This engagement seeks to assist these companies to understand the types of disclosures and policies that shareholders require in order to assess the risks and opportunities they face.

Engagement with companies that are emitters, rather than outright divestment, is one strategy that may prove more successful in driving better outcomes and our managers continue to take this approach along with ART.

While ART engages with several fossil fuels companies in which we're invested, we've noted in our Sustainable Investment Report that we're seeking to be more focussed in our company engagements and set objectives to track and monitor outcomes.

In relation to questions concerning investments to support the transition, particularly renewable energy, ART is currently considering setting climate-related investment targets to direct capital towards technologies, products, and services required to support decarbonisation of the economy. We aim to share further details in our 2022-2023 Sustainable Investment Report.

When will the Fund publish its Climate Change Roadmap, as noted in last year's Sustainable Investment Report? Will this roadmap include the phase-out of companies expanding fossil fuels, particularly the likes of Woodside and Santos?

As a fund that only came together a little over a year ago, we are in the process of developing our climate change strategy and are aiming to share further details in our 2022-2023 Sustainable Investment Report.

ART invests in a wide variety of asset classes to gain the benefits of diversification. The transition to a net-zero emissions portfolio will take time, meaning some exposure to fossil fuel investments will continue at this time. Oil and gas companies such as Woodside and Santos are not currently excluded from our investment portfolio as they contribute to achieving our overall investment objectives and our legislated duty to act in members' best financial interests.

While ART engages with several fossil fuels companies in which we're invested, we've noted in our Sustainable Investment Report that we're seeking to be more focussed in our company engagements and set objectives to track and monitor outcomes.

More information can be found on our website: australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

What % of investments are invested in ethical companies? I.e. those working with green energy?

What renewable energy companies is ART investing in?

Super Savings account holders may choose the Socially Conscious Balanced option as an ethical investment option that is built for the long-term. We offer the Socially Conscious Balanced option for members who want to invest their superannuation according to an extended set of ESG principles. The option will avoid exposure to companies that derive any revenue from the production or manufacture of nuclear and controversial weapons and tobacco and excludes investment in companies that have a material exposure to provision of services to live animal exports and gambling; the production of alcohol; production and provision of services to pornography; and fossil fuel (coal, oil & gas) exploration, production, refining, processing of fossil fuels and fossil-fuel power generation. A company deriving more than 5% of its total revenue from these industries constitutes material exposure. Currently, the option does not take ESG considerations into account with respect to cash.

For listed equities, renewables exposure is defined as holdings classified in the Renewable Electricity (55105020) Global Industry Classification Standard sub-industry (an explanation is available at: 112727-gics-mapbook_2018_v3_letter_digitalspreads.pdf (spglobal.com)).

For Infrastructure, Private credit, Private equity, renewables exposure is defined as holdings in companies with exposure to solar, wind, geothermal, wind renewables development, battery storage, hydro, and/or hydrogen activities. The exposure is calculated on a fund look-through basis of the renewables-related net asset value of the holding.

As of 30 June 2022, approximately 0.14% of ART's listed equity portfolio, and approximately 3% of ART's infrastructure, private credit and private equity portfolio, was invested in renewable energy companies.

Some examples of ART's listed equity holdings in renewable energy companies include Vestas Wind Systems A/S, a Danish manufacturer of wind turbines, SolarEdge Technologies, Inc., an Israeli manufacturer of solar inverters for photovoltaic arrays, energy generation monitoring software, and battery energy storage products.

A detailed view of holdings across each asset class within the Super Savings products can be found at: australianretirementtrust.com.au/investments/what-we-invest-in/superannuation-investments

A detailed view of holdings across each asset class within the QSuper products can be found at: qsuper.qld.gov.au/investments/how-qsuper-invests/what-we-invest-in

Are there opportunities to invest in forward thinking Australian national initiatives e.g. renewables, advanced manufacturing, pharmaceuticals etc?

What investments is ART making to ensure that the funds stay in Australia and are used for the purpose of promoting Australian businesses with our money? So to be clear, you have a lot of our money that we contribute as a voluntary and involuntary contribution. You are looking after this money to invest it for us because if we pool all our money together, then we should all benefit because investing $2 is better than investing $1 as you can buy more with $2 than one. I would like to know how ART is investing the money to promote the future of Australian jobs, Australian businesses, Australian sustainability, Australian protection of natural resources for example investments into sustainable for generations to come?

We have always invested, and will continue to invest, across a wide range of industries: both here in Australia and globally; both equity and debt investments; and in both public (listed) and in private (unlisted) markets. For example, ART's Super Savings Lifecycle Investment Strategy's Balanced Pool targets a strategic asset allocation of 24.5% in Australian shares.

Any decision to invest in initiatives like renewables, manufacturing or pharmaceuticals – whether they be in Australia or elsewhere – has to be assessed based the legal requirement to act in the best financial interests of our members.

ART's experienced investment team is always looking for opportunities that offer appropriate risk-adjusted returns in the best financial interests of our 2.2 million members, including when this might contribute to the economic development of the nation – both directly and indirectly.

While many of the investments we make can, and indeed do, contribute to the economic development of Australia, the assets we invest in must meet our investment criteria as well as our duty to generate returns that are in our members best financial interests.

Examples of investments in Australia include our proposed investment in social and affordable housing in Queensland and our majority investment in G'day Group, which through its Discovery Parks, is the largest owner and operator of lifestyle parks in Australia.

The proposed social housing investment, should it proceed, will see 1,200 new homes delivered through a partnership with QIC and Brisbane Housing Company. Further information is available at: australianretirementtrust.com.au/newsroom/deliver-social-housing-in-qld

With ART's support, G'Day Group has ambitions to continue to grow, by acquiring new parks and investing to improve the facilities it offers within its parks, for example by building a brand new water park at Goolwa in South Australia and the recent purchase of Narooma Holiday Park on the South Coast of NSW. In November 2022, G'Day Group announced a landmark land deal between the Wilinggin Aboriginal Corporation (WAC) and the Western Australian Government to return a Kimberley tourism precinct, El Questro, to traditional owners. The terms of the deal will allow the G'day Group to run and further invest in its tourist operation in the area.

Are you working towards more socially conscious and environmentally friendly investment options beyond the current ones?

I was informed that there was a sub-committee looking into the possibility of an investment choice that enabled a member to select an investment option that was divested of fossil fuel companies. What progress has been made in setting this up?

Can we influence the ethical investment side of our investments?

While we have no plans to add additional sustainable or socially responsible options to our investment menu, we are reviewing our current offerings. ART will update members about significant events and material changes, as required by law.

All of ART's investment decisions must, by law, be made in the best financial interests of all of our 2.2 million members. This means that any investment we, or the managers we appoint undertake on behalf of members, is rigorously assessed on their investment merits: the expected returns relative to the costs associated with making that investment and the risks involved, including the risk of capital loss. These decisions are made by the ART investment team under the authority delegated to them by the ART Board of Trustees who are ultimately responsible for the fund's investment activities and its performance.

Members who prefer a greater focus on sustainable investments may choose our Socially Conscious Balanced investment option (for Super Savings accounts) or our Socially Responsible investment option (for QSuper accounts). More information is available at:

- Super Savings: australianretirementtrust.com.au/investments/how-we-invest/socially-conscious-balanced
- QSuper: qsuper.qld.gov.au/investments/options/socially-responsible

What happens when the Federal Government legislates that all super funds must contribute to renewables? Does your Socially Responsible option then transfer from optional to compulsory? As a super fund managing retirees' money - where do your loyalties lie?

All of ART's investment decisions must, by law, be made in the best financial interests of our members. If the law changes we are obliged to comply but we are not aware of any proposal.

What is Australian Retirement Trust doing to address ESG investment opportunities?

What social and environmental considerations does ART make in choosing investments?

What is Australian Retirement Trust's environmental policy, and how does that align with its current investment structure for policy holders?

Looking after our members retirement savings is a responsibility we take very seriously. From an investment perspective and in line with our legal obligations, this means generating long-term, risk-adjusted investment returns for our members across all of our investments, including those related to sustainable investing. To do this, the fund seeks to maximise members' long-term investment outcomes while being cognisant of both risks and opportunities.

We consider that integrating environmental, social and governance (ESG) factors into our investment decision making – both return-seeking and risk management – enhances risk-adjusted returns and is in the best financial interests of 2.2 million members. ART integrates ESG factors into our investment decision making across the entire fund, including our ready-made diversified options.

There are many ESG factors that ART considers including but not limited to climate change and carbon emissions; waste and pollution; energy efficiency; health and safety; human rights; modern slavery and child labour; board independence, structure and diversity; shareholder rights; and executive remuneration. We're also closely monitoring emerging themes (e.g., nature) which may pose both risks and opportunities to investment portfolios.

Among the risks that we must manage are the risks that flow from climate change and how governments and businesses respond to it. ART's sustainable investment and climate change policies lay out our approach to managing investments and exposure to climate change risks and opportunities.

More information and a copy of our policies can be found on our website:
australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

We believe mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members. ART has a target of a net-zero carbon emissions investment portfolio by 2050 (NZE2050), aligned with the Paris Agreement goal of limiting global warming to well below 2°C above pre-industrial levels.

We're seeking to take advantage of investment opportunities that the goal of a transition to net-zero by 2050 presents. Although some of the companies within our investment portfolio may be considered a fossil fuels producer now, a number of them are pivoting their businesses and we want to be able to support that.

We also seek to use our influence to encourage companies we invest in to manage ESG risks and opportunities, including climate change, and we work with external advocacy bodies and initiatives with the aim of improving transparency and ESG practices of the companies in which we invest.

Could you please explain what Australian Retirement Trust is doing to meet its social obligations? Australian Retirement Trust is a large investor, in all aspects of the economy. Its investment choices should reflect current and emerging social values. I'm concerned that my and other members' savings continue to be invested in gambling, fossil fuels and the like. I'm aware that you offer a Socially Responsible option, however this is a global fund with only a limited number of investments in Australia.

Looking after our members retirement savings is a responsibility we take very seriously. From an investment perspective and in line with our legal obligations, this means generating long-term, risk-adjusted investment returns for our members across all of our investments, including those related to sustainable investing. To do this, the fund seeks to maximise members' long-term investment outcomes while being cognisant of both risks and opportunities.

We consider that integrating environmental, social and governance (ESG) factors into our investment decision making – both return-seeking and risk management – enhances risk-adjusted returns and is in the best financial interests of our 2.2 million members. ART integrates ESG factors into our investment decision making across the entire fund, including our ready-made diversified options.

There are many ESG factors that ART considers including but not limited to climate change and carbon emissions; waste and pollution; energy efficiency; health and safety; human rights; modern slavery and child labour; board independence, structure and diversity; shareholder rights; and executive remuneration. We're also closely monitoring emerging themes (e.g., nature) which may pose both risks and opportunities to investment portfolios.

Among the risks that we must manage are the risks that flow from climate change and how governments and businesses respond to it. ART's sustainable investment and climate change policies lay out our approach to managing investments and exposure to climate change risks and opportunities.

More information and a copy of our policies can be found on our website: australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

We believe mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members. ART has a target of a net-zero carbon emissions investment portfolio by 2050 (NZE2050), aligned with the Paris Agreement goal of limiting global warming to well below 2°C above pre-industrial levels.

ART invests in a wide variety of asset classes to gain the benefits of diversification. The transition to a net-zero emissions portfolio will take time, meaning some exposure to fossil fuel investments will continue at this time. We believe mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members.

We also seek to use our influence to encourage companies we invest in to manage ESG risks and opportunities, including climate change, and we work with industry bodies and collaborative initiativeswith the aim of improving transparency and ESG practices of the companies in which we invest.

Companies that operate casinos and other gambling and gaming businesses are not currently excluded from our investment portfolio in our ready-made diversified options as they contribute to achieving our overall investment objectives and our legislated duty to members.

Super Savings account holders may choose the Socially Conscious Balanced option as an ethical investment option that is built for the long-term. We offer the Socially Conscious Balanced option for members who want to invest their superannuation according to an extended set of ESG principles. The option will avoid exposure to companies that derive any revenue from the production or manufacture of nuclear and controversial weapons and tobacco and excludes investment in companies that have a material exposure to provision of services to live animal exports and gambling; the production of alcohol; production and provision of services to pornography; and fossil fuel (coal, oil & gas) exploration, production, refining, processing of fossil fuels and fossil-fuel power generation. A company deriving more than 5% of its total revenue from these industries constitutes material exposure. Currently, the option does not take ESG considerations into account with respect to cash.

QSuper account holders may choose our Socially Responsible investment option which focuses on the guiding principle of seeking investments in relation to areas that members have told us they care about such as clean energy, conservation and the environment, waste reduction and recycling, food and water scarcity, medical and technological innovation, education, healthcare, and green building. As each asset class requires a different investment portfolio and strategy, we apply these environmental and social considerations in various ways. For example, within listed shares, an investee company must derive at least half its revenue from activities associated with one or more of the UN Sustainable Development Goals, thereby aligning to members' preferences. Our broad approach of seeking assets that help contribute to impacts in areas that members have told us they care about (such as those set out above), also means this option seeks to have minimal exposure (if any) to issues such as fossil fuels, gambling, and adult entertainment. As at 30 June 2022, investments of this nature amounted to less than 1.5 per cent of the option. This consists of 2 listed companies that generate a minority of their revenue from oil and gas-related activities. Because this option does not feature threshold-based exclusions, it is difficult to avoid all exposure to these activities.

This option does not include any additional formal exclusions to those applied to QSuper Accumulation account investment options (exclusions include companies involved in manufacturing cigarettes and other tobacco products (Global Industry Classification Code 302030), cluster munitions, or whole systems or components of land mines.

In light of ASIC's 2022 greenwashing guidance and recent disciplinary actions against some super funds and listed companies, is Australian Retirement Trust concerned about being sued over greenwashing?

No. The ART view on all public statements including statements that we make around sustainable investment is that they must be supported by reasonable grounds.

We have commenced using the framework of the voluntary recommendations from the Task Force on Climate-related Disclosures (TCFD) for reporting our work on Climate Change. ART's Super Savings Socially Conscious Balanced Option is certified by the Responsible Investment Association Australasia (RIAA). The RIAA certification indicates that an investment product "*has implemented an investment style and process that systematically takes into account environmental, social, governance or ethical considerations, and this investment process reliability has been verified by an external party. The product or service meets the strict operational and disclosure practices of Certification Program requirements.*

More information about the RIAA certification is available at: responsibleinvestment.org/ri-certification/

Woodside has announced it will spend $5 billion on "new energy" by 2030. This pales in comparison to the more than $30 billion the company is planning to spend on oil and gas expansion. Does Australian Retirement Trust genuinely believe a company like Woodside is able to transition to a low-carbon future in line with the Paris climate goals?

Woodside's Scarborough Gas Project would be one of the most polluting fossil fuel projects under development in Australia if it proceeded, with 1.37 billion tonnes of climate pollution out to 2055, and double the annual pollution from Australia's dirtiest coal power station. Woodside has not committed to net zero emissions and its climate plan relies heavily on offsets and plans for polluting hydrogen from fossil fuels that have barely developed. Given this, how can our super fund justify the enormous investment in Woodside?

Looking after our members retirement savings is a responsibility we take very seriously. From an investment perspective and in line with our legal obligations, this means generating long-term, risk-adjusted investment returns for our members. To do this, the fund seeks to maximise members' long-term investment outcomes while being cognisant of both risks and opportunities.

Among the risks that we must manage are the risks that flow from climate change and how governments and businesses respond to it. ART's sustainable investment and climate change policies lay out our approach to managing investments and exposure to climate change risks and opportunities.

More information and a copy of our policies can be found on our website:
australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

ART has a Climate Change Policy that guides our approach and we are building out our climate change strategy. Its purpose is to identify and manage the risks and opportunities from a changing climate in conjunction with members' best financial interests. In brief, this program involves:

- A target for net-zero emissions across the entire portfolio by 2050
- Setting interim targets including the development of baseline emissions for the ART portfolios, where data is available
- Reporting publicly on our progress against global climate disclosure standards
- Voting at investee company Annual General Meetings
- Using engagement and advocacy to work with industry bodies and collaborative initiatives and the companies in which we invest to influence, where possible, their emissions trajectories and alignment with NZE2050.

Woodside is not currently excluded from our investment portfolio as it contributes to members returns helping to deliver on our overall investment objectives and our legislated duty to act in members' best financial interests.

Over the past year, we have engaged with Woodside on a number of occasions in relation to climate change. We have also sought the views from external investment managers on Woodside and its approach to managing climate risk. Engagement with companies that are emitters, rather than outright divestment, is one strategy that may prove more successful in driving better outcomes and our managers continue to take this approach along with ART. We are seeking to be more focused in our company engagements and set objectives to track and monitor outcomes.

Any decision to fully divest from all companies pursuing new and expanded fossil fuel projects would only be made if these decisions were both in line with our Climate Change Policy and our legal obligation to act in our members' best financial interests.

Will ART review its holdings in Brisbane Airport Corporation, in consideration of the effect that plane noise has on so many residents of Brisbane, with many of us not wanting our super invested there?

Is ART investing in Brisbane Airport? If so is ART monitoring the effect of this airport's operations on its customers living under flight paths?

I was interested to learn about ART's investment in products/companies with low greenhouse gas emissions, that contribute to the low carbon economy, sustainable investing activity etc. Applying this lens regarding responsible investment, have you considered the significant physical and mental health impact on a large number of Brisbane residents from noise from Brisbane airport, since the implementation of the new flight paths. And will you consider reducing or ending the level of investment in Brisbane Airport.

We are, and have been for some time, shareholders of Brisbane Airport Corporate (BAC).

While airports are an important infrastructure asset and provide essential services to society, we understand aircraft noise can have a negative impact on the community. Any decisions to increase or decrease our holdings, would be made if it is in the best financial interest of our members.

Through our shareholding we work with our asset managers to seek to ensure BAC is committed to minimising its noise impacts on neighbouring communities as activity level grows. ART will continue to work with its asset managers and BAC management to seek to influence continuous improvement by BAC in relation to its operation, consistent with our obligations and duties.

In relation to investments that contribute to a low carbon economy, ART is currently considering setting climate-related investment targets to direct capital towards technologies, products, and services required to support decarbonisation of the economy. We are aiming to share further details in our 2022-2023 Sustainable Investment Report.

As Renew Economy put it ordinary Australians and our domestic industrial sectors are crushed by hyperinflation of energy prices and a doubling of mortgage costs, plunging many into energy poverty and hardship, one sector of our economy is reaping windfall war-profits on an obscene scale all on the back of Putin's invasion of Ukraine and associated sanctions against Russian fossil fuel exports. Windfall gains in the old fossil fuel sector are going to keep attracting short-term focused investors even as we MUST transition to cheaper renewable and people friendly energy systems that might take some time to deliver returns. How does Australian Retirement Trust propose to navigate and indeed perhaps advance the just renewables transition with its $200 billion in retirement investment?

ART's sustainable investment and climate change policies lay out our approach to managing investments and exposure to climate change risks and opportunities.

More information and a copy of our policies can be found on our website: australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

We believe mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members. ART has a target of a net zero carbon emissions investment portfolio by

2050 (NZE2050), aligned with the Paris Agreement goal of limiting global warming to well below 2°C above pre-industrial levels. However, the transition to a net-zero emissions portfolio will take time, meaning some exposure to fossil fuel investments in ART's portfolio will continue in the interim. Our approach is to seek to ensure our investment decisions, and those of our underlying investment managers, reflect the longer-term risks associated with fossil fuel exposure, including the risk of ending up with stranded assets in years to come.

ART invests in several asset classes in companies involved in many areas of energy development, processing, retail and delivery. This includes both fossil fuel and renewable sources. All investments we make have to be able to generate returns that meet our investment criteria and be in the best financial interests of our members.

ART is currently considering setting climate-related investment targets to help direct capital towards technologies, products, and services required to support decarbonisation of the economy. We are aiming to share further details in our 2022-2023 Sustainable Investment Report.

Between 31 December 2021 and 30 June 2022 Australian Retirement Trust decreased its shares in Santos by 4.4%, in the Fund's default investment option. Is this a one-way trend? Can members expect Australian Retirement Trust to continue selling Santos shares?

Looking after our members retirement savings is a responsibility we take very seriously. From an investment perspective and in line with our legal obligations, this means generating long-term risk-adjusted investment returns for our members. To do this, the fund seeks to maximise members' long-term investment outcomes while being cognisant of both risks and opportunities.

Santos is not currently excluded from our investment portfolio as it contributes to members returns helping to deliver on our overall investment objectives and our legislated duty to act in members' best financial interests. Over the past year, we have engaged with Santos on a number of occasions in relation to climate change. We have also sought the views from our external investment managers on Santos and its approach to managing climate risk. Engagement with companies that are emitters, rather than outright divestment, is one strategy that may prove more successful in driving better outcomes and our managers continue to take this approach along with ART.

Among the risks that we must manage are the risks that flow from climate change and how governments and businesses respond to it. ART's sustainable investment and climate change policies lay out our approach to managing investments and exposure to climate change risks and opportunities.

Any decision to further invest or fully divest from all companies pursuing new and expanded fossil fuel projects would only be made if these decisions were both in line with our Climate Change Policy and our legal obligation to act in our members' best financial interests.

More information and a copy of our policies can be found on our website:
australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

How's this one? ART's "socially responsible" option invests in companies who own subsidiary oil and gas companies who are exploring new gas fields. Shouldn't the entire fund be socially responsible? And wouldn't that rule out any new gas? This would mean gas companies would maintain their current levels of production and reduce in line with growth in renewables and the timeframe needed to tackle the climate crisis.

Looking after our members retirement savings is a responsibility we take very seriously. From an investment perspective and in line with our legal obligations, this means generating long-term risk-adjusted investment returns for our members across all of our investments, including those related to sustainable investing. To do this, the fund seeks to maximise members' long-term investment outcomes while being cognisant of both risks and opportunities.

Among the risks that we must manage are the risks that flow from climate change and how governments and businesses respond to it. ART's sustainable investment and climate change policies lay out our approach to managing investments and exposure to climate change risks and opportunities.

We believe mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members. ART has set a net-zero carbon emissions investment portfolio by 2050 (NZE2050), aligned with the Paris Agreement goal of limiting global warming to well below 2°C above pre-industrial levels. However, the transition to a net-zero emissions portfolio will take time, meaning some exposure to fossil fuel investments in ART's portfolio will continue in the interim. Our approach is to seek to ensure our investment decisions, and those of our underlying investment managers, reflect the longer-term risks associated with fossil fuel exposure, including the risk of ending up with stranded assets in years to come.

We're seeking to take advantage of investment opportunities that the transition to net-zero by 2050 presents. Although some of these companies may be considered a fossil fuels producer now, a number of them are pivoting their businesses and we want to be able to support that.

ART invests in several asset classes in companies involved in many areas of energy development, processing, retail and delivery. This includes both fossil fuel and renewable sources. We also seek to use our influence, where possible, to encourage companies we invest in to manage ESG risks and opportunities, including climate change, and we work with industry bodies and collaborative initiatives with the aim of improving transparency and ESG practices of the companies in which we invest.

The QSuper Socially Responsible investment option focuses on the guiding principle of seeking investments in relation to areas that members have told us they care about such as clean energy, conservation and the environment, waste reduction and recycling, food and water scarcity, medical and technological innovation, education, healthcare, and green building. As each asset class requires a different investment portfolio and strategy, we apply these environmental and social considerations in various ways. For example, within listed shares, an investee company must derive at least half its revenue from activities associated with one or more of the UN Sustainable Development Goals, thereby aligning to members' preferences. Our broad approach of seeking assets that help contribute to impacts in areas that members have told us they care about (such as those set out above), also means this option seeks to have minimal exposure to issues such as fossil fuels, gambling, and adult entertainment. As at 30 June 2022, investments of this nature amounted to less than 1.5% of the option. This consists of 2 listed companies that generate a minority of their revenue from oil and gas-related activities. The design of this offering is under review.

Super Socially Responsible - future strategy plans (QSuper).

The QSuper Socially Responsible investment option focuses on the guiding principle of seeking investments in relation to areas that members have told us they care about such as clean energy, conservation and the environment, waste reduction and recycling, food and water scarcity, medical and technological innovation, education, healthcare, and green building. As each asset class requires a different investment portfolio and strategy, we apply these environmental and social considerations in various ways. For example, within listed shares, an investee company must derive at least half its revenue from activities associated with one or more of the UN Sustainable Development Goals, thereby aligning to members' preferences.

Our broad approach of seeking assets that help contribute to impacts in areas that members have told us they care about (such as those set out above), also means this option seeks to have minimal exposure (if any) to issues such as fossil fuels, gambling, and adult entertainment. As at 30 June 2022, investments of this nature amounted to less than 1.5% of the option. This consists of 2 listed companies that generate a minority of their revenue from oil and gas-related activities. Because this option does not feature threshold-based exclusions, it is difficult to avoid all exposure to these activities.

This option includes the same formal exclusions to those applied to QSuper Accumulation account investment options (exclusions include companies involved in manufacturing cigarettes and other tobacco products (Global Industry Classification Code 302030), cluster munitions, or whole systems or components of land mines.

While we have no plans to add additional sustainable or socially responsible options to our investment menu, we are reviewing our current offerings. ART will update members about significant events and material changes, as required by law.

In relation to socially responsible investments generally, we are continuing to develop our Climate Change strategy and will provide further details of our climate change strategy in our 2022-2023 Sustainable Investment Report.

The most recent land-clearing data shows that over 680,000 hectares of land in Queensland was stripped of trees, mostly for cattle farming. This has enormous implications for soil health, water retention, biodiversity and the resilience of our regions. Yet in addition to the European Union's recent ban on deforestation-linked products, the US, Japan and Canada are all considering similar moves. Does our Fund know how exposed to deforestation the food and agriculture companies we hold shares in are, and what the financial implications of this might be?

There are many ESG factors that ART is monitoring, including emerging themes such as nature and biodiversity loss which may pose both risks and opportunities to investment portfolios.

As a result of limited disclosure and inconsistent measurement methodologies at the investee company level, it is difficult for most investors to accurately assess the financial implications of nature-related risks, including the impact of deforestation on the activities of food and agriculture companies. We believe future disclosure rule enhancements will assist ART and other investors to improve transparency and this decision making.

What does Australian Retirement Trust make of the Federal Court decision finding Santos had failed to properly consult with Munupi Traditional Owners over the Barossa gas project? Will the Fund increase its scrutiny of Santos' business strategy, given the company will seemingly go to any length to ignore the wishes of Traditional Owners in pursuit of its gas expansion plans?

ART respects the rights of First Nations Peoples.

Where companies in our portfolio face a material risk in this area, where possible, ART engages to understand and assess how they:

- Manage and mitigate this risk, and
- respect human rights and provide remedy to adverse human rights impacts that they may have caused or contributed to.

This engagement may be direct with the company or collaboratively through the Australian Council of Superannuation Investors (ACSI).

ART engaged with Santos, in collaboration with ACSI in December 2022, following the ruling of the Federal Court case Santos v Tipakalippa, and notes the guidance provided by the Federal Court and that Santos has outlined their response and committed to further engagement, details of which can be found on their website: santos.com/barossa/

ART will continue to engage with Santos on this issue where appropriate.

When I have previously asked Australian Retirement Trust to divest from Santos and Woodside, the Fund told me it prefers to engage with the companies it invests in. But engagement has clearly failed in this case, as both companies are still increasing oil and gas production after years of engagement from many super funds. What are the next steps for Australian Retirement Trust? Does the Fund have an escalation framework in place for companies which have failed to adequately respond to engagement?

Santos and Woodside are not currently excluded from our investment portfolio as they contribute to members returns helping to deliver on our overall investment objectives and our legislated duty to members. Over the past year, we have engaged with Santos and Woodside on a number of occasions in relation to climate change. We have also sought the views from our external investment managers on Santos and Woodside and their approach to managing climate risk. Continued engagement with companies that are emitters, rather than outright divestment, is one strategy that may prove more successful in driving better outcomes and our managers continue to take this approach along with ART. We've noted in our Sustainable Investment Report that we're seeking to be more focussed in our company engagements and set objectives to track and monitor outcomes.

Our ownership rights afford us several options should we come to the view that the companies are not making sufficient progress on their emissions trajectories and alignment with NZE2050. These include but are not limited to voting on the election and re-election of directors and voting on the remuneration report at company Annual General Meetings.

Any decision to fully divest from either company would only be made if these decisions were both in line with our Climate Change Policy and our legal obligation to act in our members' best financial interests.

What proportion of my super is being invested in Woodside and Santos gas projects?

Why is Australian Retirement Trust continuing to invest in companies such as Santos and Woodside, both of which are pursuing new fossil fuel projects, when this is clearly incompatible with the net zero emissions target necessary to address climate change?

By investing in Santos and Woodside, Australian Retirement Trust is giving these companies a social licence to operate. Both companies are pursuing new fossil fuel projects incompatible with a safe climate and trashing Indigenous cultural heritage along the way. Why does Australian Retirement Trust continue supporting these companies?

The International Energy Agency's Net Zero Report by 2050 report made it clear that no new oil and gas fields can be developed if we are to achieve net zero emissions by 2050. Why is Australian Retirement Trust investing in companies like Santos and Woodside which are undermining the Fund's own commitment to net zero by 2050 by pursuing new oil and gas production?

Santos and Woodside are not currently excluded from our investment portfolio as they contribute to members returns helping to deliver on our overall investment objectives and our legislated duty to members. Over the past year, we have engaged with Santos and Woodside on a number of occasions in relation to climate change. We have also sought the views from our external investment managers on Santos and Woodside and their approach to managing climate risk. Continued engagement with companies that are emitters, rather than outright divestment, is a strategy that may prove more successful in driving better outcomes and our managers continue to take this approach along with ART.

Our ownership rights afford us several options should we come to the view that the companies are not making sufficient progress on their emissions trajectories and alignment with NZE2050. These include but are not limited to voting on the election and re-election of directors and voting on the remuneration report at Annual General Meetings.

We've noted in our Sustainable Investment Report that we're seeking to be more focussed in our company engagements and set objectives to track and monitor outcomes.

Any decision to fully divest from either company would only be made if these decisions were both in line with our Climate Change Policy and our legal obligation to act in our members' best financial interests.

A detailed view of holdings across each asset class for Super Savings can be viewed on ART's website**:** australianretirementtrust.com.au/investments/what-we-invest-in/superannuation-investments or for QSuper accounts on the QSuper website: qsuper.qld.gov.au/investments/how-qsuper-invests/what-we-invest-in

Last week it was found that Santos had covered up a massive oil spill that killed multiple dolphins in WA. Why is Australian Retirement Trust investing our money in a company that, according to its own employee has 'total disregard for the values they say they hold dear, values such as accountability and integrity'. We as members deserve better than you investing our money in companies that are destroying our future.

ART is aware of the claims against Santos tabled by in Parliament in February 2023. ART will engage with Santos on this issue in advance of their annual general meeting, which will likely be held in May 2023.

In Aug 2019, I asked a question at the annual meeting about climate change risk & was told then the impact wasn't quantifiable. Well it is now & many experts advise against fossil fuel investments. Today I read in the Guardian that ART has substantial exposure to discredited company Adani, now in free fall. What was the risk assessment & why was such a contentious company that divides the community invested in?

How much money of ART is still invested in the 6 Adani entities?

What is the extent of ART's exposure to Adani shares?

Adani has been credibly alleged to be fraudulent. When will ART divest of all Adani investments?

How much has the Fund lost through investing in Adani Group?

Why are you investing in Adani coal mines if you're moving to net zero?

ART has a small holding in Adani Group companies through our passive investment strategies. Our total holdings as at 28 February 2023 in Adani group companies equate to $11.58M of approximately $240B of our entire portfolio (representing 0.005% of total funds under management).

Passive or index portfolios are designed to closely track the performance of major market indices, by essentially replicating their composition. As Adani companies are included in international share indices, those companies have formed part of our passive portfolio.

The Super Savings Socially Conscious Balanced option does not contain exposure to Adani. The QSuper Socially Responsible option has a holding in Adani Green Energy only and no other Adani companies.

Over the 3 years to 28 February 2023, the loss in value attributed to ART's investments in Adani Group companies was approximately $6.3M, which in percentage terms represents just 0.003% of ART's total funds under management

Any decision to fully divest from all companies pursuing new and expanded fossil fuel projects or that produce thermal coal would only be made if these decisions were both in line with our Climate Change Policy and our legal obligation to act in our members' best financial interests.

ART has a target of a net-zero carbon emissions investment portfolio by 2050 and believes mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members.

ART has a Climate Change Policy that guides our approach and we are building out our climate change strategy. Its purpose is to identify and manage the risks and opportunities from a changing climate in conjunction with members' best financial interests. In brief, this program involves:

- A target for net-zero emissions across the entire portfolio by 2050.
- Setting interim targets including the development of baseline emissions for the ART portfolios, where data is available.
- Reporting publicly on our progress against global climate disclosure standards.

- Voting at investee company Annual General Meetings.
- Using engagement and advocacy to work with advocacy organisations and investment managers and the companies in which we invest to influence, where possible, their emissions trajectories and alignment with NZE2050.

More information and a copy of our policies can be found on our website: australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

ART invests in a wide variety of asset classes to gain the benefits of diversification. The transition to a net-zero emissions portfolio will take time, meaning some exposure to fossil fuel investments will continue at this time. We believe mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members.

Does ART invest member superannuation funds in casinos?

Why has the Trust increased its holdings in casino operator The Star, given the latter has been found unfit to hold a casino licence, not to mention the basic ethical issues with investing in gambling and casino-based gambling that has a history of attracting unscrupulous and criminal entities?

Please comment on the rationale of such a large investment into Crest Casino [ART interprets this question to mean Star] and the ramifications of this investment now especially with all the class actions against it.

Companies that operate casinos and other gambling and gaming businesses are not currently excluded from our investment portfolio in our ready-made diversified options as they contribute to achieving our overall investment objectives and our legislated duty to act in members' best financial interests.

We also offer investment options that limit their material exposure to gambling – that's no more than 5 per cent of its total revenue in gambling.

Prior to merging to become ART, Sunsuper and QSuper both held shares in Star. ART has continued to hold shares in Star in its listed shares/public markets portfolio since the merger on 28 February 2022.

We regularly increase our exposure to publicly listed companies where we believe a company is undervalued or has potential to increase in value in the future.

ART increased its exposure to Star during the market selloff throughout late December 2022 and early January 2023 and increased holdings while the share price was low, as we saw value for our members.

As at 31 January 2023, we own 5.654% of the company (an increase from 4.5% at the end of December 2022). ART and Star followed their legal obligations by filing notices with the Australian Securities Exchange (ASX) about the increase in holdings.

ART is aware of the governance, compliance and regulatory issues within Star.

As a substantial shareholder, we welcomed the announcement of several structural changes to facilitate improvement in the company's governance, risk, and compliance procedures. It is our expectation that the additional regulatory oversight should support effective implementation of these changes.

Our Sustainable Investment and Public Markets teams are implementing a comprehensive engagement approach that, as a substantial shareholder, aims to ensure that we're holding Star accountable on these issues and also aims to ensure that Star follows through on its commitment to increase value for shareholders – i.e., our members. ART held a meeting with Star's Chair and Chief Executive Officer on 24 February 2023 as part of this engagement plan.

Given the company's governance changes and our engagement approach, we believe we have the opportunity to add value for our members. If that view changes, we would consider our ongoing options for investment.

Why did ART decide to change the indexed products to different underlying indices which are ethical indices rather than broad based all cap indices? How is ART ensuring that the exclusions from the underlying indices to create the ethical indices are in members' interests? Last year, some of the exclusions were the strongest performers in the broad based index fund, returns lost to ART members.

In relation to ART's Super Savings "Australian Shares - Index", "International Shares – Index (unhedged)", and "Emerging Markets Shares" investment options, indices which changed on 1 July 2022, the existing benchmarks, performance objectives, risk objectives, fees and costs remain unchanged.

Each of these index options continue to be benchmarked to the standard market cap-based indices and the performance objective of these options remains to deliver equity market-like returns.

What has changed is that the Super Saver options now seek to have a lower carbon footprint. That is, the underlying investment portfolio is being managed to replicate a customised index. That index is designed to result in a lower carbon footprint while maintaining close characteristics to the standard market cap index. Over the long-term, the backdated test shows that the two indices track each other closely, noting that performance might deviate in the short-term. No additional ESG screens have been applied as a result of the change to a low carbon index. There were no changes to the previous exclusions, which includes tobacco producers, companies involved in the manufacturing of cluster munitions (except companies involved in delivery platforms), and companies involved in manufacturing of landmines.

The performance of the low-carbon indices vs the benchmark indices over the 12 months to 28 February 2023 is as follows:[1]

Australian equities

Time period	Benchmark return (MSCI AU 300)	Customised index return (MSCI AU 300 LCT)
1 March 2022 - 28 February 2023	6.92%	6.75%

International equities

Time period	Benchmark return (MSCI World ex AU IMI SPT)	Customised index return (MSCI World ex AU IMI LCT SPT)
1 March 2022 - 28 February 2023	-0.30%	-0.24%

As part of our Board-approved Climate Change Policy, ART has committed to a net zero emissions portfolio by 2050. We believe that integrating environmental, social and governance factors into our investment decision making such as that described above is in the best financial interests of members.

More information and a copy of our policies can be found on our website: australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

1 Past performance is not a reliable indicator of future performance

Insurance

I want to know is AIA now the secondary insurance company when claiming TPD or income protection and what is ART going to do to help people after 6 years for transitioning back to returned work or dealing with mental health plans?

The insurance provider for life and disability insurance cover, including Income Protection cover, is dependent on various factors, including a member's employer.

There has been no change to the insurance providers that were in place prior to the merger between QSuper and Sunsuper to form ART. For instance, members that hold a Super Savings account have insurance cover provided by AIA, and members that hold a QSuper account have insurance cover provided by QInsure.

Some employers have made arrangements with us to provide their employees with different insurance cover. The details of your insurance are communicated in the relevant product disclosure statement and statement of insurance when you join ART, obtain insurance with ART, or shortly after one of those events.

The life and disability insurance arrangements available to ART members include elements of rehabilitation to support members on their return to wellness and where appropriate, return to work journey. This includes where there are mental health plans in place.

Information on insurance cover, including how to apply for cover or increase existing cover is available on the insurance section of our websites:

- Super Savings account holders: australianretirementtrust.com.au/insurance
- QSuper account holders: qsuper.qld.gov.au/insurance

To confirm current details of your insurance cover with ART or to discuss your specific needs please call us on 13 11 84 (Super Savings account holders) or 1300 360 750 (QSuper account holders).

More people are now working beyond the age of 65, and the eligibility age for the aged pension has increased above 65. So why is the option of income protection not offered to workers aged over 65?

As part of providing insurance cover through an ART superannuation account, we have an obligation to ensure that the cost of insurance does not outweigh the ability for members to grow their retirement balance. Whilst there are some rare occasions where Income Protection insurance is made available to members within superannuation over the ages indicated in the question, generally the cost of providing this cover after 65 outweighs the ability for members to continue to grow their retirement savings.

Information on insurance cover, including how to apply for cover or increase existing cover is available on the insurance section of our websites:

- Super Savings account holders: australianretirementtrust.com.au/insurance
- QSuper account holders: qsuper.qld.gov.au/insurance

To confirm current details of your insurance cover with ART or to discuss your specific needs please call us on 13 11 84 (Super Savings account holders) or 1300 360 750 (QSuper account holders).

I want to do Accidental Insurance or any other life insurance with my super fund? Is it automatically invested or do I have to give you any authorisation to start that?

All eligible ART members are automatically provided with Life and Total and Permanent Disability insurance when they meet the required thresholds as explained in our product disclosure statements. Members can also tailor insurance cover to meet their needs.

Information on insurance cover, including how to apply for cover or increase existing cover is available on the insurance section of our websites:

- Super Savings account holders: australianretirementtrust.com.au/insurance
- QSuper account holders: qsuper.qld.gov.au/insurance

To confirm current details of your insurance cover with ART or to discuss your specific needs please call us on 13 11 84 (Super Savings account holders) or 1300 360 750 (QSuper account holders).

Investments

The past countercyclical nature of bonds to equities has recently broken down. What are the future countercyclical assets available to mainstream investors?

While bonds have often provided diversification benefits during times of share market turmoil (i.e. rising in value when share prices are falling) that has not always been the case. During periods of high inflation, bonds and shares have often been positively correlated. This was certainly the case in 2022 when both shares and bonds lost value. No one has a perfect forecast as to when this pattern of performance will reverse or exactly when and how far inflation will fall. However, at ART, we are not solely reliant on bonds to provide diversification benefits during periods of share market turmoil. Having a significant exposure to foreign currencies does tend to "cushion the blow" during periods of market turmoil as the Australian dollar tends to fall during those periods. ART's significant exposure to unlisted assets – infrastructure, real estate, and private equity and private credit – have provided very powerful diversification benefits during share market downturns (including in 2022) and often provide protection against higher inflation as the income they produce (particularly in real estate and infrastructure) is often inflation linked.

The fact that cash interest rates and bond yields have risen means that future returns from these exposures are likely to be considerably better over the coming years.

Why not display the actual daily current asset mix of all diversified options on the publicly available website rather than as now have it restricted to the member online *Investments* page and, further, limited only to any particular vested diversified option/s of the particular member?

Thank you for your suggestion. We continually look at ways to improve our member reporting. We note the information on the public website and Member Online (MOL) is currently as follows:

Public website: Displays the underlying asset allocations of all options, these allocations are updated quarterly and portfolio holdings of the options (showing asset level holdings) are updated twice a year.

Member Online: Displays the member's investments in the suite of options (i.e. units held, unit price, account balances, transactions), but does not show underlying asset allocations (i.e. asset classes for each option). The valuation of a member's units is updated in line with the changes in unit price.

A lot has been said about valuations of unlisted assets. How can we be confident that valuations are fair and what is the track record of realised proceeds vs valuations of assets that have been sold by ART over time?

Wondering if there's any implications for the valuation methodology of unlisted assets in the Fund based on APRA's review?

Unlisted assets helped to mitigate negative returns from equities in bonds last year, but does that mean they will decline or flatline in the near future as their valuations align with lower public market asset prices in this new economic environment that we seem to have entered?

Unlisted assets and their valuation have received a lot of media coverage in recent times, here is some background and our view on unlisted assets.

Unlisted assets are investments not listed on a stock exchange and aren't traded daily. As one of the largest super funds in the country, we see unlisted assets as an important part of our diversification strategy to help provide a smoother ride for our 2.2 million members.

One of the most important issues around unlisted assets is their valuation. By their nature, valuations in listed markets are easier than unlisted. Stock markets are traded and re-valued every minute of the trading day, whereas unlisted assets transact less frequently. Because unlisted valuations are not determined by the sentiments in markets, they do not tend to move as rapidly as listed markets. This is true for both increases in values, and, conversely, for decreases.

For instance, post COVID equity markets rose substantially whereas unlisted valuations did not rise anywhere near the same amount. As a consequence, when equity markets have come off the boil more recently, the extent of the adjustment to unlisted valuations, having not run up as hard, is not as large.

At ART, we take our responsibilities to our 2.2 million members seriously and have a robust governance framework for monitoring and keeping on top of the valuation of unlisted assets. We have comprehensive processes and governance arrangements in place to ensure valuations of unlisted assets are as current as possible. Our investment operations team report to the Chief Finance Officer, not the Chief Investment Officer, so there is a separation of duties and reporting lines.

Our approach to dealing with valuation of unlisted assets is rigorous and robust. If the market moves significantly, it triggers us to review valuations for any updates out of cycle to ensure accuracy.

For example, in our private equity space, after completing our regular quarterly valuations in April/May 2022, because of market movements we proactively re-valued the portfolio prior to 30 June 2022 to reduce the value. We considered this prudent and in line with our obligations.

What is the strategy to return the best earnings to retired members who have invested their superannuation in the fund and this is their sole income source?

As our Chief Investment Officer spoke to in his presentation, there is the potential for ongoing challenging market conditions. However, no one has the ability to accurately predict when financial market conditions may improve, and we do not design portfolios based on our own or anyone else's short-term economic or market forecasts.

Generally, members should think about their investment horizon and their risk tolerance. In general, the longer your investment horizon the more risk from a diversified option you can tolerate. However, more risk can mean a more volatile journey and you need to be comfortable that you can sleep at night with the level of risk you are taking, and this is where personal financial advice can help.

At ART, we genuinely believe in the power of financial advice and the power it has to materially change people's lives. We know that financial advice directly improves the financial literacy and wellbeing of members and leads to improved retirement outcomes.

Personal financial advice about your super account from a qualified financial adviser is included with your membership and available over the phone.[1] Super Savings account holders can phone 13 11 84 and QSuper account holders 1300 360 750.

Are the listed equities component of the Balanced option of QSuper actively managed by State Super [ART interprets the question to mean State Street] and if so what is their performance relative to index benchmarks?

The listed shares component of the QSuper diversified options (Aggressive, Balanced and Moderate) is passively managed by State Street against benchmarks that are internally constructed by the ART investment team. These benchmarks are designed to invest more evenly across geographies and industry sectors than traditional market indices.[2]

Which industry is Australian Retirement Trust planning to invest into?

1 Advice for Super Savings account holders is provided by Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information. Advice for QSuper account holders is provided by QInvest Limited (ABN 35 063 511 580, AFSL 238274) (QInvest) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information.

2 Past performance is not a reliable indicator of future performance.

What if any new companies or sectors will ART be investing in FY2023?

I would like to see ART invest more in healthcare like more establishments in remote areas. Also I understand the CGT was part of the unit price not portioned out individually

We have always invested, and will continue to invest, across a wide range of industries both here in Australia and globally; both equity and debt investments; and in both public (listed) and private (unlisted) markets. We only exclude a small number of industries from our investments – generally for reasons related to our ESG (environment, social and governance) policies.

Any decision to invest in healthcare establishments – whether they be in remote or metropolitan areas – has to be assessed based on the legal requirement to act in the best financial interests of our members. While this does not necessarily rule out healthcare investments in remote areas, it remains the case that the provision of such facilities has been, and will likely remain, a responsibility of government rather than superannuation funds under prevailing policy and commercial settings.

Our daily unit prices are net of fees and taxes and include a daily accrual within each investment option for forecast tax on income and capital gains.

Current and deferred taxes (tax on unrealised gains/losses) are provisioned in the unit price. This therefore manages member equity and ensures that switching/exiting members are not leaving behind a tax liability for the pool.

More information on how we invest is available at australianretirementtrust.com.au/investments

As the International Shares investment option is fully hedged to AUD, would QSuper offer an unhedged option? This is to protect the investments from currency downside/upside risk of one currency to the other and allows members to manage the currency risks. A similar offering is available through ART and other industry superannuation funds.

We carefully consider the main purposes members have for their superannuation and retirement savings and offer options to match them. We are constantly reviewing our investment options to ensure they continue to meet the needs of our members. A detailed review of our investment options is currently being undertaken.

Can there be a bigger choice of investment portfolio options? E.g. tech portfolio, energy/oil portfolio? Can there be individual stocks that can be favourited and added to an existing portfolio?

We carefully consider the main purposes members have for their superannuation and retirement savings and offer options to match them. We are constantly reviewing the investment options to ensure that it continues to meet the needs of our members. A detailed review of the investment option menu is currently being undertaken.

Currently, QSuper account holders can invest in individual stocks, exchange traded funds and term deposits via Self Invest. We strongly recommend that members seek professional financial advice prior to investing via Self Invest.

Can we please have some details of ART's major infrastructure investments e.g. Sydney Airport, Heathrow Airport and others.

What has happened with the investments with Heathrow Airport?

Has Australian Retirement Trust maintained QSuper's investments in Heathrow Airport and Times Square NY?

ART has maintained our investments in Times Square and Heathrow Airport. Airport assets across the world were adversely affected by the COVID pandemic, particularly during lock downs and border closures, and

Heathrow was no different in that regard. However, we are seeing an ongoing improvement in the performance of all our airport assets, including Heathrow, as passenger numbers return to pre-COVID levels.[1]

There is a full listing of all the assets held by ART on our websites that are updated twice yearly. We also publish on our website an Investment Factsheet each quarter that includes details of major purchases and sales that we have made in the private markets portfolios, including infrastructure, real estate, private equity and private debt.

We also periodically publish case studies of some of our key private assets on our website and in our other publications (including our Annual Report, Focus on Investments publication and Responsible Investment Report) and will continue to do so.

Do you invest in derivatives? If so, what proportion of our funds are exposed to derivatives?

ART's policy is to use (and authorise or instruct our investment managers to use) derivatives including forwards, futures, options and swaps as part of the overall investment strategy of the Fund to achieve investment objectives and to manage exposures efficiently. The Trustee has policies and controls in place to make sure that derivatives are used appropriately, and investment managers operate within specific guidelines. The value of ART's derivative investments is outlined in the financial statements. As at 30 June 2022 this was $3.13 billion, which equates to 1.25% of ART's total funds under management.

Ontario Teachers Pension Plan lost CAD95m in FTX collapse. It seems even some solid pension plans make risky investments. Does ART have any investments which might be considered at the risky end of the spectrum? If yes, how does ART perform due diligence on such possible investments?

How is the risk profile being managed for the Balanced Fund over the next 12 months, and what changes are likely to the mix of investment buckets in this fund (e.g. cash vs equities vs infrastructure etc)?

We invest in assets across the risk spectrum – from very low risk to higher risk assets. In every case, however, investments we make on behalf of members, or investments our external investment managers undertake on behalf of members, are assessed rigorously, based on their expected return after costs relative to the risks involved, including the risk of capital loss. That is what our investment team and the investment managers they appoint are paid to do.

We build diversified portfolios that comprise a wide range of assets across multiple asset classes, industries, geographies, etc. This inevitably means that any single asset or company (even very large companies) will only ever comprise a small percentage of our overall portfolio. Inevitably, not every investment we make or every company we invest in succeeds. However, because our portfolios are so widely diversified, such adverse events tend to have minimal impacts on the overall Fund.

It is important to remember that as a superannuation fund, we are a long-term investor, our focus extends well beyond 12 months. We know that over the short-term, market setbacks are inevitable – they are part and parcel of long-term investing and while it is near impossible to predict such setbacks in advance, we also know that they inevitably end.[1]

What is the percentage of gold holdings / increase gold holdings?

Does ART invest in gold and silver?

ART's Super Savings portfolios have no specific allocation to gold or silver, although our share portfolios will hold shares in gold and silver mining companies, both here in Australia and globally.

1 Past performance is not a reliable indicator of future performance.

QSuper diversified options have a specific allocation to commodities, which will include some exposure to gold futures. At the start of the 2022-23 financial year, direct exposure to gold futures was equivalent to 0.2% for the ART QSuper Balanced option (Accumulation) with allocations in other options also modest, below 1%.

Over the first 6 months of the financial year (to 31 December 2022), gold exposures across the multi-asset portfolios have remained broadly stable. Gold futures are held as protection during periods of share market stress. In benign periods for share markets, returns to gold are quite modest when compared with other forms of protection, which limits the allocation to gold.[1]

Our silver exposure in QSuper portfolios is about one third that of gold and a fairly steady ratio. Direct exposure to silver futures was therefore equivalent to 0.07% for the ART QSuper Balanced option (Accumulation), with allocations in other options also extremely modest.

Please explain what the Diversified Alternatives option includes and why it is recently been underperforming compared to its 3-year historical average?

The Diversified Alternatives option invests in infrastructure, private equity and debt as well as a small allocation to cash. This option has performed strongly since its inception, but its performance has moderated in 2022. The assets it invests in can never be immune to either market volatility or economic downturns. Unlisted asset valuations typically underperform listed share markets during periods of very strong share market returns.

However, they also tend to hold their value to a much greater extent during periods of market and economic dislocation. That has certainly been the case in 2022, even though we have seen the value of a range of unlisted assets marked down over the year – particularly in private equity where valuations tend to be at least partly related to the performance of public markets. [1]

Please give an insight into how you choose global investments. E.g. Why Swedish rail (Arlanda Express). Why is this a good investment for your members?

We were attracted to the Arlanda Express investment for a number of reasons. The asset presented:

- A stable, mature transportation investment in a country with a strong economy and stable politics.
- An attractive, risk-adjusted return that is highly correlated to Swedish GDP and inflation.
- Strong earnings visibility, with a history of predictable cash flow growth.
- Passenger demand showing resilience to economic conditions.
- As at 30 June 2021, Arlanda Express sourced 100 per cent of its electricity used for the operation of trains from renewable energy sources such as hydropower, wind power and biofuels.
- With the recent surge of European travel, Arlanda Express expects passenger numbers of 3.2 million a year by 2024.
- Developments at Arlanda Airport and in market share levels are giving what our investment team calls "a robust outlook".

Arlanda has delivered excellent long-term returns for our members.[1]

Our investment team maintains relationships with a range of global investment advisers and managers as well as like-minded pension funds to ensure we access the widest possible opportunity set from which to select investments. Our investment team and the investment managers we engage conduct detailed due diligence on all the investments we make on behalf of our 2.2 million members. Ultimately, decisions to invest in a particular asset (such as Arlanda Express) are based on their expected return after costs relative to the risks involved,

1 Past performance is not a reliable indicator of future performance.

including the risk of capital loss. That is what our investment team and the investment managers they appoint are paid to do.

When is QSuper going to have an Unhedged International Share option? On QSuper website returns for Unhedged were for the 12-month period end of June 2021, Unhedged -8.4% and for Hedged -15.1%. A difference of 7.06%. A huge difference for QSuper members. Or alternately 50% Hedged and 50% Unhedged to smooth out fluctuations in the Australian dollar.

We carefully consider the main purposes members have for their superannuation and retirement savings and offer options to match them. We are constantly reviewing our investment options to ensure that they continue to meet the needs of our members. In the short-term there will be no major changes to our investment options, however, a detailed review of our investment options is currently being undertaken.

When will ART put in place other diversified index options alongside the Balanced Index option?

We carefully consider the main purposes members have for their superannuation and retirement savings and offer options to match them. We are constantly reviewing our investment options to ensure that it continues to meet the needs of our members. In the short-term there will be no major changes to our investment options, however, a detailed review of our investment options is currently being undertaken.

As I understand it Australian Retirement has retained the old QSuper policy of ironing out the highs and lows which seems to have worked. Can you please tell me how the decisions are now reached every day to provide members their updated balance?

Is ART going to use the QSuper investment strategy into the future to maintain stability as in past years?

ART's investment philosophy aims to achieve strong long-term returns for members through maintaining a substantial allocation to alternative assets, particularly unlisted assets such as infrastructure, property and private equity. We adjust our portfolios dynamically as conditions change. We use active managers where we expect they can offer genuine value for money and consider environmental, social and governance criteria when making investment decisions on behalf of members.

As an example, our 10-year returns for ART's Super Savings Balanced option were 8.4% p.a. and for the ART QSuper Balanced option 7.10% (both as at end February 2023).[1]

Within this common philosophy, our Super Savings and QSuper product investment approaches are similar in that they both aim to deliver strong long-term returns. There are also some differences in how the philosophy is implemented across the two approaches.

The Super Savings product approach seeks to exceed its long-run real return objectives while also seeking to offer a competitive value proposition by outperforming similar funds over the medium to longer term.

The QSuper product strategy follows a "risk balanced" approach that is focused on meeting and exceeding real return objectives but doing so with less risk i.e. a smaller range of outcomes both short and long-term.

This difference in approach means returns for the ART Super Savings and ART QSuper Balanced options differ over various time periods. Both Balanced options have consistently met or outperformed their long-term return objective as set out in our Product Disclosure Statements and Investment Guides.[1]

While our investment philosophy won't change, we are reviewing our suite of investment options and the strategies that support them to ensure we offer what we believe to be the best possible range of options to help enable our members to achieve their retirement goals.

1 Past performance is not a reliable indicator of future performance.

What happens if the share market crashes as some say could be up to 80%. How do the "bail in laws", passed in Australia a few years back, affect our super fund if money is in "cash component"?

We are aware of forecasts saying that share prices could fall by 80% - a move that would represent a loss of historic proportions. Forecasting short-term market returns is extraordinarily difficult and we have long found such forecasts unreliable. Superannuation is the longest-term investment any of us will ever have. As long-term investors, we do not design portfolios based on our own or anyone else's short-term economic, market or geopolitical forecasts.

There is no basis whatsoever for concerns over so-called 'bail-ins'. Our members' investments – including cash investments such as bank deposits are held in custody by independent custodians and by law there are no means by which such deposits can be used by banks or any other party to offset their financial losses.

The Moderate investment option is intended to be lower risk than the Balanced option, and accordingly, has provided lower returns in good years. However, last year when both options gave negative returns, the Moderate option did worse. Why was this, and would this likely re-occur in another bad year?

During share market downturns we would generally expect lower risk options (such as the QSuper Moderate option in this case) to perform better than higher risk options (such as the ART QSuper Balanced option).[1] However, there is no guarantee that will always be the case, and clearly 2022 was one such event. The reason this occurred is that in 2022 both shares and bonds lost value. We would normally expect that in a period where share markets are falling, bonds hold their value or rise in value as investors opt for the relative safety of bonds during an uncertain environment. At ART, while we maintain significant bond holdings, we are not solely reliant on them to provide protection during periods of share market weakness. Our significant holdings in unlisted assets and in cash provided considerable protection for members in both the ART QSuper Balanced and ART QSuper Moderate options. [1]

In an emergent inflationary environment as we are now in, how long will it be before bond fund returns exceed inflation?

No one has a perfect forecast for just how inflation rates and bond yields will evolve over the short-term and hence can't answer the question with any precision. However, the rise in bond yields over the past year or so – all other things being equal – significantly raises the future returns from holding bonds. In addition, the world's central banks – including our own RBA – have made it abundantly clear that they will do what is required to bring inflation down towards longer run targets, even at the potential risk of an economic downturn.

What this means is that it is now much more likely that bonds will deliver a positive real (after inflation) return over the medium to longer term than it was a year ago when the yields on offer were extraordinarily low, and in some countries negative.[1]

When will investment options be amalgamated?

Will you amalgamate investment options between ART and QSuper investment options? If not will the QSuper investment philosophy remain to smooth returns/manage risk?

Are the previous individual QSuper and Sunsuper investment funds (e.g. balanced fund) now combined as one under the new ART banner with earnings distributed proportionally across all members or do the two previous entities still operate and invest independently? If still independent, are there any plans to combine all funds into a single investment and distribution pool and by what timeframe?

Which fund has better performance - ART or QSuper? If it is ART, what is the plan to migrate QSuper to ART investment strategy?

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Please advise if there's any difference in the earnings of the different investment options between Sunsuper & QSuper?

ART's investment philosophy aims to achieve strong long-term returns for our 2.2 million members through maintaining a substantial allocation to alternative assets, particularly unlisted assets such as infrastructure, property and private equity. We adjust our portfolios dynamically as conditions change. We use external investment managers where we expect they can offer genuine value for money and consider environmental, social and governance criteria alongside other traditional financial matters when making investment decisions on behalf of members.

Within this common philosophy, our Super Savings and QSuper product investment approaches are similar in that they both aim to deliver strong long-term returns. There are also some differences in how the philosophy is implemented across the two approaches. Over shorter time periods, we would inevitably expect the performance of the two approaches to differ. Some environments will suit one approach over the other.

The Super Savings product approach seeks to exceed its long-run real return objectives while also seeking to offer a competitive value proposition by outperforming similar funds over the medium to longer-term.

The QSuper product strategy follows a "risk balanced" approach that is focused on meeting and exceeding real return objectives but doing so with less risk i.e. a smaller range of outcomes both short and long-term.

This difference in approach means returns for the ART Super Savings and ART QSuper Balanced options differ over various time periods. Both Balanced options have consistently met or outperformed their long-term return objective as set out in our Product Disclosure Statements and Investment guides.

While our investment philosophy won't change, we are constantly reviewing the investment options to ensure that it continues to meet the needs of our members. In the short-term there will be no major changes to our investment options, however a detailed review of the investment option menu is currently being undertaken.[1]

Is there any extra income from my super fund investments? I need the explanation where and how are you investing my money.

Firstly, we would strongly recommend contacting ART to discuss the super fund investments you currently have to ensure they are right for you – your phase of life, your financial goals and tolerance for risk in your investments.

We'd also encourage you to read our quarterly investment commentary which provides commentary on how investments have been performing, and access to performance tables that highlight the short and long-term returns from our investment options.

Our website provides considerable detail about where and how we invest your money for our range of investment options and our quarterly investment commentary. More information on how we invest is available at australianretirementtrust.com.au/investments

The performance of the Fund has been poor to date. When will the benefits of the merger result in benefit to members?

Why does it seem like my super performance has dropped dramatically since the changeover?

Why is our super performing so poorly? The return should be much better despite current crisis. I feel major factor for poor performance is the merger between two companies. The members are paying the short fall.

What are the prospects for our superannuation in 2023, considering how poorly it has fared over the past year, particularly since the merger. It cannot all be blamed on world events, as some other superannuation companies have fared well in 2022.

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Did the merger contribute to the massive loss of our funds and the loss of all of our contributions for 2021-2022? Why should we continue to contribute to super when not only do we lose everything we contributed but what we have previously contributed? I would rather give my money to the homeless at least it would be used for something that matters.

Has the merger strengthened or weakened members' returns?

How has the changes from the merger affected performance factors? Especially of especially for the Balanced Fund?

What are the key ingredients of the worst annual performance of QSuper after its amalgamation with Sunsuper?

Have all QSuper accounts remained less profitable from FY21 to FY22?

The downturn in investment performance across ART's investment options has nothing to do with the merger of QSuper and Sunsuper and much to do with economic and financial conditions, as well as the impacts of the war in Ukraine, which commenced just days prior to our merger date in February 2022. This has impacted all superannuation funds, with the overwhelming majority delivering negative returns for the 2021-22 financial year, as you can see below, which shows the performance of major funds we're often compared to:[1]

Fund	Rolling 1 year % return to 30 June 2022
HostPlus – Balanced	+ 1.6
Unisuper Balanced	-4.17
Rest Core Strategy	-2.37
ART Super Savings Balanced	-0.96
Energy Super – Balanced	-1.2
CareSuper Balanced	-1.68
Hesta Balanced Growth	-1.79
AustralianSuper Balanced	-2.73
Aware Super Growth	-3.70
Cbus Growth	-3.77

Source: SuperRatings Fund Crediting Rate Survey-SR50 Balanced (60-76) Index June 2022. (Table includes the major funds ART is often compared to and every open public offer fund in the top 10).

Disclaimer: SuperRatings Pty Limited ABN 95 100 192 283 AFSL No. 311880 (SuperRatings). The information used in compiling this data comes from sources considered reliable. It is not guaranteed to be accurate or complete. Past performance is not a reliable indicator of future performance.

You will note the majority recorded negative returns in 2021-22. None undertook a merger such as we did, which points to other factors being the reason, including rising inflation and interest rates, and fears of a global recession. In fact, irrespective of the merger, the long-term investment performance of ART's balanced options,

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in which over 1.3 million members are invested in, has remained very competitive during this very challenging market environment. ART's Super Savings Balanced option returned 8.4% p.a. and the ART QSuper Balanced option 7.10% (both as at end February 2023).

It's also important to highlight that as a result of the merger we were able to reduce administration fees for the majority of members. From 1 July 2022, the fixed administration fee charged to the account for Super Savings accounts reduced by 30 cents per week to $1.20 per week. ART Super Savings – Corporate account members who were paying $1.20 per week or less will continue to pay the same administration fee. For QSuper accounts, the percentage administration fee charged to the account reduced from 0.16% to 0.15% pa, and the annual cap on administration fees decreased by $25 from $900 to $875.

As for prospects in 2023, forecasting short-term market returns is extraordinarily difficult, and as long-term investors, we do not design portfolios based on our own or anyone else's short-term economic, market or geopolitical forecasts.

What we do is build well-diversified portfolios that are designed to achieve the medium to long-term performance objectives as set out in our Product Disclosure Statements. For example, for our Super Savings Balanced option, our objective is to deliver real net returns of 3.5% per annum, that is, the return after inflation, after superannuation tax and after investment fees and costs, over rolling 10-year periods. In addition, our investment team and our investment managers do aim to add additional value by taking advantage of market volatility, which provides the opportunity to acquire quality assets at attractive prices. While we cannot control the markets we invest in, we are confident that our portfolios can meet or exceed those return objectives over time – just as they have tended to do for many years.[1]

How are you changing investment strategy?

What is the difference in investment strategy since the merger and how has this so far reflected in general investment returns performance to members?

Following the merger of Sunsuper and QSuper, please provide details on how members will benefit financially through ART's investment ongoing decisions and expected outcomes particularly in extended market conditions producing low returns.

I would like to know investment strategies for next 12 months?

Since the creation of Australian Retirement Trust what specific new and better performing investments have been undertaken to benefit QSuper members which justify the merger? Other than statements about how this new fund benefits QSuper members I cannot locate where the merger has provided QSuper members with better performing investments. Perhaps a link to the new investment opportunities related directly to the merger, and a performance measure will alleviate my concerns.

All ART's investment options operate under a unified investment philosophy which guides our decision making and our investment strategy. However, under that philosophy, the investment strategies for our range of diversified investment options have not changed. They are still being managed in the same manner as prior to the merger.

Consequently, how our investments have performed since the merger have overwhelmingly been driven by global economic and financial developments rather than anything to do with our merger.

Over time, the investment strategy we apply to our portfolios will evolve. Our merger has already seen a reduction in administration fees charged to the majority of members. When it comes to the impact of our merger on investments, these are likely to flow through over time, in the form of a broader set of investment opportunities and the potential to extract even greater fee savings from our investment managers. Our scale

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gives us the ability to access larger investment opportunities (as a result of our larger investment pool) that may not have been previously available to either fund, and our scale means we can capitalise on these opportunities.

We've secured a number of new, large investments on members' behalf that we may not have had access to as separate entities. For example in July 2022, we entered into a joint venture with the Victorian Government to manage the registrations, licensing (R&L) and custom plate (CP) businesses for VicRoads for the next 40 years. This is ART's first major investment shared across both our Super Savings and QSuper investment portfolios, and a great demonstration of how we are truly stronger together. Our combined size, strength and scale allows us to access, and capitalise on, more significant investment opportunities and drive down investment costs – all for the benefit of members' returns.

For seniors currently retired which 'option' is currently recommended for members?

As a general rule, members who are retired will have a shorter investment horizon than our younger members and so should consider this and the suggested investment timeframe for each investment option when making an investment choice. With that in mind, the suggested investment timeframes are shorter for our lower risk investment options and so you may wish to consider if investing all or part of your super among our lower risk options is right for you.

ART's Lifecycle default options, for both Super Savings and QSuper account holders recognise this and automatically adjust your investments to lower risk over time. Please refer to the QSuper and Super Savings Product Disclosure Statements for more details.

The QSuper PDS is available at qsuper.qld.gov.au/calculators-and-forms/publications/product-disclosure-statements

The Super Savings PDS is available at australianretirementtrust.com.au/pds-guides

We would strongly recommend contacting ART on 13 11 84 if you are a Super Savings account holder or 1300 360 750 if you are a QSuper account holder to discuss with one of our financial advisers the super fund investments you currently have to ensure they are right for you – your phase of life, your financial goals and tolerance for risk in your investments.[1]

Is the Balanced portfolio the best for the current financial situation?

While the Balanced option does suit the needs of a large number of our members, each of our members is at a different stage of life, has different financial goals, a different risk appetite, and is in a different financial situation. Our enduring advice to all our members is to take an active interest in how your super is invested and to seek financial advice – either from our team of advisers or from your own adviser if you have engaged one - to ensure that the ART investment option or group of options you have is right for you – your phase of life, your financial goals and tolerance for risk in your investments.

During times of high inflation, can I choose safer stocks to invest in? Can I also choose companies I really believe have great long-term stocks based on their current stats and future growth prospects?

Some companies do well during periods of high inflation but identifying them consistently and at the right time is very difficult. That's why ART's share portfolios are widely diversified: we invest in a broad range of industries, geographic locations, company sizes, and consider other factors.

One of the benefits of a large superannuation fund like ART is that our diversified investment options also invest in a broad range of assets outside listed assets like shares, and these can prove more resilient against inflation.

1 Advice for Super Savings account holders is provided by Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information. Advice for QSuper account holders is provided by QInvest Limited (ABN 35 063 511 580, AFSL 238274) (QInvest) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information.

Unlisted assets like infrastructure and real estate often enjoy contracted revenue streams that are linked to inflation, which can provide some protection during periods of high inflation.

For QSuper account holders, you can also choose your own investment strategy through Self Invest, which offers access to Australia's largest listed companies and a wide range of Australian and international companies via exchange-traded funds. We strongly recommend members seek professional financial advice before investing in Self Invest.

Bonds have performed the worst of all the (non-lifetime) investment options. What's your strategy with bonds considering that they feature heavily in 'safer' investment options and so erode savings of many retirees?

Can the losses in the fixed income bonds sector be fully recovered in the next 3-4 years?

No one has a perfect forecast for just how inflation rates and bond yields will evolve over the short-term and hence can't determine precisely how long it will take for recent bond losses to be recouped. However, the rise in bond yields over the past year or so – all other things being equal – significantly raises the future returns from holding bonds. In addition, the world's central banks – including our own RBA – have made it abundantly clear that they will do what is required to bring inflation down towards longer run targets, even at the possible risk of an economic downturn.

What this means is that it is now much more likely that bonds will deliver a positive real (after inflation) return over the medium to longer term than it was a year ago when the yields on offer were extraordinarily low, and in some countries negative. Based on the current level of Australian and global bond yields, recouping recent losses over the next three to four years is a plausible outcome, though no one can predict with certainty.

Why are you restricted to 85% of your super allowed to go into index funds. It should be up to 100%

We set the limits in our Self Invest option for QSuper account holders to meet the requirements of section 52(6)(a)(ii) of *Superannuation Industry (Supervision) Act 1993*. This law is in place to ensure superannuation members are adequately diversified within and across asset classes to reduce investment risk. To change this would require a change in the law.

At what time of year will the status of our investments be sent?

We generally send our Annual Statements to members around September or October. In the meantime you can check on the status of your investments on any given day by logging into your account via Member Online or mobile app, or by contacting ART on 13 11 84 if you're a Super Savings account holder or 1300 360 750 if you're a QSuper account holder.

I understand the value of some investment options including property, private equity and alternative assets cannot be accurately calculated daily. For these types of illiquid assets, ART uses its discretion to calculate an approximate daily unit price. This is understandable, and I assume when formal revaluations (or say, asset sales) come to hand, the unit prices are adjusted accordingly. Some ART staff would receive information on formal revaluations of illiquid assets before that information could reasonably be known by general members. So my question is: does ART have any policies in place to ensure staff that are privy to internal revaluation information are restricted from using this advantage to quickly switch in or out of their own personal investment options an advantage not available to general ART members?

The short answer is yes, designated employees are subject to a policy which imposes restrictions on investment transactions in our investment options including seeking permission to transact in illiquid options. Our compliance team impose wider restrictions from time to time on employee transactions in our options to ensure there is no conflict with members' interests.

We also use external, independent valuers and a valuation committee which is independent from our investment team.

Baby boomers don't necessarily have time to wait for the long term returns now! How are you dealing with accumulation account investments that most of us have been contributing to for a number of years and are now waiting for a good (read - high) return to last them for the rest of their retirement years?

We are very conscious that every member is at a different stage of life, has different financial goals, a different risk appetite, and is in a different financial situation. We offer a range of investment options that cater to the widest possible range of those members. And for each of those options – some with shorter-term time horizons in mind and some for members with longer-term horizons – we set real net return objectives relative to, and appropriate for, the risk attached to each option.

Our job is also to manage investments by taking an acceptable (rather than very high) level of risk. Most of the diversified investment options we offer our members have met or exceeded those return objectives. That will not always be the case, but we certainly design portfolios to maximise the likelihood those objectives will be met. While returns over the past year have been disappointing, longer-term returns from superannuation generally remain very solid.[1]

I was impressed with the talk from Ian, with the specific slide saying that a growth of $10000 investment in 1999, increasing to $48000. I want to know that have you taken into consideration about the inflation over these years and the increase in the cost of living over these years? What's the actual affordability of $48000, for someone that has been waiting to buy things in the current scenario? Do you think, it's a real increase for people to benefit from the increase or not?

That chart showed the nominal return i.e. before the impact of inflation. You're absolutely correct that it's the real or after inflation return that ultimately matters. On that metric, the return has comfortably exceeded inflation over that time period. The Australian consumer price index (CPI) has risen by 2.8% per annum since the end of 1999, while the per annum return of the Super Savings Balanced option after fees and super tax has been 7.1% - a real or after inflation return of 4.3% per annum.[1] So after taking into account inflation, members still have a real increase that is substantial.

Why are ALL types of assets valued at least twice annually, if not more often because their prices may or do fluctuate?

Our approach to dealing with the valuation of unlisted assets is rigorous and robust. While each asset is valued either monthly, quarterly, six monthly or annually, assets are valued through the year, i.e. there is a regular flow of fresh valuation data that feeds quickly into unit prices and reported performance. In addition, if the market moves significantly, it triggers us to review valuations for any updates out of cycle to ensure accuracy.

For example, in our private equity holdings, we had our regular valuations done as at 31 March 2022, and then because of market movements, we proactively re-valued the investments again prior to 30 June 2022. We also moved very quickly during COVID to adjust valuations for those assets that were inevitably going to be impacted by COVID lock downs and border closures, with airport assets being the most obvious example.

The presentation appears to apply to funds for members who have not already retired. Overall, does the information refer to the QSuper Retirement Income Fund? Account?

Yes. The ART Lifetime Pension invests in the ART QSuper Balanced option for the Income Account.

Our Balanced option for QSuper Income account holders delivered 8.1% over the 10 years to 31 December 2022 and delivered that return with considerably less risk (lower volatility) than most other comparable options in

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other funds and consistent with the risk balanced approach used in managing QSuper diversified portfolios. The ART QSuper Balanced option also continues to deliver long-term returns that exceed its objectives while doing so with significantly less volatility (lower risk) than comparable options in other funds. [1]

Any thoughts on investing in crypto? If so, which coins/what's the strategy?

Crypto and has it affected ART?

Unfortunately with size dis-economies of scale also exist! As a fund size grows in size it becomes more reliant on external managers. What safeguards and guarantees are in place to ensure that external fund managers and internal managers do not apply members' funds to crypto currencies, tech startups, venture capital and speculative fund managers such as Sequoia and Magellan. Members need to have transparency and assurance that funds are only invested in secure and proven investment strategies.

While we have not and have no plans to directly invest in bitcoin or other cryptocurrencies, our venture capital managers are looking at the space for opportunities that might be generated from the use of the block chain technologies.

As a super fund, we overwhelmingly invest in financial assets that generate reliable streams of income (such as dividends, interest, rent) that can be accrued and reinvested on behalf of our members. Cryptocurrencies are still highly speculative assets that pay no income, are almost impossible to value in any fundamental sense, and are traded on markets that are far from transparent.

The point on diseconomies of scale is noted. However, as a fund grows larger it does not necessarily become more reliant on external managers. Quite the contrary: a number of larger funds, both here in Australia and overseas, have chosen to internalise aspects of their investment management as they've grown, i.e. they have become less reliant on external managers.

At ART, we continue to utilise the skills of carefully chosen investment managers in Australia and globally, across the range of asset classes we invest in, and use our scale to drive the fees we pay those managers as low as possible. This is to allow us access to global best practice capabilities to gain exposure to a diversified pool of investment opportunities and maximise the probability of delivering investment objectives on behalf of members.

At ART our governance processes around how we design portfolios, the asset classes we invest in, the investment managers we invest with and how we monitor their activity are very robust and independently assessed by regulators and ratings agencies. We conduct detailed and ongoing research into the managers we appoint, and we negotiate clear mandates with them, including which assets they are allowed to invest in on our behalf. Those mandates are subject to legal oversight and monitoring by ART's Investment Legal Team. We also carry out our own due diligence – working with our managers and our preferred consultants and advisors – on private markets transactions in infrastructure, real estate as well as private debt and equity.

In terms of tech start-ups and venture capital, we believe that investing in high conviction venture capital opportunities as a part of a diversified portfolio strategy can generate superior returns. We allocate a small portion of our diversified options to venture capital. For example, in both our ART Super Savings and ART QSuper Balanced portfolios around 0.4% is allocated to venture capital.

Investing in venture capital – including making investments in tech start-ups – is an investment activity long undertaken by a wide range of highly regarded pension funds and sovereign wealth funds across the world, as well as significant number of super funds in Australia – including ART.

Venture capital managers generally seek to invest a small amount of capital in a large number of small, newly established firms (including tech start-ups) which greatly mitigates the risk associated with investing in any individual business. The managers work with the firms they invest in to grow the business. Not all of the firms

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they allocate capital to will succeed, but a number will likely be very successful. Some of today's large and successful tech names started out as venture capital supported small firms.

We seek to partner with the best regarded investment firms in this space as we know from long experience that they are more likely to attract the best new businesses and hence they are more likely to generate superior returns. As with all our asset classes, we invest with a range of firms. We aim to use our scale and the strength of the relationships we established in this space to drive fees and costs down. And over time these investments have generated excellent returns for ART members.[1]

How well do you think the Alternative Strategies fund will perform over the next 12 months?

Forecasting short-term market returns and returns for any individual portfolios is extraordinarily difficult and, as long-term investors, we do not design portfolios based on our own or anyone else's short-term economic, or market or geopolitical forecasts. That also applies to our Diversified Alternatives option. Our focus with this option is to deliver returns that are 4.5% above inflation after investment fees and costs and after investment taxes over rolling 10-year periods.[1] Our investment team is still finding opportunities to invest across the sub-asset classes that comprise the option's portfolio.

How does ART manage the Balanced investment option in the current volatile economic environment: successive interest rate rises, inflation, recession risk, cyber risk etc?

Our primary focus is on building widely diversified portfolios that are designed to achieve their long-term return objectives – particularly given that superannuation is the longest-term investment many of us will ever have. In the case of ART's Balanced options, our objective is to exceed inflation over rolling 10-year periods by 3.5% after investment fees, costs and taxes. Over the long-term, we know that recessions, downturns, and bear markets are inevitable. We also know that they all come to an end, even if forecasting when they start and finish is extremely difficult. However, our investment team and our external investment managers do seek to capitalise on opportunities that inevitably emerge during times of crisis and heightened market volatility. That's what we have been doing over the past year and will continue to do so.

ART also continues to hold a substantial allocation to alternative assets, particularly the key unlisted asset classes – property, infrastructure, private equity and private debt. As a large superannuation fund, we have well-diversified portfolios of these assets that we expect will deliver strong long-term returns,[1] while reducing our members' exposure to the kind of share market volatility we have been experiencing.

The Super Act includes the sole benefit test, but there can be a lot of grey areas. Can you assure me that you will make decisions based on the best returns, not on ESG or contributing to government programs?

When investment decisions are being made by the Australian Retirement Trust Board, are they made purely on the principle of maximising profit for its members or are potentially profitable ventures such as oil, coal and gas etc. companies excluded because of a belief in catastrophic man-made global warming due to carbon dioxide?

All of ART's investment decisions must, by law, be made in the best financial interests of our members. This means that any investment we undertake on behalf of members is rigorously assessed on its investment merits: the expected returns relative to the costs associated with making that investment and the risks involved, including the risk of capital loss.

Any decision to become involved in any government-backed or supported investment arrangement will be assessed in exactly the same way.

On the specific issue of climate change, ART has a target of a net-zero carbon emissions investment portfolio by 2050 and believes mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members. ART has a Climate Change Policy that guides our approach and

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we are building out our climate change strategy. Its purpose is to identify and manage the risks and opportunities from a changing climate in conjunction with members' best financial interests.

ART invests in a wide variety of asset classes to gain the benefits of diversification. The transition to a net-zero emissions portfolio will take time, meaning some exposure to fossil fuel investments will continue at this time. We believe mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members.

We consider that integrating environmental, social and governance (ESG) factors into our investment decision making – both return-seeking and risk management – enhances risk-adjusted returns and is in the best financial interests of our 2.2 million members. ART integrates ESG factors into our investment decision making across the entire fund, including our ready-made diversified options.

Among the risks that we must manage are the risks that flow from climate change and how governments and businesses respond to it. The Australian Government Treasury and one of our regulators, the Australian Prudential Regulation Authority (APRA), recognise matters such as climate change as global risks that must be managed by financial institutions, including superannuation funds. ART's Sustainable Investment and Climate Change Policies lay out our approach to managing investments and exposure to climate change risks and opportunities. You can read these policies in full at australianretirementtrust.com.au/investments/how-we-invest/responsible-investing

These policies are consistent with APRA's guidance on its expectations for organisations such as ART. The guidance can be viewed at apra.gov.au/consultation-on-draft-prudential-practice-guide-on-climate-change-financial-risks

Please discuss the access which the government has, or proposes to have, to our super to fund their projects?

According to recent media reports the federal government is considering requiring super funds to invest in particular areas of the economy, notably housing. Given that the money in super funds belongs to members; directors have a fiduciary duty to maximise financial returns to members; and the investments contemplated by the government may not provide the same level of return to members as other available investments; i. what is ART's response to any such move by the federal government and ii. if it is argued that it would be premature to answer that now, why can't directors say categorically now that they will not support or co-operate with any such move by the federal government if it requires diversion of investment away from more profitable areas to the detriment of members' financial returns? Given that all moneys in the Fund belong to members, will directors - i. ask or poll members on the issue; and ii. give members an investment option which excludes government mandated investments so that members can have the choice to support government initiatives or not?

Is our super secure from any partnership with government projects?

Superannuation is first and foremost about the shareholders as we are dependent on sound economic decision making. My concerns stem from governments seeking funds for costly projects that are often mismanaged, are subject to heavy handed demanding unions that drive up costs. What is your plan to deal with these demands? Also concerning is the number of ex Labor politicians/union members that will be exercising direction of investment. Judging by my conversations, these are pressing concerns for a lot of shareholders. The young don't see super offering a secure retirement and the older are fearful of mismanagement. Where can we see what projects our funds are supporting?

All of ART's investment decisions must, by law, be made in the best financial interests of our members. This means that any investment we, or the managers we appoint, undertake on behalf of members is rigorously assessed on its investment merits: the expected returns relative to the costs associated with making that investment and the risks involved, including the risk of capital loss.

Any decision to become involved in any government-backed or supported investment arrangement will be assessed in exactly the same way as an investment which has no connection to any government.

What might happen to super funds if the banks do 'bail In'? If cash is replaced by digital currency what way will we be able to access our funds, will there be a limit on withdrawals?

There is no basis whatsoever for concerns over so-called 'bail-ins'. Our members' investments – including cash investments such as bank deposits – are held on our behalf by independent custodians and, by law, there is no means by which such deposits can be used by banks or any other party to offset their financial losses.

As for any move to the widespread use of digital currencies, any such move to widespread use is likely to involve the use of digital currencies issued and regulated by the world's major central banks. (e.g. a digital Australian dollar) rather than any of the plethora of digital currencies on offer today.

How can I protect my investment from downturn because of other members choosing to sell?

Superannuation is the longest-term investment any of us will likely ever have. As long-term investors we know that market downturns, crises, recessions, etc. are inevitable and temporary. It is incredibly difficult to predict when they will start and when they will end.

We also know that during any given adverse market event, some of our members may react by moving some or all of their investments into more conservative options, including cash.

However, we manage over $240 billion in compulsory superannuation savings on behalf 2.2 million members. And those members – in aggregate – continue to make regular contributions to the fund, so even during a major market downturn, the fund's liquidity and cashflow position is very strong.

In other words, members selling – even during a major market event – is not going to meaningfully worsen the impact of a market downturn on your investment.

To the extent that you are concerned about particular market events on your investment with ART, we would encourage you to speak with one of our financial advisers (included as part of your membership), or your own financial adviser if you have one, to ensure that the investments you have with us are right for you.[1]

1 Advice for Super Savings account holders is provided by Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information. Advice for QSuper account holders is provided by QInvest Limited (ABN 35 063 511 580, AFSL 238274) (QInvest) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information.

Merger to create Australian Retirement Trust

Will the service standard provided pre-merger to QSuper members return? Now under ART the service standard has dropped. I was shocked in Dec 2022 when I phoned QSuper and asked to be put through to a supervisor, that the person (the Supervisor) told me they had only been with QSuper (ART) for 3 months.

Why has the service level dropped dramatically?

Our Member Services team aims to continue to maintain their high levels of service delivery, including how quickly we can respond to and resolve member enquiries.

As a profit-for-members fund, we're committed to delivering the best possible experience for our members, and have worked hard to ensure any impacts to our members and their experience is kept to a minimum.

As a large service team we do, however, see peaks and troughs across the day, dependent on member enquiries, and on rare occasions this may mean that members may wait a little longer. We offer a call back feature to anyone waiting to help alleviate uncertain wait times.

With reference to 3-months tenure of our employee, an organisation of our size will naturally have new team members across all experience levels. All our employees undertake a rigorous training and onboarding plan when they join and we hope we were able to help with your enquiry, regardless of the supervisor being new to the organisation.

We apologise if your recent experience did not meet your expectation. Bringing together two large organisations – including the people, systems, technology and processes to service 2.2 million members – has included circumstances where systems were being updated or otherwise not available.

Please provide details of and quantify the synergies to be achieved by the merger of QSuper and Sunsuper?

How has the merger benefited members in terms of cost savings and efficiencies if any?

Has there been synergy in the amalgamation by abolishing half of all executive positions?

Has the merger between QSuper and Sunsuper delivered any tangible benefits to the members of both funds at this stage?

Why did this amalgamation happen and of what benefit is it to the QSuper members?

How this merging be an advantage to small members like me?

Based on my years of observing the results of 'economy of scale' mergers, I am concerned that Sunsuper/ART will be another 'AMP' type of success story?

How is this merger beneficial to subscribers?

What does the merge of QSuper and Sunsuper to Australian Retirement Trust benefit the members of this retirement superannuation?

What economies and improvements are expected from the QSuper/Sunsuper amalgamation?

What's the advantages and disadvantages for QSuper members from merging with Sunsuper?

We strongly believe we are creating an unquestionably strong fund, an enduring force for good for 2.2 million members that enables us to harvest the scale that improves our members' ultimate returns. The merger was the most complex in Australian superannuation history, but we believe it was and is worthwhile. From start to finish, we are here to serve you, the members – we exist as a profit-for-members fund. Whatever we make as a fund gets returned to you without any profit paid to shareholders.

In our first year, we've realised significant merger benefits for our members, including:

- We reduced ongoing administration fees charged to the majority of members' accounts on 1 July 2022.
- We've secured a number of new, large investments on members' behalf that we would not have had access to as separate entities. For example in July 2022, we entered into a joint venture with the Victorian Government to manage the registrations, licensing and custom plate businesses for VicRoads for the next 40 years. This is ART's first major investment shared across both our Super Savings and QSuper investment portfolios, and a great demonstration of how we are truly stronger together. Our combined size, strength and scale allows us to access, and capitalise on, more significant investment opportunities and drive down investment costs – all for the benefit of members' returns.
- We're entering into agreements with some of Australia's largest corporates who plan to use ART as their default super fund, demonstrating our position as an industry leader in the merger and transition space and the fund for corporate Australia.
- From a cost efficiency perspective, ART is overseen by a Board of 13 trustees, a significant cost saving with the previous funds overseen by 18 trustees in total (9 at each fund). ART's executive is a team of 10, a significant cost saving with the previous funds overseen by 20 executives in total.
- Over the last year alone, we've increased our member numbers by more than 200,000 and our funds under management by $40 billion.

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

Why is QSuper maintained as a separate sub-entity?

All account holders are members of ART, including QSuper account holders.

The QSuper brand is a part of ART, dedicated to providing superannuation products and services to existing QSuper account holders, Queensland Government employees and families of existing QSuper members.

Why didn't the members get a say in the merger? Why wasn't it put to the members for a vote?

What is being done for QSuper members who did not support this merger?

Superannuation funds in Australia are structured as trusts and the trustees have a legal duty to act in members' best financial interests.

In the case of a merger by way of successor fund transfer (as was the case for Sunsuper's transfer to QSuper, which was renamed Australian Retirement Trust), it is the trustee's legal duty and responsibility to ensure that the members have an equivalence of rights before and after the merger.

Following significant due diligence, it was concluded by the Boards of both heritage organisations that the merger would be in members' best financial interests.

The merger was subject to a range of conditions, including regulatory, legislative and board approvals. In particular, the merger received a range of approvals by APRA and ASIC as the relevant regulators. The merger also required legislation passed by Queensland Parliament to give QSuper the ability to pursue the merger while continuing to be the preferred fund for Queensland Government employees.

Performance and returns

How has ART performed to date this financial year?

What is the fund performance over the past 12 months?

Can you please explain why returns have been so poor over the past 12 months, and how the investment team are preparing for and approaching the upcoming year. What are they going to do differently?

Keen to understand why my fund is losing money in the current market?

My contributions in the year were almost 3 times the growth in the balance of super. How are ART going to propose this can be addressed in order to achieve a positive investment growth?

My super has gone backwards and is slowly recovering. When can we expect consistent growth to start again?

Shouldn't superannuation funds supposed to be saving money for when we're retired, not losing it over time. The amount it loses every month over fees is ridiculous!

When do we expect the returns to recover?

Why has the performance of my fund last year been dismal and not returned a margin?

Why has there been limited growth in our funds for 2021 & 2022?

Why is my super consistently losing money for the last two years, including employer contributions?

Will members see an increase in % (interest) to their investments?

What is the performance of balanced fund?

ART's QSuper Balanced option produced a return of -4.8% over the year to December 2022 but continues to deliver long-term returns that exceed its objectives while doing so with significantly less volatility (lower risk) than comparable options in other funds. For the financial year to date (to end February 2023), returns were 2.64%. Longer-term returns posted were 5.03% p.a. over the last 5 years, and 7.10% p.a. over the 10 years to end February 2023.[1] The differences in performance reflect different product designs.

The challenge facing the world's central banks remains an extraordinarily difficult one: bring inflation back under control without causing a major economic downturn in the process. Further cash rate increases, both here in Australia and elsewhere are almost certain, although the Reserve Bank of Australia has slowed the pace of its rate increases and may be close to completing its tightening cycle. There is a risk of recession in a number of economies – partly reflecting the ongoing economic impacts from the war in Ukraine, but also the risk of monetary policy being tightened too aggressively. While much of the rise in inflation we have seen over the past year or so is likely to fade by the end of 2023 (as supply chain pressures have clearly eased and key commodity prices stabilise or decline, for example), the medium to longer-term inflation is likely to be somewhat higher than we saw in the pre-COVID years.

We do not design portfolios based on short-term economic, market or geopolitical forecasts. No one has a perfect forecast for how long it will take for the markets' inflation and interest rate fears to subside. Superannuation is the longest-term investment any of us will ever have. And when investing for the long-term, recessions, market downturns, crises, etc. are both inevitable and temporary. However, our investment team and our external investment managers do seek to capitalise on opportunities that inevitably emerge during times of crisis and heightened market volatility. We have certainly done so in 2022 and will continue to do so in the year ahead and beyond.

In comparison to the top 5 super funds in Australia, how well do we perform regarding return on investment?

How does Australian Retirement Trust (ART) perform compared to other public superannuation funds?

When do you expect to return to the winner's table for super fund annual comparisons?

In the SuperRatings survey for December 2022, ART's Balanced option for Super Savings accounts ranks in the first quartile (top 25% of funds) over 1, 3, 5, 7 and 10 years to December 2022. In fact, the option ranks 5th in the survey over 3 years, 4th over 5 years, and 3rd over 7 and 10 years to the end of December 2022.[1]

Our Balanced option for QSuper accounts delivered 7.1% over the 10 years to 31 December 2022, and delivered that return with considerably less risk (lower volatility) than most other funds and consistent with the risk balanced approach used in managing ART's QSuper diversified portfolios. The ART QSuper Balanced option continues to consistently rank among the top performing funds for risk-adjusted returns, ranking 2nd on this measure over 10 years to 31 December 2022. [1]

Investment performance for all options is available on our websites.

What is the expected return?

Can we have assured returns and growth for the next 5 year?

With current economic climate, what is the yields projected for next decade?

What is the projected growth in 2023?

What is the forecast for shares performance in 2023?

We have no explicit forecast for how portfolios or particular asset classes (such as shares) will perform in any given year. Forecasting short-term market returns is extraordinarily difficult, and as long-term investors, we do not design portfolios based on short-term economic, market or geopolitical forecasts. No one has a perfect forecast for how long it will take for the markets' inflation and interest rate fears to subside.

We build well-diversified portfolios that are designed to achieve the medium to long-term performance objectives in our Product Disclosure Statements. For example, for our Balanced options, our objective is to deliver real net returns of 3.5% per annum (i.e. the return after inflation, after superannuation tax and after investment fees and costs). And while we cannot control how the markets we invest in will perform, we are confident that our portfolios can meet or exceed those return objectives over time – just as they have tended to do for many years.[1]

The growth option only earned 2.81% over the last 12 months. What do you expect the return to be over the next 12 months?

The objective of the Super Savings Growth option is to generate returns that exceed inflation by 4% per annum. To achieve these returns, a longer investment horizon is needed to ride out the volatility that is necessary to achieve these higher returns. The recommended minimum investment timeframe for the Growth option is 7 years. Put another way, while some individual years will exceed this objective, other years will be below (such as 2021-22) but over time the objective is to be achieved.[1]

1 Past performance is not a reliable indicator of future performance.

Why aren't you more proactive in reacting to changes in the financial environment to meet your KPIs? I had my money in what is supposed to be the most low risk investment option for my age group, close to retirement, and yet this investment option performed the worst for a period of time in 2022.

2022 was a period in which both bonds and shares performed poorly, which means that even very conservative portfolios are likely to have suffered negative returns over the year. In short, the 2022 calendar year was historic – the lowest ever annual return for bonds in almost 100 years by a big margin. Add to that one of the lowest returns for shares over that same period. Markets have recovered some of their losses since October 2022, but are still well down on the highs of late 2021.

However, at ART, we have deliberately designed portfolios that aim to at least mitigate the impact of such an environment e.g. maintaining a significant allocation to cash as well as having an allocation to alternative/unlisted asset classes has helped to cushion the impact of market conditions on investment returns.

We have taken active steps to position our investment portfolios to benefit from the market volatility of the past year. By increasing our exposure to assets that have fallen in price, we seek to benefit from their eventual recovery. In addition, the fact that cash interest rates and bond yields have risen means that future returns from these generally conservative assets that comprise a large component of our more conservative investment options are likely to be considerably better over the coming years.

Is the Balanced option performing better during GFC and the inflation?

ART's Super Savings and ART's QSuper Balanced options have each performed better in 2022 than they did during the global financial crisis (GFC) when share markets endured a prolonged downturn. Last year's surge in inflation has certainly adversely impacted investment returns. Over the longer term, however, most of our diversified options have met or exceeded their real return (i.e. a % return above inflation) objectives. Over time, however, we expect inflation to moderate and we remain confident that our Balanced options – and indeed all our diversified investment options – can meet their medium to long-term real (after inflation) return objectives.[1]

QSuper returns on the Moderate option have not been achieving the nominated 'Objective of an annual return of CPI +2.5% (after fees and tax), measured over rolling 3-year periods'. In fact, this return has never been achieved according to the Performance chart. The Lifetime sustain 2 option is even worse. And the Cash option should currently provide much better returns as many savings accounts currently provide 3.5% interest. It seems that all the effort is put into the Balanced option with the options for conservative investors performing poorly. Why is that?

The same risk-balanced investment approach that is used within the ART QSuper Balanced option is employed across all of the QSuper diversified investment options and lifetime cohorts. In recent years, more defensive assets like cash and fixed income have underperformed their long-term return expectations due to a prolonged period of low interest rates. This has led to the more conservative options and cohorts underperforming their return objectives.

The fact that cash interest rates and bond yields have now risen means that future returns from these generally conservative assets that comprise a large component of our more conservative investment options and cohorts are likely to be considerably better over the coming years.

Comparing *past* performance from a cash option within superannuation and bank interest rates on offer *today* has the potential to be misleading. Past returns on cash options depend on what the level of interest rates was anywhere up to six months or more ago. Future cash option returns depend on what interest rates are on offer today. In other words, if you can get 4% on a deposit today, so too can your super fund. The current yield earned by the ART cash options comfortably exceeds the RBA cash rate.[1]

1 Past performance is not a reliable indicator of future performance.

Over the past year, I've been sacrificing an additional 10% of my salary into super. I understand that ART isn't the only fund to go backwards last year, but I would have been better off putting that extra 10% into a low interest bank account for 12 months. How is ART assessing the best overall financial outcome for balanced investments in the coming years?

I have a 'balanced' investment yet lost money overall from Dec 2022 to Dec 2023 including the last couple of months when interest rates for savings went up in banks. Can ART do better than a bank now with cash rates? Because it used to give a return on our investment more than savings in the bank could. Now there is no incentive to keep money in super. Can you remedy this?

Why are banks paying more than 4% interest on cash deposits but ART is paying less than 2% in the Cash option?

Why is the cash rate so low considering rising savings rates in the market? Can't a better cash rate be achieved by ART?

Why does QSuper Cash option return less than 1% when banks are currently offering between 3% and 4% on at-call savings accounts and when is this likely to change?

On the question of cash interest rates and returns, comparing *past* performance from a cash option within superannuation and bank interest rates on offer *today* has the potential to be misleading. Bank interest rates are quoted before tax. Past returns on cash options, which are after tax, depend on what the level of interest rates were anywhere up to 6 months or more ago. Future cash option returns depend on what interest rates are on offer today. In other words, if you can get 4% on a deposit today, so too can your super fund. The current yield earned by the ART cash options comfortably exceeds the RBA cash rate.[1]

Superannuation is the longest-term investment any of us will ever have and over the long-term superannuation options such as ART's Balanced options have delivered returns that are both above their real (after inflation) return objectives and well in excess of the returns achieved by bank deposits. However, this is never going to be the case year in and year out. There will inevitably be some years in which bank deposits will outperform balanced options in superannuation funds, which tend to have a significant exposure to Australian and international share markets which are inherently more volatile than investing in bank deposits, and are considered likely to produce higher returns than bank deposits over time. In the short-term, market downturns, recessions, crises, etc. happen – they are an inevitable part of long-term investing. They're also temporary. Trying to time when they start and end is near impossible, but they are, nevertheless, temporary. Over time, higher risk investments deliver higher returns, but they do come with greater variability in their returns.

What strategies are you using to mitigate fluctuations in international and Australian share markets in relation to known global market conditions?

For ART's diversified options, we mitigate the impact of share market volatility through diversification. We do this by maintaining a significant allocation to bonds and cash but also to unlisted asset classes, including real estate, infrastructure, private equity and private debt. These asset classes have held their value to a much greater extent than either shares or bonds in 2022. We also adjust the asset allocation between bonds, shares and cash as well as between particularly countries' share and bond markets in response to changes in relative value.

For our share options, we invest in well-diversified portfolios of shares. This means that the performance and the volatility of these options is largely determined by the underlying share markets we invest in. However, we also know from experience that the ultimate reward for accepting the short-term volatility of share markets is higher long-term returns.[1]

1 Past performance is not a reliable indicator of future performance

Which fund would be most appropriate should we enter a genuine recession (most risk averse)? Does this vary depending on whether we are ex QSuper members?

In light of the oncoming recession beginning to happen, what would be the forecast % profit on shares and money as part of my portfolio should I expect from you managing my superannuation?

The question of which investment is appropriate varies for each member – their stage of life, appetite for risk, financial goals, etc. Our enduring advice to all our members is to take an active interest in how your super is invested and to seek financial advice[1] – either from our team of advisers or from your own adviser if you have engaged one – to ensure that the ART investment option or group of options you have is right for you, your phase of life, your financial goals and tolerance for risk in your investments.

You can find out more about our products by visiting our websites. You can also seek personal financial advice about your super account with one of our qualified financial advisers by calling us.[1] This advice service is included with your membership.

We do not design portfolios based on our own or anyone else's short-term economic, market or geopolitical forecasts. No one has a perfect forecast for how long it will take for the markets' inflation and interest rate fears to subside. We have long found forecasts of short-term market movements to be very unreliable.

Superannuation is the longest-term investment any of us will ever have. And when investing for the long-term, recessions, market downturns, crises, etc. are both inevitable and temporary. However, our investment team and our external investment managers do seek to capitalise on opportunities that inevitably emerge during times of crisis and heightened market volatility. We have certainly done so in 2022 and will continue to do so in the year ahead.

Why does the Cash investment option only give returns for 5 days and not 7 days? The daily returns over the 5 business days is barely right; what is happening to our money on the other 2 days in the current high interest environment (relatively)?

Please be assured that interest is earned daily on all of ART's cash investments. The change in the unit price for the Cash option between Friday's unit price and the following Monday's unit price reflects 3 days of accrued interest which can be verified from the unit prices that are published on our website.

Why has the self-invest facility established margins on prices when buying/selling shares? I purchased some shares and wanted to offer less than I was 'allowed' to. I would have paid much less for those shares as the price did indeed fall, in line with my expectations. This is not a practice employed by the ASX, Commsec or other dealing platforms.

This question refers to a rule imposed by the broker that the platform uses (UBS Securities Australia Limited (UBS)) for all trades in listed securities. As disclosed in the QSuper Product Disclosure Statement, *"As a market participant, UBS applies its own validation logic to orders submitted through Self Invest in order to comply with market integrity rules. As such, price tolerance limits apply to Limit Orders and an error message is displayed if your order is above or below the price tolerance."*

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Products and fees

What makes Australian Retirement Trust better than others? I was previously with a different fund.

What makes Australian Retirement Trust different from the other supers? Why should we, as members, continue into the future?

What makes your fund better than any other fund for self-funded retirees?

Why do we choose you? What makes you different to the other superannuation companies?

ART's vision is to be Australia's most chosen and trusted retirement partner.

There are a number of reasons why we think our members should choose us:

- **Unwavering commitment to our members**: We are a fund that works for members, not shareholders. We work in members' best financial interests, and strive to keep our fees and costs competitive so we can pass on the savings to members. When the fund does well, members get the benefit, not shareholders.
- **Size and scale**: With more than 140 years' combined history of Sunsuper and QSuper behind us and the size, strength and scale that comes from being one of Australia's largest super funds, we can access more significant investment opportunities and aim to drive costs down.
- **Strong long-term returns**: Our investment team is focused on delivering strong long-term investment returns. The Super Savings Balanced option – which the majority of our members are invested in – outperformed the comparative industry median over 1, 3, 5, 7 and 10 years to 31 December 2022.[1]
- **Award-winning super year after year**: We're proud that ART Super Savings has been awarded Canstar's 2022 Outstanding Value Superannuation Award, based on our performance, fees and product features. Our Super Savings and QSuper products have a legacy of being award-winning and are regularly rated among the best in the super industry.[2]
- **Stepping up and taking responsibility**: We want to be a top-performing fund that delivers and advocates for what matters most to our members, people and communities, so more Australians choose to join, stay, and retire with us.
- **Our people:** Ultimately none of this is possible without the commitment of employees. Our team come to work each morning wanting to make a difference. They are aligned on why we are here, what we do and why we do it.

Can you comment on Vanguard Superannuation's offering versus the indexed options offered by ART? Curious about what you think about their costs (are they high or low, with all factors considered) and whether you think it will affect ART's own options (e.g. lose FUM to Vanguard, reduced economies of scale, higher costs, etc.)

How are you going to compete with Vanguard, in the aspect of fees? Are you considering reducing fees?

A new player in the field, Vanguard, also offers investments outside of super. In retirement, we have to withdraw so much of our super, which we then need to invest. Does ART plan to offer this service?

The question about Vanguard and fees was addressed at the AMM by ART Chief Executive Officer Bernard Reilly and can be viewed in the recording on our website at australianretirementtrust.com.au/advice/events-and-seminars/annual-member-meetingaustralianretirementtrust.com.au/advice/events-and-seminars/annual-member-meeting

1 Past performance is not a reliable indicator of future performance.

2 Awards and ratings are only one factor to be taken into account when deciding to invest. Past performance is not a reliable indicator of future performance.

ART's Super Savings single sector index option fees are lower than Vanguard, so members should make sure they are comparing apples with apples (e.g. for a $50k account balance, the total fees and costs for Balanced Index is 0.40% or $200 compared to Vanguards equivalent option of 0.56% or $280).[1]

In relation to the question about indexed options, it should be acknowledged that Vanguard's offer is 100% indexed (i.e. no active management). Index investing seeks to match or replicate the returns of a benchmark.

In relation to the question about investments outside of super, ART has no current plans to offer investments outside of superannuation. ART has a range of retirement income products. Please see our website for more details: australianretirementtrust.com.au/retirement

Is there a limit to super accumulation and is a penalty or surcharge cut in after a limit

There are various caps for how much you can contribute to super (both concessional and non-concessional contributions) each year.

All caps and related taxes on super are administered by the Australian Taxation Office. You can find more information on their website: ato.gov.au/individuals/super/in-detail/growing-your-super/super-contributions---too-much-can-mean-extra-tax/?page=7

Personal financial advice about your super account from a qualified financial adviser is included with your membership and available over the phone.[2] Super Savings account holders can phone 13 11 84 and QSuper account holders 1300 360 750.

If you need financial advice about more than just your super, we can refer you to an accredited external financial adviser on ART's National Advice Panel.[3] Our panel comprises carefully selected and appointed financial advisers, located across the country, based on our trust in their expertise, experience, approach and ability to provide our members with valuable comprehensive financial advice. Advice of this nature may incur a fee.

Can you please explain the process for distributing equity dividends to members' accounts. And is there any information provided to members about dividends distributed?

Unit prices are calculated daily and reflect the growth (or loss) of the underlying assets. This growth (or loss) is based upon the performance of each asset within its respective markets and all income earned in relation to that asset (including dividends, distributions and franking credits), minus applicable fees, costs and taxes. As an example, a member invested in the Australian Shares option derives the benefit through the unit price for imputation credits that accrue in relation to their investments.

Can you do anything to streamline and speed up the transfer of funds from QSuper to ART so that less time (currently about two weeks I believe) is spent out of the market and out of earning?

Account transfers between ART products (Super Savings and QSuper) are processed via SuperStream where strict timelines apply.

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3 Australian Retirement Trust has established a panel of accredited external financial advisers who are not employees of Australian Retirement Trust. Australian Retirement Trust is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

ART closely monitors their timeliness of this service which is typically 3 days, so it is very unlikely that a transfer would result in being out of market for weeks. If a delay has occurred ART will investigate and act accordingly.

Are you actively reviewing members' plans to ensure they are getting the best product?

Personal financial advice about your super account from a qualified financial adviser is included with your membership and available over the phone.[1] Super Savings account holders can phone 13 11 84 and QSuper account holders 1300 360 750.

If you need financial advice about more than just your super, we can refer you to an accredited external financial adviser on ART's National Advice Panel.[2] Our panel comprises carefully selected and appointed financial advisers, located across the country, based on our trust in their expertise, experience, approach and ability to provide our members with valuable comprehensive financial advice. Advice of this nature may incur a fee.

Why is the Lifetime Pension product available only via QSuper and not ART?

The Lifetime Pension is open to all members who meet the eligibility criteria.

Since merging to form ART, one of our primary activities has been to make starting a Lifetime Pension simpler for all members, and indeed Australians and that will include the process to join ART.

You can find out more about the Lifetime Pension and how to acquire the product on our website at qsuper.qld.gov.au/our-products/superannuation/lifetime-pension

What processes are in place to ensure retirees actually receive the correct retirement bonus?

Prior to the merger, Sunsuper and QSuper were market leading in introducing retirement bonuses in 2016. Both have been managed by set processes and calculations as outlined below, and went through a rigorous testing process during development and then post launch.

- The Super Savings Retirement Bonus is calculated as 0.30% of eligible monies transferred to a Retirement Income account in a given financial year up to a maximum of $5,100, subject to eligibility.
- The QSuper Retirement Bonus is calculated on eligible monies transferred to a Retirement Income account or Lifetime Pension, and based on an individual's super balance, investment options (past and present), the fund's tax position, time of transfer, and period of membership.

From 1 July 2023 ART members will have access to our redesigned Retirement Bonus, providing a tax-free boost of 0.5% on eligible funds transferred into an ART Retirement Income account or Lifetime Pension. The new Retirement Bonus design is simple, predictable and automatic. It is calculated as 0.5% of the eligible account balance transferred up to the transfer balance cap of $1.9m from 1 July 2023 (i.e. capped at $9,500). It is paid automatically when a member opens a Retirement Income account or purchases a Lifetime Pension.

The changes aim to combine the best of the previous Sunsuper and QSuper designs, to create a single design that's the same for everyone.

You can find out more about these changes on our website at australianretirementtrust.com.au/retirement/getting-ready/income-accounts/retirement/bonus/changes

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2 Australian Retirement Trust has established a panel of accredited external financial advisers who are not employees of Australian Retirement Trust. Australian Retirement Trust is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

Is it possible to stagger the income from an income stream so that both partners don't receive their income on the same day each fortnight, but rather, can a partner receive income one week and the other partner receive their income the following week?

Payment frequency options range from fortnightly to annual payments and are made on set dates as we process payments for over 80,000 members. While you can choose your frequency and payment amounts, we're unable to tailor the payment dates.

Can we still use our account when retired?

When you retire, you can choose to keep your Accumulation account open, or transfer some or all of your superannuation to a Retirement Income account or Lifetime Pension.

ART has designed our Retirement Income accounts to make the most of your super (if you're old enough), and work together with our Lifetime Pension and the Federal Government Age Pension.

You can find out more about our retirement products by visiting our websites. You can also seek personal financial advice about your super account with one of our qualified financial advisers by calling us.[1] Super Savings account holders can phone 13 11 84 and QSuper account holders 1300 360 750. This advice service is included with your membership.

What is the return of Lifetime Pension orientated on? 1, 3, 5, 10 year return?

The Lifetime Pension funds are fully invested in the ART QSuper Balanced investment option for Retirement Income accounts, which over the last 10 years has delivered an average return of 8.02% net of fees to 28 February 2023 (qsuper.qld.gov.au/investments/performance).[2]

Note, the income payments from a Lifetime Pension are adjusted annually based largely on these annual returns, plus other factors to ensure the solvency of the Lifetime Pension Pool. This makes sure the pool can keep paying everyone an income for life.

Further information on recent annual adjustments to Lifetime Pension payment rates is available on our website at qsuper.qld.gov.au/our-products/superannuation/lifetime-pension

Why do you charge administration flat fee and on top of that administration percentage fee? Why could not you charge this monthly?

I would like to know why the costs of managing my account are based on a percentage and not a flat rate. I find it hard to understand how it takes more money to manage $100,000 than $300,000 when generally the deposit structure is static.

ART considers the charging of both a flat dollar fee and a percentage fee (within a fee cap) to be a valid approach for facilitating member equity. We have selected the frequency of deductions based on what we believe is in the best financial interests of our members. We review this as we do all our fees and costs to ensure they remain in members' best financial interests.

Why are you deducting taxes?

We only do this as required by law.

1 Advice for Super Savings account holders is provided by Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information. Advice for QSuper account holders is provided by QInvest Limited (ABN 35 063 511 580, AFSL 238274) (QInvest) is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide for more information.

2 Past performance is not a reliable indicator of future performance.

Are fees changing as a result of the merge?

How much have the fees reduced...I don't feel I'm receiving any perceived benefit as yet.

The fees paid on my super have increased markedly from 2021 to 2022. We were led to believe the merger would decrease fees. Please explain.

What the newly merged fund is doing to reduce fees for members? What are the reasons for greater than 1% fees?

What will be the impact on fees, in particular, if there will be an increase of fees payable?

When will you start looking after the members that are working on and off and part time and supporting them build a nest egg by reducing the fees?

From 1 July 2022, the fixed administration fee for Super Savings accounts reduced by 30 cents per week from $1.50 to $1.20 per week. For QSuper accounts, the percentage administration fee reduced from 0.16% to 0.15% per annum, and the annual cap on administration fees decreased by $25 from $900 to $875.

Investment fees and costs will vary annually based on markets movements which will drive any performance fees. ART believes that performance fees encourage our investment managers to deliver sustained investment performance and avoid rewarding investment managers for underperformance.

We continually review the fees and costs charged to members. As a profit-for-members fund, we strive to keep our fees and costs competitive so we can pass on the savings to members.

Why is your fee percentage for the Diversified Alternatives option 2%, three times the fee for other options?

The asset classes that make up the Diversified Alternatives option are Infrastructure, Private Equity, Alternative Strategies and Fixed Income which are unlisted. The return profile of this option is more stable (less volatile) than an option invested in equivalent listed assets. The fees associated with these unlisted assets are higher than listed equivalents due to the specialised management of these assets. Members who choose this option should consider the fees payable and the returns[1] to decide whether the option represents value for money in their circumstances.

Personal financial advice about your super account from a qualified financial adviser is included with your membership and available over the phone.[2] Super Savings account holders can phone 13 11 84 and QSuper account holders 1300 360 750.

If you need financial advice about more than just your super, we can refer you to an accredited external financial adviser on ART's National Advice Panel.[3] Our panel comprises carefully selected and appointed financial advisers, located across the country, based on our trust in their expertise, experience, approach and ability to provide our members with valuable comprehensive financial advice. Advice of this nature may incur a fee.

Is there a point in accumulated super when additional fees apply, or penalties apply?

There are various caps for how much you can contribute to super (both concessional and non-concessional contributions) each year. All policy, caps and related taxes on super are administered by the Australian Taxation

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3 Australian Retirement Trust has established a panel of accredited external financial advisers who are not employees of Australian Retirement Trust. Australian Retirement Trust is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

Office. You can find more information on their website at ato.gov.au/individuals/super/in-detail/growing-your-super/super-contributions---too-much-can-mean-extra-tax/?page=7

Further, both QSuper and Super Savings products have member fee caps that apply. More information can be found in our Product Disclosure Statements on our websites.

Personal financial advice about your super account can be obtained with a qualified financial adviser by calling us. Super Savings account holders can phone 13 11 84 and QSuper account holders 1300 360 750. [1]This advice service is included with your membership. If you need financial advice about more than just your super, we can refer you to an accredited financial adviser we have on our National Advice Panel.[2]

Would the cap on admin fees be maintained in the future?

Yes, an administration fee cap is in ART's future plans.

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Social housing

Will/does ART invest in social housing?

Give full justification for investing our super in social housing. What is the likely return compared with other investment options? What political interface was there in the decision? Shouldn't social housing be the domain of government, not superannuation funds including this one?

I would like to know if the Board will support ART involvement in funding arrangements for public housing? In my opinion public housing funding is a function of the state government.

Is there any intention to invest in public housing construction projects?

Given the influence of former Labor Party leaders now involved in the QSuper board, will our money be invested in loss making social housing schemes in defiance of the statutory obligation of the fund to act in the best interests of members?

Why is ART investing in a Labor Government initiative - namely the affordable housing scheme? Since when has members' superannuation been affiliated with any political party? Why is ART going after an attractive tax offset at the risk of members?

On what grounds did ART believe that it made sense to partner with the Labor Government on their proposed housing affordability scheme. Superannuation schemes have in the past invested money in developments but not directly with political parties. Our super should be kept at arms length from the government! There should be more consultation with members on this.

The Albanese government wants superannuation funds to bankroll affordable community housing. Something like one million homes in five years. This is a very noble cause and one I probably support, but with caveats. It is also reported that big super funds have signed up to the accord. It is a fact, subsided and low-income real estate comes with lower returns. By definition it is not profitable. In addition, there are many inflationary pressures in the current environment, including the rising costs of building and maintenance, state taxes, local authority rates and utility services. Although the Albanese government has indicated it would cover the gap between the subsidised rent made available to eligible tenants and the market rent that would otherwise be paid to property managers for housing in that location, there is no guarantee future governments would continue to fund these projects. In fact, the federal opposition has made clear it does not believe super funds should be backing these kinds of social causes. Is Australian Retirement Trust (as part of the superannuation sector) going to invest in affordable community housing as being urged to do so by the Albanese government? If Australian Retirement Trust intends to invest in affordable community housing and since members need to achieve their best financial position in retirement, what guarantees will Australian Retirement Trust first require from government to ensure members do not forgo returns?

What sort of return do you expect by investing QSuper funds in affordable housing?

If affordable housing investments are going to be profitable, why do private markets not invest on it? Will ART publish the performance of these investments?

What investments will be made in social housing and what returns will members receive from those investments? Will the social housing investments only be made in the Socially Responsible option or also in the Balanced option?

I note from a recent media article, ART management is keen to participate in at least one of the Government's proposed new funds, such as social housing. If ART does participate, will these funds be under a new Investment Option, or included as part of the current Investment Options?

I have heard that superannuation may be used to fund social housing. Is Australian Retirement Trust likely to be involved and, if so, what effect will this have on fund earnings?

Are you going to invest in low grade housing projects?

What is the position on built-to-rent and likelihood of investing there?

ART has a legal obligation to act in our members' best financial interests.

All of ART's investment decisions must, by law, be made in the best financial interests of our members. This means that any investment we, or the managers we appoint, undertake on behalf of members is rigorously assessed on its investment merits: the expected returns relative to the costs associated with making that investment and the risks involved, including the risk of capital loss. Any decision to become involved in any government-backed or supported investment arrangement will be assessed in exactly the same way as an investment that does not include any government involvement. These decisions are made by the ART investment team under the authority of the ART Board of Trustees who are ultimately responsible for the fund's investment activities and performance.

ART will consider investment in social housing where we believe it represents appropriate risk-adjusted returns for our members. That is, where we believe it is in members' best financial interests we would consider investing.

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 proceed, this innovative investment partnership is anticipated to provide a scalable model for the financing, development and operation of social and affordable housing in the state. Subject to agreement of terms and finalisation of due diligence and documentation, this will be ART's first investment in social housing and should this investment proceed we expect that the investment will be made for our current Investment options and not funded under a new option.

Should this investment progress, 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 to ensure 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 is consistent with our legal duty to act in our members' best financial interests.

Finally, we have actively pursued built-to-rent opportunities globally but have not yet invested in the sector in Australia. The built-to-rent segment in Australia is still developing and the short-term likelihood of investing is currently low, given current policy settings, though any opportunity that emerges would be assessed on its own merits and in line with members' best financial interests. If we see opportunities aligned with our investment strategy to invest in built-to-rent, just as we are seeing with the social housing opportunity set out above, then we would be prepared to invest.

Strategy and policy

What are the most challenging investment issues the ART Board anticipates in the next 5 years?

While it is not possible to predict precisely how the world economy and financial markets will evolve over the coming years, ART builds portfolios that are sufficiently well-diversified so the fund can meet its return objectives over a range of potential scenarios.

The biggest investment challenge that we foresee is ensuring portfolios are well prepared for an inflationary environment that may be unlike anything that we have experienced in recent memory. 2022 was a year where traditional diversification between equities and bonds failed to deliver with our portfolios weathering the storm better than most through our diversification into alternative assets. The presentation by Chief Investment Officer Ian Patrick, provided an overview of the challenges ahead and ART's performance.[1] The presentation by Chief Investment Officer Ian Patrick provided an overview of the challenges ahead and ART's performance. A recording of the presentation is available on our website at australianretirementtrust.com.au/advice/events-and-seminars/annual-member-meeting

Ensuring our portfolios are adequately diversified to withstand the volatile range of potential inflationary outcomes that we might experience in coming years has been, and continues to be, an area of specific focus for ART's investment team, Investment Committee and the Board when designing our long-term investment strategy.

In addition, one of the greatest challenges facing our generation is climate and energy transition. Climate change represents a significant financial risk and opportunity in the context of the fund's investment portfolios. ART has a target of a net-zero carbon emissions investment portfolio by 2050 and we believe mitigating future climate risk and taking advantage of transition opportunities will improve long-term sustainable outcomes for members. We recognise the energy transition to renewables will not be linear, and we will use pathways to inform setting of interim targets relative to the NZE2050 objective.

What plans does the new Chair have for ART for the decade ahead?

What are the plans for the Fund in 2023 and beyond?

What is the future focus for ART? How is it different from QSuper/Sunsuper's focus?

What is the long-term plan for the super fund now that the two companies have merged?

We have a vision to be a leader in delivering better retirement outcomes for members through a lifetime of education, guidance, advice and intelligent product solutions.

While the integration work, to build better services, to share the best of both predecessor funds with the broader ART membership, is underway and has begun to bear fruit there is of course much more work to do. From delivering a consolidated product offering, ongoing innovation in service and products to advocating on behalf of our members, our focus remains on how we serve and support our members to live their best retirements.

We're already in the top 25 largest pension funds in the world and are committed to using our scale to enhance the benefits for our members. We are proud of our heritage and of our origins, and as we look to the future, we are firmly anchored in our commitment to serving. This will be through a well-considered and strategic approach to grow ART in a way that will benefit our 2.2 million members. Growth is important as it allows us to invest in high quality assets that are simply not available to smaller funds.

ART's Chair, Andrew Fraser, addressed plans for the decade ahead and our focus at the AMM. A recording of the address is available on our website at australianretirementtrust.com.au/advice/events-and-seminars/annual-member-meeting

1 Past performance is not a reliable indicator of future performance

Is there any consideration for Indigenous people given Indigenous people's life expectancy for retirement, I would like to have the floor for a half hour to show case our issues. I am a traditional Jagara man that was the first indigenous advisor to any parliament in Australia. We are talking about truth telling and I would be honoured to start to talk and ask questions in a civil manner

As one of the largest superannuation funds in Australia, we believe we have a responsibility to engage with governments and regulators to advocate for positions that are in the best financial interests of our members.

ART acknowledges that Australia's superannuation system is complex and may not meet the needs of all Australians, including Aboriginal and Torres Strait Islander peoples. As members of the Australian Institute of Superannuation Trustees (AIST) Indigenous Super working group we continue to investigate issues within the system that impact Aboriginal and Torres Strait Islander peoples and their superannuation. We also acknowledge that the Federal Government and Federal Court have considered how age rules, including the Age Pension criteria, impacts Indigenous peoples compared to non-Indigenous peoples.

As a newly merged fund, we are in the process of finalising our first Reconciliation Action Plan (RAP) which includes several commitments to explore ways we can help more Aboriginal and Torres Strait Islander members access and grow their superannuation.

ART welcomes views from our members, our people and the community on issues that impact Aboriginal and Torres Strait Islander people and the superannuation system, including the preservation age. We'll continue conversations, including during our visits to regional and remote communities, and welcome views put forward by members and the community, and will consider our position on this important topic.

If you would like to provide additional feedback, please call us on 13 11 84 or email us.

Very concerned with the government making changes to superannuation. Australia's economic situation is becoming more volatile so I am worried about my superannuation.

There are current political rumblings about possible changes to the superannuation laws. Would any changes impact unfavourably on ones unfettered access to super contributions held with ART?

The Treasurer has announced changes to super - what impact does this have on the fund and will it mean the likelihood of super funds being raided by the Government?

How will the super changes announced by Treasury affect me?

The Federal Government has begun a public consultation process to legislate an objective for superannuation, as currently there isn't one.

If enacted, it would provide an objective of superannuation in law that creates a shared understanding of the role and purpose of the superannuation system.

The public consultation process is solely focused on defining an objective for superannuation and the Government has not raised any proposed legislative changes to current rules to access superannuation as part of this consultation.

In relation to the objective of superannuation consultation:

- ART strongly supports the public consultation on the proposed review of the objective of super.
- ART sees the purpose of super as creating a retirement income stream along with other retirement benefits for the 16 million working Australians so they can retire well, with confidence.

The Federal Government has also announced that it plans to legislate that from 2025-26, the concessional tax rate applied to future earnings for balances in the accumulation phase above $3 million will be 30%. Currently, earnings from superannuation in the accumulation phase are taxed at a concessional rate of up to 15%.

ART's view is that ultimately all of the features of our superannuation system should be about making our superannuation system sustainable, equitable and work in the best financial interests of our members.

Can you please give some insights into potential reforms on super tax concession?

Could I have the panel's response to recent National Press Club address by the Treasurer about proposed changes to superannuation tax breaks?

The Federal Government has announced that it plans to legislate that from 2025-26, the concessional tax rate applied to future earnings for balances in the accumulation phase above $3 million will be 30%. Currently, earnings from superannuation in the accumulation phase are taxed at a concessional rate of up to 15%.

ART's view is that ultimately all of the features of our superannuation system should be about making our superannuation system sustainable, equitable and work in the best financial interests of our members.

With the Fund's target of $500 billion by 2030, more mergers are on the horizon following CBA Group Super and AvSuper. What assurance can you give to existing members that this won't impact current service levels or member experience?

Is the Fund looking to expand its presence more via further mergers or acquisitions?

Will QSuper be acquiring a bigger market share of Australian superannuation holders by way of merging with further funds in the near future?

Any further mergers being considered?

Our vision is to be Australia's most chosen and trusted retirement partner and we believe growth is important to achieving that, as growth gives us strength and scale. Strength and scale give us the ability to access larger investment opportunities, and scale means we can capitalise on these opportunities and drive down costs (for example, better asset purchase prices and lower investment management fees, which ultimately benefits members).

We're committed to guarding and growing the retirement savings of our 2.2 million members and any potential opportunities would only proceed if we believe they would be in the best financial interests of our members.

ART has recently signed a Memorandum of Understanding to explore a merger with AvSuper via Successor Fund Transfer (SFT). If it proceeds, the SFT would see AvSuper entrust its 5,300 members and $2 billion in funds under management to ART.

ART has also signed a Memorandum of Understanding to explore a merger with Commonwealth Bank Group Super. If it proceeds, this merger would see Commonwealth Bank Group Super's 67,000 members and $12.3 billion in funds under management transfer to ART.

It is notable that the Trustees of these (and other) funds are proposing potential transfers to ART. We believe this reflects our strength.

Please advise if you will be forwarding a submission in response to the Australian Government's Consultation Paper relating to legislating the objective of superannuation?

As one of the largest superannuation funds in Australia, ART regularly engages with governments to advocate for positions that are in the best financial interests of our members. Engagement includes preparing submissions in response to formal consultations, as well as direct advocacy with decision makers.

Our position on the objective of superannuation consultation is:

- ART strongly supports the public consultation on the proposed review of the objective of super.

- ART sees the purpose of super as creating a retirement income stream along with other retirement benefits for the 16 million working Australians so they can retire well, with confidence.

ART will be engaging with the Federal Government to put forward a position that is in the best financial interests of our members.

What, if any, benefit did the Queensland State Government receive due to the merger of QSuper and Sunsuper?

ART is an APRA-supervised fund and operates independently of the Queensland Government. No payments were made to the Queensland Government due to the merger.

Is there a size of assets at which size becomes a disadvantage? Has the Board discussed this and at what stage would they decide that members' best interests would not be served by further mergers?

The potential for diseconomies of scale is acknowledged. The ART Board considers that scale will be a defining feature of the Australian superannuation landscape and the benefits of the merger undertaken are clear and being realised. We have plans to grow both our funds under management and membership as it allows us to invest in high quality assets that are not available to smaller funds.

We're already in the largest 25 pension funds in the world and we will also continue to focus on growing our size and scale by looking for the right opportunities. This will not be growth for growth's sake, but rather a well-considered and strategic approach to grow our fund in a way that will benefit our members.

Any potential merger would only proceed if we believe it would be in the best financial interests of our members. The Board does not envisage a similar at-scale merger being undertaken in the foreseeable future.

Under the rapidly changing legislation framework within Australia and our skyrocketing national debt levels post COVID, are superannuation fund holders at risk of having their funds 1) taxed or levied, 2) frozen or 3) fully or partially resumed?

We welcome questions about ART and superannuation. For questions and feedback about future policy, we recommend engaging with your Federal Member of Parliament.

Where did the millions of QSuper dollars end up that sat in limbo. I know the Government tried to get it. Will it be shared out or is the interest generated returned to QSuper members

There are no QSuper funds 'in limbo'. Members' accounts and entitlements are protected by law.