

# SAS Trustee Corporation

## ANNUAL MEMBER MEETING MINUTES

HELD VIA LIVE STREAM AT 10:00AM (AEDT)  
TUESDAY 13 DECEMBER 2022

<b>Master of Ceremony:</b>	Mr Simon Guttman, Nous Group
<b>Presenters and Q &amp; A Panel:</b>	Mr Nick Johnson, Board Chair Mr John Livanas, Chief Executive Officer Mr Charles Wu, Chief Investment Officer Ms Nada Siratkov, Chief Experience Officer
<b>Board members:</b>	Mr Alex Claassens, Employee Representative Ms Carol Austin, Employer Representative Ms Cathy Yuncken, Employer Representative Ms Lisbeth Rasmussen, Employer Representative Mr Russell Mason, Employer Representative Mr Tony O'Grady, Employee Representative <b>Apology:</b> Ms Catherine Bolger, Employee Representative
<b>Executive:</b>	Mr Nish Patel, Chief Financial Officer and General Manager Corporate Services Mr Allan Parapuram, General Counsel and Company Secretary Mr Jag Narayan, Chief Risk Officer and Audit Executive Ms Keri Pratt, General Manager, Defined Benefits, Assets & Liabilities <b>Apology:</b> Mr Jason Hazell, General Manager, Defined Contribution Investments
<b>Actuary:</b>	Mr Nathan Bonarius, PwC
<b>Agenda:</b>	1. Welcome 2. Strategic Update and Board 3. Fund Update 4. Investment Performance 5. Member Update 6. Q&A Session

The Minutes comprise a summary of key aspects of presentations. The Q&A session is recorded in a separate document, available on the State Super website along with a video recording of the AMM and the presentation slides.

### 1. Welcome and Introduction

Mr Simon Guttman, as host of the Annual Member Meeting, welcomed members to State Super's inaugural Annual Member Meeting. He acknowledged the Gadigal people of the Eora Nation, the traditional custodians of the land, and paid his respects to the Elders past, present and emerging. He also extended that respect to any Aboriginal and Torres Strait Islander people present.

Mr. Guttman introduced the State Super team, outlined the agenda and purpose of the AMM, and advised the attendees that questions can be submitted online. These questions and those received before the meeting would be answered during the Q&A session, apart from questions relating to personal finances due to privacy.

### 2. Strategic Update and Board

Mr Nick Johnson, the Board Chair, spoke on three key issues which received significant attention from the Board:

**Data theft and Cyber Crime:** State Super has and will continue to take data-related risks very seriously. The Board had approved, last week, the first version of a new comprehensive data risk management framework that encompass all the critical data elements. It sets measurable data security performance criteria and allocates clear lines of responsibility to individuals to ensure that all data is protected to the highest standards.

**Responsible Investing:** Otherwise also known as Environmental, Social and Governance issues. State Super works in the best financial interests of all members within an investment framework which actively directs investments towards companies which themselves are working to improve their corporate citizenship. The Board is sensitive to the risk of 'greenwashing' and will monitor the metrics to progress to a target of a 45% reduction in carbon emissions by 2030, continuing to net zero by 2050. In the short term, active engagement with the companies to encourage them to adopt carbon reduction practices is the preferred approach over divestments.

**Evolving Member Experience:** The Board is committed to making all members' interactions with the Fund as efficient and enjoyable as possible. The overall member experience is measured against criteria which includes telephone call answering times, problem resolution periods and escalation processes for more difficult issues raised by members. The Board has a sub-committee dedicated to overseeing the member experience and reviewing the performance of those member experience criteria. These metrics have confirmed a consistent pattern of high-quality member service.

The Board is aware of the steady shift in member profile and demographics. To respond to these shifts, future operating models and new technologies may be used to continue supporting member experience in retirement.

### **3. Fund Update**

Mr John Livanas, the Chief Executive Officer (CEO) spoke to the following matters:

- State Super's purpose and mission: to pay member benefits as they fall due, to provide a positive member experience and to provide high quality superannuation services, maximising member's superannuation and to support the NSW Government in meeting its funding objective. The NSW Government has noted its intent to fully fund the schemes by 2040.
- The risks, challenges and disruptions that impact the Fund in FY2022. The work done in respect of Climate Risk, to achieve a net-zero carbon intensity in the portfolio by 2050 and other Responsible Investment (or Environment Social Governance) initiatives.
- State Super received an award from Rainmaker Information, as an ESG leader, in recognition of all the work State Super had undertaken in managing ESG risks including Climate risk.
- The Trustee Office demonstrated, and has the capability to implement, investment strategies that manage the significant challenges of a negative cashflow (paying out more than received each month), maintaining processes to manage retirements and pensions, and rapidly responding to opportunities to sell assets, such as the pending sale of the Port of Geelong.

### **4. Investment Performance**

Mr Charles Wu, the Chief Investment Officer (CIO), provided highlights of the Fund performance, noting the resilience of the portfolio and the consistently good

performance of the DC Growth option measured against the peer funds (SuperRatings), which ranks above 75% of comparable funds in the survey.

Mr Wu highlighted the diversified and defensive characteristics in the portfolio as a result of which the portfolio generated superior returns during down market. He outlined the Strategic Asset Allocation for both the Trustee Selection and DC Growth options and provided an overview of the investments in airports, Gold Coast and Melbourne Airports, as well as a range of carbon reduction investments that demonstrate State Super's commitment to achieving its Net Zero target.

## **5. Member Update**

Ms Nada Siratkov, the Chief Experience Officer (CXO), outlined the history of State Super, highlighted the services delivered to members and provided an outline of member demographics as at December 2022.

She noted many members were involved in the creation of the 'Member Beliefs' through qualitative focus groups and quantitative surveys. She also further noted that whilst State Super is not a regulated fund, it operates under the principles of the Heads of Government Agreement (HOGA), which means State Super works on a best endeavors basis to meet the standards and requirements issued by APRA, while always prioritising the best financial interest of members.

Ms Siratkov outlined a number of member engagement initiatives in FY2022 and noted the following focus areas:

- to meet the changing membership profile State Super is closely monitoring the changing needs of members to ensure that we continue to meet the service needs of our members well into the future
- continuing development of Net-Zero and Responsible Investment communication program
- consider the introduction of more digital channels, where appropriate and in accordance with members preferences noting member's current preference is contact in the more traditional way

She noted the channels and avenues of engagement with State Super that are currently available for members.

## **6. Q&A Session**

### **Question 1**

How are the annual changes to the State Super pension payments determined?

*Please refer to the document on Q&A session for the CXO response.*

#### **Question 2**

How is State Super's investment performance compared with other super funds?

*Please refer to the document on Q&A session for the CIO response.*

#### **Question 3**

Why can't you make it possible for a SASS member to make a Death Benefit Nomination by amending the legislation to enable a SASS member to make the decision?

*Please refer to the document on Q&A session for the CEO response.*

#### **Question 4**

With all the recent attention on Cyber Security can you explain what measures State Super has in place to keep our data safe?

*Please refer to the document on Q&A session for the CXO response.*

#### **Question 5**

How will the State Super schemes be funded into the future and are the payments guaranteed by the government?

*Please refer to the document on Q&A session for the CEO response.*

#### **Question 6**

Why did the government have a contribution fund holiday for 2 years when the fund future outlook was for a deficit for many years?

*Please refer to the document on Q&A session for the CEO response.*

#### **Question 7**

What is your position on fossil fuels and other projects that impact the world's climate?

*Please refer to the document on Q&A session for the CIO response.*

### **7 AMM Close and Closing Remarks**

Mr Guttman thanked the panelists and members for attending the AMM. He advised that the questions and answers and a video of the meeting will be published on the State Super website in the new year. Members with specific questions on personal circumstances were asked to get in touch with the State Super customer service team on **1300 130 096**.

Attendees will receive an email requesting feedback on the AMM.

The Chair thanked members for their confidence in the State Super team and look forward to the next annual meeting.

Meeting closed at 11.36am.