

<p>Date: Thursday 25 February 2021</p> <p>Time: 4.30 pm – 5.30 pm (AEDT) held via video conference</p>	
<p>Attendees- REI Super Directors:</p>	<p>Claire Higgins - Board Chair and Independent Director</p> <p>Ian Armstrong - Member elected Director</p> <p>Jonathan Blocksidge - Member elected Director</p> <p>Dianne Helmich - Member elected Director</p> <p>Greg Paterson - Member elected Director</p> <p>Neville Pozzi - Member elected Director</p> <p>Richard Simpson – Member elected Director</p>
<p>REI Super Executives and other official roles:</p>	<p>Jarrold Coysh - Chief Executive Officer</p> <p>Angelos Siapkas - Group Executive – Investment Strategy and Operations</p> <p>Lisa Saunders - Group Executive – Governance, Risk and Compliance</p> <p>Andrew Tait - Group Executive – Marketing and Growth</p> <p>Kimbra Jones - Group Executive – Member Services</p> <p>Brett Kallio - Ernst & Young</p> <p>Matt Wachter - Morningstar</p>
<p>REI Super AMM Panel:</p>	<p>Claire Higgins - Board Chair and Independent Director</p> <p>Neville Pozzi - Member elected Director</p> <p>Jarrold Coysh - Chief Executive Officer</p> <p>Angelos Siapkas - Group Executive – Investment Strategy and Operations</p> <p>Brett Kallio - Ernst & Young</p> <p>Matt Wachter - Morningstar</p>
<p>Apologies:</p>	<p>Nil</p>

1.	<p>Welcome and Apologies</p> <p>The Chair declared the meeting open and acknowledged the traditional custodians of the land on which the meeting was being held and paid respects to their Elders past, present and emerging.</p> <p>The Chair welcomed and thanked all those who have joined the Annual Members’ Meeting (AMM) via video conference and noted no apologies were received.</p> <p>The Chair introduced REI Super’s AMM panel members and then handed the meeting over to the Fund’s Group Executive of Marketing & Growth, Andrew Tait, to explain how the meeting would be structured.</p> <p>Andrew Tait advised members to submit any questions at the end of the AMM and noted that questions submitted prior would be responded to later in the meeting. He also advised that responses to all unanswered questions would be made available on the Fund’s website within the next 30 days.</p>
2.	<p>Andrew Tait then reintroduced the Board Chair, Claire Higgins, to provide a Board update.</p>
3.	<p>Board Chair Update</p> <p>The Chair spoke about the following matters:</p> <ul style="list-style-type: none"> • The challenges of 2020 in growing and nurturing member retirement savings. • The following observations were highlighted regarding investment returns: <ul style="list-style-type: none"> ○ Markets are cyclical ○ REI Super is investing for the long term ○ There are significant benefits to investing in a portfolio of diversified assets • REI Super’s board continues to: <ul style="list-style-type: none"> ○ Implement its longer term strategic initiatives ○ Return profits to members and maintain competitive fees ○ Guide a skilled and efficient management team • REI Super values the trust of its members <p>The Chair then handed back to Andrew Tait.</p>
	<p>Andrew Tait introduced the Chief Executive Officer, Jarrod Coysh.</p>

<p>4.</p>	<p>Chief Executive Officer update</p> <p>The Chief Executive Officer, Jarrod Coysh, welcomed all those present and acknowledged what a challenging year 2020 had been. Jarrod Coysh provided an update on the following matters:</p> <ul style="list-style-type: none"> • Impact of COVID-19 on REI Super Estate, members and staff, and moving to a remote workplace. • REI Super’s continuous focus on ensuring members’ best interests are always first. • Early Release Initiative and payments to members were made within the five days. • REI Super had set up a dedicated online information hub on all matters relating to changes occurring from COVID-19. • Our fees remain competitive. • Implemented Putting Members’ Interest First which has the effect of making life insurance optional on an opt in basis for new members under 25 or with balances less than \$6,000. • Launched an updated and enhanced employer and member websites, along with our refreshed mobile app.
	<p>Andrew Tait thanked the Chief Executive Officer for the update and then introduced the Fund’s External Investment Adviser, Matt Wacher, from Morningstar.</p>
<p>5.</p>	<p>Investments Update</p> <p>Mr Wacher spoke of managing members’ retirement savings and investment performance along with providing an update on the following areas:</p> <ul style="list-style-type: none"> • 2020 investment performance and context to the 2020 economic environment. Noting that the Fund has outperformed its investment objective and its benchmark over 3, 5, 10 and 15 year periods for the Balanced Option. • REI Super investment approach <p>Given that over 85% of our members invest in the Balanced Option, the presentation mainly focused on this option. Mr Wacher advised that the diversification of the Balanced Strategic Asset Allocation was a mixture of:</p> <ul style="list-style-type: none"> ○ Growth assets (including shares) ○ Defensive assets (including some unlisted property, unlisted infrastructure, listed infrastructure, bonds and cash). <ul style="list-style-type: none"> • How the Fund manages your investments <p>Discussed how the portfolio was invested across many individual investments within a range of asset classes for example, Australian and international shares, property, cash, fixed interest and bonds.</p> <ul style="list-style-type: none"> • Outlook for 2021 <p>Provided an overview of areas expected to impact market performance and economic growth recovery which included Health (vaccine prospects), continued volatility with an improved economic growth within the second half of 2021.</p>

	<ul style="list-style-type: none"> • How the Fund incorporates ESG considerations into the investment process <p>Mr Wacher explained the Fund’s approach is one of integration where ESG considerations forms part of the assessment of an asset which is based on the Four Pillars Valuation Framework. It was noted that this is where Assets that are subject to ESG risk are penalised at this stage of the process.</p>
6.	<p>Questions & Answers Panel</p> <p>Andrew Tait presented a series of member questions to the panel.</p> <p>Q. I believe the fund should provide ongoing free support for retirees as required from time to time. We are easily pushed off to Mercer for support but at a cost. I made a recent call to see what assistance REI can provide with basic questions and was told someone would ring me in due course, possibly 4-6 weeks.</p> <p>A. Jarrod Coysh. We can offer members intra-fund advice which is for the REI Super products only. This service is free of charge to members and is the limit on what we can provide in a regulatory sense. If a member wishes to look at their entire financial landscape that includes their shareholdings, investment properties, etc. then this is not offered under our ASFL licence and we outsource to Mercer Financial services if the request comes through the helpline. We are currently reviewing our advice model and looking at options for increasing what we do in-house to support members.</p> <p>Q What strategies are investment managers taking to stop losses against effects of the Coronavirus on our investments?</p> <p>A. Matt Wacher. Coronavirus presents both a risk, and an opportunity to the portfolios. As an investment manager, we are focussed on striking a balance between the two. The risk coronavirus poses for investment returns is linked to the ability of companies to continue to earn revenue during this period, and the impact of negative sentiment driving markets down. While we cannot avoid downturns, we can be better placed by ensuring the portfolio is in quality investments that can weather this period of uncertainty. When the initial sell-off occurred, the REI Balanced option certainly held up better than most of the peer group.</p> <p>The market downturn also provides us with an opportunity. When the market sells off, often assets become mispriced. It is important we ensure we take advantage of mispricing opportunities as they occur. While this may lead to some short-term performance that is uncomfortable, it will set your portfolio up for long term wealth generation.</p> <p>Q. How does superannuation compare to general interest rates?</p> <p>A. Angelos Siapkas. Superannuation investments generally include investments in shares, property and bonds in addition to cash.</p> <p>As such the investment return from a typical superannuation fund is expected to be much higher than the interest rate available on cash holdings.</p> <p>For example, the REI Super Balanced option has provided a return after investment fees & tax of 7.5% pa over the past 10 years compared to the return from cash of around 2% pa.</p>

Q. I have noticed a few super funds over the past 12 months merging. As REI Super is much smaller than those bigger funds like Australian Super, is REI Super at risk of merging?

A. Claire Higgins. Superannuation funds merge for a whole host of reasons, however the primary objective must be to act in the best interests of members. There have been many mergers announced over the past several years involving superannuation funds of all sizes.

Q. Can I access investment advice through REI Super? I am unsure what all the investment options mean, and which option I should be in.

A. Jarrod Coysh. Yes, you can access investment advice on your REI Super account through our Helpline.

Our Helpline has two types of consultants. The consultants who answer your call can provide general advice and can advise you what type of investment options REI Super has.

If you require advice on what REI Super investments option you should be in, based on your risk profile, you can speak to a Helpline Financial Adviser.

Both calls are at no additional cost.

If a member wishes to look at their entire financial landscape that includes their shareholdings, investment properties, etc., then this is not offered under our ASFL licence and we outsource to Mercer Financial services if the request comes through the helpline. We are currently reviewing our advice model and looking at options for increasing what we do in-house to support members.

Q. I switched to cash during the last 12 months as a panic reaction. What are the repercussions and when do I switch back to balanced?

A. Angelos Siapkis. Changing investment strategies during a downturn can prove risky. Research has shown that investors who attempt to ‘time the markets’ by frequently switching investments generally underperform over the long-term.

Q. How exactly does REI Super plan to take advantage of the market upturns?

A. Matt Wachter. As markets sold associated with COVID-19, we took the opportunity to buy assets that had been mispriced. This has put us in a good position to take advantage of the upturn in the market. The best way to take advantage of market upturns is to be positioned in assets that have more upside because the market has undervalued them. Eventually, the market will correct this mispricing.

The assets we purchased throughout 2020 are more cyclical in nature, that is, they are more sensitive to economic conditions. As the market starts to expect an economic recovery from COVID, these investments should do well.

Q. What are the companies REI Super invests in that make up the balanced option?

A. Matt Wachter. The balanced option invests across several asset classes including equities, fixed income, property and infrastructure. As a result, the holding in any one individual company is small.

Some of the larger holdings (all <1%) include:

- The major Australian banks (WBC, NAB, CBA, ANZ)
- US banks (Wells Fargo, Citigroup, JP Morgan)
- Domestic companies including CSL, Woolworths and Wesfarmers
- Telcos including – Vodafone, WPP
- Energy companies including BP, Total, Chevron

Q. I notice that many funds' fees are cheaper than REI Super. Why is this, and will fees be reducing anytime soon?

A. Neville Pozzi. Our fees are competitive when compared to our peers.

We are committed to keeping downward pressure on fees and costs across the board and acknowledge the importance of this to increase our member's chances in saving more super in the long run. With member-elected directors on our board, who live and breathe the industry, they can personally provide the board with guidance on members' best interests. Being a small and agile team gives us the ability to scrutinise every single cent by conducting regular reviews and to work through improving outcomes faster, which gives us the difference against those larger industry funds. Whilst we may not be able to alter some of our costs, as we are a small team, we always look further into how we can enhance our personalised member experience.

Our action plan has been, and continues, to provide regular review and audit of our fees and costs. With the finance world being a continual moving feast, regular monitoring and scrutiny of our fees and costs is essential and can reveal where savings can be achieved.

As such, this past year we have reported on an overall saving in investment costs compared to last year has been achieved. The nett result being an extra \$40 per year approximately into members' accounts with a balance of \$50,000 invested in the Balanced MySuper option.

We will continue to actively manage and audit our fees and costs because with every saving means more \$\$ into your accounts.

Q. I have noticed in the news lots of legislative changes for super, like stapling. How will this change, and the other changes affect REI Super?

A. Jarrod Coysh. Our focus has always been and will continue to be on our member outcomes. Putting your best interests first. We have a robust compliance framework and work through all the requirements for legislative changes thoroughly, seeking advice from our members and member-elected Directors to ensure we are capturing and enhancing your best interests.

There being no further questions Andrew Tait thanked Matt Wachter and handed back to the Chair to close the meeting.

7.	Other business Nil
	Meeting Closed The Chair declared the meeting closed at 5:30 pm (AEDT).