VISION SUPER PTY LTD
ABN 50 082 924 561
Minutes of Annual Members' Meeting Held online via Zoom
On Wednesday 10 November 2021 at 5.30pm

1. Attendance and Apologies

PRESENT:

Directors
Lisa Darmanin (Chair)
Graham Sherry (Deputy Chair, Governance Risk and Appointments Committee Chair,Remuneration Committee Chair)
Casey Nunn (Audit Committee Chair)
Joanne Dawson (Investment Committee Chair)
Peter Gebert (Benefits Committee Chair)
Peter Wilson
Diane Smith
Kerry Thompson

APOLOGIES
Geoff Lake

Executives
Stephen Rowe, Chief Executive Officer
Michael Wyrsch, Deputy CEO and Chief Investment Officer
Noelle Kelleher, Chief Financial Officer and Company Secretary
Sean Ellis, General Manager Strategy and Growth
Nikki Schimmel, Chief Risk Officer
Steven Leach, General Manager Operations and Transitions
Emma Robertson, General Manager Data and Analytics
Rebekka Power, Head of Communications (Minute taker)

External service providers
John MacDonald, Partner, Ernst & Young, External auditor
Matthew Burgess, Senior Director, Willis Towers Watson, Fund Actuary

Members
In attendance via Zoom: Approximately 360 members and others

Sean Ellis, General Manager Strategy and Growth, opened the meeting at 5.30pm, welcomed members and introduced the Chair, Director Lisa Darmanin. He gave a brief outline of the agenda.

2. Acknowledgement of Country

The Chair acknowledged the Traditional Owners of the land:

"We acknowledge the Traditional Owners of the lands from across Australia. We pay our respects to the Elders past,present and emerging, for they hold the memories, the traditions, the cultures and hopes of Aboriginal and Torres Strait Islander peoples across the country. We extend that respect to any Aboriginal or Torres Strait Islander peoples with us today."

3. Chair's address

The Chair, Director Lisa Darmanin, welcomed members to Vision Super's seventh annual members' meeting. She noted that the meeting was again being held solely online due to the Covid-19 pandemic. The Chair outlined the focus of the Board, management and staff of the fund on the best interests of members, and the delivery of strong risk-adjusted returns. The Chair outlined that the Fund was in merger discussions, but was not yet at the point of making an announcement. The Chair then introduced the other Directors, and in particular acknowledged the significant past contribution of Director Geoff Lake, the previous Chair, who had finished his term and would be stepping down as a Director in December 2021.

4. CEO's address

The CEO, Stephen Rowe gave a fund update. He presented an overview of the Fund's key facts and figures, noting the growth of net assets from $10.51 billion in June 2020 to $12.3 billion in June 2021, a 17% increase. He gave a breakdown of the Fund's member accounts, and payments in and out of the Fund over the course of the year.

Stephen Rowe summarised the achievements of the 2020/21 financial year, noting that the Fund had continued to deliver strong risk-adjusted returns, including the highest ever return for the MySuper default Balanced growth option. He also noted that costs remained contained, and fees had again been reduced.

The CEO gave a breakdown of returns for the MySuper option and noted that members can always find the details of returns on the website. He also highlighted the strong member service performance despite the team working remotely for most of the year, noting that member feedback remained very high.

Stephen Rowe noted the vested benefits index of the defined benefit plans remained in a pleasingly strong position. He summarised the current regulatory environment and the impact on the Fund.

The CEO talked about the process the Fund had undergone to identify potential merger partners and narrow down the field to the most prospective prospects and noted the Chair's reference to the conclusions the Board had reached.

5. Audit Committee report

Director Casey Nunn, Chair of the Audit Committee, updated members on the role of the Audit Committee in overseeing the effectiveness of Vision Super's financial reporting framework and audit arrangements. She reported that the Fund had received an unqualified audit report– and notedthat Vision Super had never received anything less than an unqualified report. Casey Nunn also noted that an exhaustive tender process had been run for both internal and external audit services during the year, and that BDO had been appointed the new external auditor and Ernst and Young the new internal auditor. She referred members to the detailed extract of the financial statements available in the Annual report published on the Vision Super website.

6. Investments Committee report

Director Jo Dawson, the Chair of the Investments Committee, outlined the role of the Investment Committee in implanting the investment governance policy and framework, including the development, selection, management andmonitoring of the Fund's investments and investment strategies.

She noted the strongest ever result of the Balanced growth MySuper option, 19.05%, and that this was the 12th successive year of positive returns for the option.

7. Chief Investment Officer's address

Michael Wyrsch, Deputy CEO and Chief Investment Officer, gave an address on the investment outlook for 2020/21.

The CIO covered the pandemic and the probability of better vaccines and treatments becoming available over the next 12 months, however further mutations were likely, and the economic impact of the pandemic would continue for some time.

Michael Wyrsch talked about escalating public debt due to the amount of fiscal stimulus in 2020 in response to the pandemic, and the likelihood of this pushing up inflation, which had already begun to rise. It had been a strong year for equities, and global demand was strong.

He noted escalating global tensions with China, and the growing risks of climate change. He outlined that the expectations for the next year were more modest, and that return assumptions had been adjusted down.

The CIO outlined the Fund's approach to ESG, noting that exposure to oil and gas had been reduced due to the risks to members' money posed by stranded assets. He also outlined the issues arising from the Your Future, Your Super performance test.

8. Governance, Risk and Appointments Committee report

Director Graham Sherry, Chair of the Governance, Risk and Appointments Committee and the RemunerationCommittee, gave a report.

He outlined the role of the Governance, Risk and Appointments Committee in assisting the Board by providing an objective non-executive review of the effectiveness of Vision Super's governance and risk management frameworks,including the risk appetite and risk culture.

Director Graham Sherry reported on the Committee's work over the course of the year, noting that continuous changes to legislation and regulation had meant the Committee was busy. He noted also that material risks were being continuously monitored, and that a review of the Fund's risk appetite had been undertaken.

9. Remuneration Committee report

Director Graham Sherry noted that the Remuneration Committee had been set up by the Board to review the effectiveness of Vision Super's remuneration structure and policy, as well as to assess compliance with the relevantprudential standards and make recommendations to the Board each year on remuneration.

He outlined that Vision Super's remuneration policy used the FIRG survey to set remuneration, with the policy stating that executive remuneration should be within 15% of the FIRG median. He informed members that there had been no general increases the previous financial year, in light of the pandemic and circumstances in the community and Vision Super's traditional industries, but that since the end of the financial year on 30 June 2021, the new Enterprise Agreement had been ratified for staff and an executive pay review undertaken.

10. Benefits Committee report

Director Peter Gebert, Chair of the Benefits Committee informed members that the purpose of the Benefits Committee is to assist the Board in fulfilling its governance responsibilities and oversight of the Insurance Management Framework. He noted the Committee's main role was to act as an independent, objective third partyto assess insurance benefit payments to members and their dependants, and that regular meetings were held to evaluate claims.

Peter Gebert gave a summary of premiums paid by members and the benefits and claims paid out to members, noting that for many members and their beneficiaries insurance made difficult times easier financially.

11. Member questions

The meeting was opened for questions about the fund.

Questions and comments raised during the meeting related to investments, ESG, COVID, fund governance, engagement and performance. All questions received and responses to those questions (including those questions covered during the meeting) are in Appendix A and can be found on our website.

12. Meeting close

Sean Ellis thanked members for attending and informed them that the minutes (including answers to questions)and the recording of the night's proceedings would be made available to view on the Vision Super website. The meeting was closed at 7.36pm.

Appendix A: Member questions

Question	Answer
1. What evolution has taken place in the risk appetite of the Board pre-Covid to today? 2. If the Board could have the past 20 months over again, what would they have done differently? 3. If the CEO and Executive Team could have the past 20 months over again, what would they have done differently? Keep up the good work, James	1. We have a formal risk appetite statement which is set by the Board and reviewed annually. We have a number of metrics in place that allow us to track whether we may have exceeded our risk appetite at any point in time. Our risk appetite has moved in some areas over the last two years, such as in strategy and growth, which reflects the new Your Future, Your Super requirements. However, these changes are not directly related to Covid. 2 & 3 If the Board or the executive team could do the last 20 months again, there's not a lot we'd change. Vision Super has a carefully considered strategic plan, which comprises a number of initiatives and despite the environment being a different one thanks to the ongoing pandemic, we have stuck to delivering on those initiatives and focusing on the strategic plan. If we had to do it again, that would still be our focus.
Do you talk to Senator Jane Hume, or do you let Industry Funds peak body talk to Senator Hume? Do you sense any bias versus retail and industry Super funds?	The CEO responded that he had not had a conversation with Jane Hume or done any personal lobbying with the government. Industry funds do deliver great performance, competitive fees, and good services. The industry as a whole has been under increasing scrutiny and regulation since the Royal Commission but has continued to deliver for members. We will leave it others to assess whether there is any bias for or against any particular type of fund.
Diversity is not just about gender! What about cultural diversity?	Our record on Board diversity speaks for itself. We have a majority of female Board members, and a female Chair. However, diversity isn't prioritised in our board appointment process – yes, we want to have a diverse board, but our number one priority is getting the right mix of skills to ensure the fund is run effectively. Gender equality on our board is the result of good processes that don't discriminate and don't restrict the potential pool of candidates by excluding people. Of course, gender isn't the only area where diversity is valuable, but it's one of the easiest to measure. In Vision Super's annual report, you'll find details of the age of directors and geographic diversity across Melbourne as well – we have a good spread in terms of where Board members live across the city. It's harder to measure other characteristics of diversity because we don't really want to ask potential Directors questions about things like religion, ethnicity or sexuality that are protected attributes in anti-discrimination legislation.
Is Vision Super considering any mergers or acquisitions of or with other super funds. Are there plans for a merger?	Yes - as outlined in the presentation, Vision Super's strategic goals have included merger for some years now, and the Fund is in active merger discussions.

Question	Answer
Is it likely in the future that Vision might merge with another fund?	
How are your merger discussions progressing with like-sized super funds, with an aim to get bigger?	The Board has looked at a number of options over the past few years, including small funds, like size funds, and larger funds. We're in active merger discussions at the moment and hope to have more to announce soon.
Merger with whom?	Although we're in active merger discussions, we're not in a position to announce anything yet. As soon as we are, our members will be among the first to know.
What is the anticipated timeline for the merger?	Although we're in active merger discussions, we're not in a position to announce details about timelines quite yet. As soon as we are, our members will be among the first to know.
How advanced is the merger discussions?	The merger discussions are at a point where we've narrowed it down to a preferred fund, and are looking at the opportunity in detail
How are climate and environmental sustainability considerations being included in your merger considerations? Not mentioned at all as yet	Climate and environmental considerations have been one of the aspects that we have considered as part of discussions with potential merger partners. In relation to this aspect, the focus has been on ensuring that the merged entity would have an approach to sustainability that is aligned with Vision Super's approach.
Why are you looking for a merger partner? Is the size of smaller funds like Vision Super not sustainable in the long term or is it another reason?	Questions about size and sustainability are a big reason why the Fund has been looking at merger for some time. Not necessarily because we can't carry on at our size, but because we're very conscious of the best financial interests of our members. We make every effort to keep the costs of running the fund as low as possible, and our operational costs are well below the industry median. But some costs are fixed and can't be reduced further - a bigger fund means those fixed costs are spread across more members, which means fees can be lower. A bigger fund also means the costs of investing are generally lower, as investment managers charge lower fees for larger amounts of money. It all boils down to striving to ensure our members end up with more for their retirements.
will our admin fees increase with a merger?	If we go ahead with a merger, it will be because our members will be better off overall. Admin fees are definitely something we'll be looking at closely - along with investment costs and returns, to assess the overall net benefit to members. If our members aren't going to see an overall benefit, we won't merge.
Will members have an active vote in choice of any merger partners?	The decision whether or not to merge will be made by the Board of Vision Super. The Board has a clearly defined obligation under superannuation legislation to safeguard members' best financial interests and must only decide to merge if members will be better off overall. Their decision will be informed by a detailed due diligence process, which will delve into every aspect of the potential merger partner fund, under a signed non-disclosure agreement that means we can't share the data. The Board will weigh up all aspects of the

Question	Answer
	decision very carefully, based on analysis of the data.
Is the " Organisation " running out of, "Funds "as you are now "Advertising" ????	Our funds under management have grown significantly over the last 12 months, from $10.3 billion at the start of the financial year, to $12.3 billion at the end of June 2021. Our investment in brand this year was a pilot campaign. The campaign was very thoughtfully and intentionally designed to provide deeper understanding of the benefits to all members of investing in brand activity. We set clear objectives, which have been tracked, and the focus is on supporting both membership growth and the retention of existing members, which in turn supports our cashflow position.
Why are you advertising on the T.V. it's them best CLUB in town why tell every body	Our investment in brand this year has been done as a pilot campaign. The campaign has very thoughtfully and intentionally been designed to provide deeper understanding of the benefits to all members of investing in brand activity. We set clear objectives which have been tracked and focus on supporting both membership growth and the retention of existing members, which in turn supports our cashflow position.
Is your target market for customers in Victoria or all of Australia?	A Target Market Determination describes who a product is appropriate for (target market), and any conditions around how the product can be distributed to customers. It also describes the events or circumstances where we may need to review the Target Market Determination for a financial product. Vision Super target markets are not limited to customers in Victoria and we welcome and have membership all across Australia.
When are we going to be able to invest directly in ETF's?	At this stage, we are not heading down that track. We do introduce new options from time-to-time but currently we feel the options we have meet the needs of the membership broadly. We did have a look at EFP, ETFs and term deposit some time ago but we found the costs of introducing them were expensive and the likely take up would be too small, so we did not go ahead. The Vision Personal Sustainable balanced product has a passive exposure like many ETFs, so members could elect to join that, and members could also look to get financial advice to assist them to meet their goals if they want to mix and match some of the pre-mixed and single sector asset class options that we offer at the moment.
Our employers now pay an extra 0.5% into our defined benefits fund does the defined benefit also increase its payout multiple to reflect the extra money going in? - What benefit do we see for the extra money going into Vision Super DB? The Defined Benefits payment has increased by 0.5% does the retirement benefit multiple also increase as we have paid more money into the fund?	From a member's perspective, the value of their defined benefit is set by the formula used to calculate their benefit. This formula includes a retirement benefit multiple, which does not change with the Fund Actuary's recommended contribution rate. The DB benefit is generally funded from the investments/investment earnings of the relevant DB sub-plan. Because the benefit is a defined benefit, it is the employer that bears the investment risk of the sub-plan.

Question	Answer
	The Fund Actuary makes recommendations on a regular basis about the contributions that an employer is required to make so that the promised defined benefits can be paid. How the employer chooses to fund those additional contributions is up to the employer and Vision Super is not a party to the employer's remuneration policies.
Herald-Sun 21 October 21; “APRA has taken aim at nearly 120 superannuation funds it says will struggle to remain competitive into the future. A "shocking" 116 funds manage $10 billion or less " As a small/medium super fund, where does Vision Super sit on this list and what steps is it taking to address the vulnerabilities arising from its apparent lack of critical mass relative to the major players?	As you can appreciate, the number of funds and size of each is changing constantly as does our position in any table when looking at size. We are one of the few funds that are all clear on APRA's heatmap (https://www.apra.gov.au/mysuper-product-heatmap) and are not under any pressure from the regulator to consolidate. Vision Super had another really strong year, returning 19.05% to members in our default MySuper Balanced growth investment option, where the majority of our members are invested. We have very clear strategic objectives and outcomes we look to deliver members. All of which are supported by initiatives within our business plan, including many focused on growth and retention activity.
What amount was withdrawn from member's accounts in 2020 under the Federal Government emergency access scheme, what impact has it had on the fund and what changes have been implemented in terms of future cash reserves?	We have set out the Covid-19 early release payments that we have made during both 2021 and 2020 in Note 3(p) to the 2021 financial statements for the Local Authorities Superannuation Fund (LASF). We paid a total of $72.6million across the two years with $34.3million in the 2020 financial year and $38.3m in the 2021 financial year. The total Covid-19 early release payments were less than we originally anticipated and did not have any undue negative impact on the fund or our cash reserves. The financial statement can be found at www.visionsuper.com.au/resources/forms-and-publications/ under the heading "Financial statements".
1.Why do you invite members to submit questions to the Annual Member Meeting and then not ask them at the meeting or truncate them to such an extent that the original question is lost as you did in the last two years with questions that I submitted? Would you agree with me that such behaviour is an indicator of very poor internal culture at the highest levels in Vision Super? What is the appropriate external oversight and regulation authority to report this behaviour to? 2.How much member's retirement money was paid to each of the ASU, MAV or LGPro, or representatives of these organisations, over the period covered by the most recent Annual Report?	In terms of marketing and sponsorship agreements, we did make some payments to some of the organisations you have asked about. The ASU provided marketing and distribution services pursuant to an Agreement we have with them, which the Fund paid $102,182 for in the financial year up ending June 2021. VicWater provided services which we paid $15,000 for. There were no payments to the MAV during this period. A total of $4,850 was paid to LGPro for services. In total, these organisations provided services to help us promote and grow the fund for which we paid around $122,032. This information is disclosed on our public website and can be found at https://www.visionsuper.com.au/wp-content/uploads/Distribution_and_sponsorship_2020_21.pdf. We attempt to answer all questions but as you can see from the number of questions in these minutes it is difficult to get through all questions on the evening. Vision Super has been running annual member meetings for more than five years, well before there was a requirement to do so. We are committed to talking to and hearing from our members and these meetings show a commitment to that.

Question	Answer
	If you feel that your question has not been answered you can make a formal complaint to the Fund or AFCA. APRA regulates the compliance with Annual member meeting requirements.
Are investments future proofed in terms of climate change	Vision Super believes that urgent action on climate change is required. From a portfolio context, Vision Super seeks to reduce climate change risk through a range of approaches, including encouraging appropriate government policy in Australia and globally; reducing our portfolio's exposure to carbon emissions; and working with our managers with the aim of ensuring that they have a suitable approach to managing climate change risk. It is the role of government to provide considered public policy and the legislative frameworks required for the transition to clean energy. Vision Super has previously written to Federal members of parliament to urge them to do this vital work. Vision Super has joined in collaborative action with other investors pushing for effective policy in Australia and globally to enable an orderly transition to a low carbon economy. We also use our power as an active shareholder to encourage companies to disclose their carbon emissions, as well as targets for reductions in Scope 1, 2 and 3 emissions that are aligned with the Paris agreement. We have reduced the carbon exposure for our indexed and enhanced indexed listed equity investments, which represent about half our listed equities exposure. The indexed component of our Australian equities portfolio is managed under a mandate that provides a tilt away from high carbon emitters. The portfolio is managed to materially reduce both carbon emission intensity and exposure to carbon reserves when compared to the benchmark. In addition, our Australian small companies manager aims to reduce the portfolio carbon intensity relative to its standard model portfolio. For our other active equity portfolios, our managers are required to consider environmental, social and governance risks in their company evaluations. The Sustainable balanced option has a particular focus on environmental considerations, with 100% of the Australian and International equities portfolios managed under mandates that provide a tilt away from high carbon emitters. Vision Super is also a support investor to the Climate Action 100+ initiative, which aims to ensure the world's largest corporate greenhouse gas emitters take the necessary action on climate change. The focus of the initiative is to engage with companies to curb emissions, improve governance and strengthen climate-related financial disclosures. We also engage with our fund managers on the Task Force on Climate-related Financial Disclosures and encourage them to support these recommendations. If not, we ask them to explain why that is not the case.
In the future, will carbon neutral business investments be added to your portfolio offers.	This year Vision Super committed A$100 million to a renewable infrastructure fund

Question	Answer
	managed by Copenhagen Infrastructure Partners (CIP). This fund is developing renewable infrastructure around the world including potentially Australia's first offshore windfarm off the coast of Gippsland. Vision Super is committed to renewable energy investments that are expected to generate suitable medium to long term returns. Such investments have the additional benefit of enabling the transition we need to a low-carbon economy. As a super fund, our primary responsibility is enshrined in law – we have a fiduciary duty to our members to invest members' money in sound investments that are likely to generate returns commensurate with the level of investment risk over the longer term. Our core property portfolio fund manager (ISPT) is the first Australian property firm to achieve carbon neutrality for both corporate and property operations across their portfolio and is certified by Climate Active, a national initiative by the Australian Government to address climate change. The Sustainable balanced option has a focus on environmental considerations, with 100% of the Australian and International equities portfolios managed under mandates that provide a tilt away from high carbon emitters. We are also working on a detailed plan to achieve our published objective of being carbon neutral by 2050.
I'd like to hear a bit about how you approach sustainability, carbon and climate change in investment decisions. Thank you	We believe that environmental, social and governance (ESG) issues and sustainability considerations are important within the context of optimising net risk-adjusted returns. ESG considerations are included in our fund-wide investment beliefs which guide the decisions we make about our investment portfolios. For Vision Super, selecting our external investment managers requires extensive due diligence, which includes an analysis of manager capabilities in managing ESG factors (eg climate change risks). Fund managers and their portfolios are monitored on an ongoing basis by the internal Investments team and our asset consultant. The Australian and international passive equity portfolios are managed to a low carbon mandate, and we ensure we send a strong message through our voting for specific climate change risk resolutions on a case-by-case basis. We have been recognised by the Australasian Centre for Corporate Responsibility as one of the top two super funds for our voting record (https://accr.org.au/vote-like-you-mean-it-report/). You can find more details of our approach and our full voting record on our website https://www.visionsuper.com.au/invest/active-ownership/ You can read more about our ESG initiatives at https://www.visionsuper.com.au/invest/sustainability/
How can I ensure that my super is not invested in fossil fuels businesses	Vision Super has materially reduced our exposure to fossil fuel producers. We are divested from thermal coal and tar sands miners and have reduced our exposure to oil and natural gas producers up to divestment caps (current set at 2% of emerging market equities, 2% of Australian equities and 5% of developed market equities ex-Australia as a percentage of

Question	Answer
	the relevant investment universe). It should be noted that the materiality threshold for divestment from a company is set at 25% of the respective company's revenues. We divest because we believe there is a material risk that the prices of these investments do not fully reflect climate change risk. Scientific consensus is that carbon dioxide emissions are the major contributor to harmful global warming. Thermal coal and tar sands have particularly high levels of carbon dioxide emissions per unit of energy produced. We believe there is material risk to these companies as any reasonable path to reduce carbon emissions globally will lead to a large impact on exposed industries and companies and the market is not yet fully pricing this, even as governments start to act, and consumer preferences change. There is therefore a material risk that some oil and gas assets will become stranded assets and the asset values will have to be written down. We do not believe any fund can truly claim to be "fossil fuel free" while fossil fuels are integrated into the global economy. Some of the biggest customers of fossil fuel energy are technology companies, aerospace companies, transport companies, agriculture, and industrial companies – in fact any company connected to a transmission grid fed by fossil fuel energy plants. You can read more about our divestments at https://www.visionsuper.com.au/invest/sustainability/divestments/
Re climate risk - can Vision Super commit to provide full disclosure ASAP about which companies it invests in via the Sustainable Balanced fund option?	Draft Government regulations on disclosure have been discussed for some time and we have been waiting to see where these settle before we incur the costs to deliver this. The final regulations for Portfolio Holdings Disclosure were released on 11 November 2021. Some significant changes were made when compared to the draft regulations. Under the requirements, superannuation funds must disclose information about the identity, value and weightings of their investments. The first round of reporting will relate to 31 December 2021 and is to be published by 31 March 2022, with portfolio holdings disclosure to occur every six months thereafter. Now that the legislative requirements are known, we are working to finalise our website reporting.
What is your investment strategy around listed companies predominantly associated with gambling?	Currently, Vision Super does not have any portfolio-wide exclusions to gambling. We only divest from products where we don't believe engagement can reduce harm, or where we believe there is a long-term risk to our members' money. In general, we believe corporate engagement is more effective in improving the way companies operate, reducing the environmental impact and increasing transparency. You can read more about our divestments at https://www.visionsuper.com.au/invest/sustainability/divestments/

Question	Answer
Are investments free from involvement of tax havens and the like"	Prior to appointing any offshore manager (including private equity), we conduct an investment due diligence review, which includes consideration of legal and tax issues. Importantly, Vision Super has no appetite for any transactions that are motivated by the avoidance of tax, and we do not seek to artificially shift and/accumulate profits in low tax jurisdictions or to hide assets or income. We believe all entities should pay their fair share of tax on a country-by-country basis and we support tougher measures on tax transparency that will reduce tax avoidance. While we endeavour to identify arrangements that are motivated by the avoidance of Australian tax, we cannot guarantee that investment structures that are set up for non-Australian investors do not result in the avoidance of tax by those non-Australian investors.
What does Vision Super invest in?	With the aim of ensuring sufficient diversification, Vision Super invests in a wide range of asset classes, such as Australian equities, international equities, property, infrastructure and cash. The targeted exposure to these asset classes for each investment option reflects factors such as the option's investment objective, as well as our medium and longer-term outlook for each asset class. Within each asset class, there are numerous individual investments. For example, our international equities asset class has exposure to a range of investment managers, which manage portfolios of international shares on behalf of Vision Super members. Please refer to pages 29 – 32 of the 2021 Annual report, which show the manager breakdown of each asset class. https://www.visionsuper.com.au/wp-content/uploads/Annual-report-2021.pdf You can also refer to our investment beliefs, which outline the principles we follow when making decisions on our investments at https://www.visionsuper.com.au/invest/our-investment-beliefs/
Are you considering investing in crypto? If not, why?	Vision Super does not currently have any investment options that have direct exposure to crypto currencies. As a super fund, we have a fiduciary duty to our members to ensure that anything we invest their money in is expected to be a sound investment that is likely to generate suitable returns over the longer term. Investing in crypto currencies is very risky. Our investments generally have future cashflows – for example, future rent from an office building. Crypto currencies are not underpinned by future cashflows. Their prices reflect a range of factors such as: confidence in the respective crypto currency as a future medium of exchange; confidence in central banks; the development of blockchain technology; the range of crypto currencies available; and regulation. Many of these factors are very uncertain and underpin high levels of volatility. Reflecting this, we do not currently have any plans to invest in crypto currencies.

Question	Answer
Does Vision have any plans to introduce a passive index fund or direct investment facility?	In 2016, we introduced the Sustainable balanced option, which is passively invested under a low carbon mandate. The passive investing strategy was employed as a way of keeping costs down. At this stage, we are not planning to introduce other passive investment options. One of the key considerations when determining our suite of investment options is ensuring that there is sufficient member demand for each option. This is because there are set up and running costs associated with each option. This cost consideration is also an important aspect in determining whether there is merit in introducing a direct investment facility. Based on the experience of other super funds that have introduced such facilities, the member take up tends to be low and therefore these facilities are difficult to justify from a cost perspective.
To what extent have your fund managers investigated current opportunities and potential for strategic investment in the Australian manufacturing sector, especially in light of the Covid pandemic?	The pandemic has created investment opportunities in a range of industries including manufacturing. Many of our managers will consider the merits of such opportunities. We do not encourage them to invest in a particular industry. Instead, we ask them to achieve their medium-term investment objectives subject to tailored constraints on their investment approach to ensure that risk is managed in an appropriate manner. In some cases, our managers will consider and invest in the Australian manufacturing sector. We have committed to a strategy that provides lending opportunities to smaller firms in Australia, some in manufacturing, some in other industries. It is looking to support borrowers seeking to access finance for growth and expansion capital as well as borrowers experiencing financial stress navigating through turbulent operating environments, with finance offered on appropriate commercial terms to compensate our members for the risks involved in lending to these businesses.
"During the last three years my super has been invested in the Innovation and Disruption option. Despite the excellent returns all correspondence from Vision super is I should not be invested with option. The underlying assets in this option are very profitable and have sustainable ongoing revenues. The equities are overvalued but this is no different to both Australian property prices and equities. Understanding the asset class in this option and associated risks, is Innovation and Disruption a good investment for long term growth of super?"	The Innovation and disruption (I&D) option has generated favourable returns since its inception. The communication that we have provided to members in relation to this option has aimed to ensure that members are aware that it is a relatively high-risk option. The risk of the option reflects factors such as: the relatively small number of companies that the option invests in; that the share price volatility of growth companies tends to be high; and that only one investment manager is selecting the companies in the portfolio. While this manager's long-term track record is favourable, there are likely to be periods when its performance lags the broader market as typically occurs with most active managers. Many of our other investment options have a lower risk than the I&D option, as they include a broader range of investments such as cash, fixed interest, infrastructure and property. The suitability of the I&D option for a member reflects a range of factors, including the member's risk tolerance. Before you make any decisions, we recommend that you get financial advice. As a Vision Super member, you can receive advice at no extra cost from a Vision Super financial planner on single topics relating to your account. To book an appointment with a Vision Super financial planner, complete the online form or call the Contact Centre on 1300 300 820 (Monday to Friday 8:30am to 5pm). If you need more complex advice and fees do

Question	Answer
	apply, they will be discussed with you before any work is done.
What will happen to property market when inflation rears its ugly head in the years ahead?	Low and controlled inflation in Australia over recent decades has enabled low interest rates, which have helped support higher property prices. The outlook for inflation is uncertain. While there are some signs that inflation could rise over coming years, that is not certain. For example, the Reserve Bank of Australia (RBA) is expecting inflation to be at or below its 2.5% midpoint of its target range in the next two financial years. Such inflation outcomes could be relatively benign for property prices. If inflation does trend higher on a multi-year basis, that would likely result in higher interest rates and some downward pressure on property prices. In that scenario, the extent of impact would depend on factors such as the extent and duration of the increase in inflation, homebuyers' ability to continue to service their mortgages as well as RBA and Government policy.
What are the expected returns for our super this coming year? for low, med & high risk each individually?	Given the level of uncertainty, we do not forecast returns over short periods. However, we anticipate that investment returns over the next ten years will be lower than those experienced during the last decade. This view reflects lower economic/earnings growth as a result of high debt levels and less favourable demographics, as well as valuations for many asset classes that are currently on the high side. For example, we expect low returns from the cash and fixed interest asset classes. With lower returns likely over the next ten years, a key focus of Vision Super will be to make the most of the returns that are available, with the aim of ensuring that members are able to have a favourable retirement. This will involve continuing to position the portfolio to take advantage of investment opportunities and ensuring that there is suitable protection against downside risks. The Covid-19 period has reinforced the importance of both diversification and considering superannuation as a long-term investment. These aspects will continue to be important factors for portfolio design over coming years.
I am nearing retirement - very concerned about climate change AND about volatility in markets. Could you offer a Conservative Sustainable option please?	At this stage, there are no plans to offer an additional sustainable investment option. One of the key considerations when determining our suite of investment options is ensuring that there is sufficient member demand for each option, as there are set up and running costs associated with each option. Reflecting this, we are not currently planning on offering a conservative sustainable investment option.