

## CENTRIC SUPER FUND: ANNUAL MEMBER MEETING

Date & Time	Thursday, 6 February 2025	3:00pm – 4.00pm
Virtual venue	<b>Meeting held online</b>	
Attendees	<p>Equity Trustees Superannuation Limited (ETSL) Board: Catherine Robson (Chair), Mick O'Brien, Steven Carew</p> <p>Adam Kuziow (Deloitte, Fund Auditor);</p> <p>David Warren (General Manager, Superannuation Services, Equity Trustees)</p> <p>Kieran Canavan (Chief Investment Officer, Centric Capital)</p> <p>Attendees: 9 members and 23 attendees</p>	
Apologies	<p>Sue Everingham (Director, ETSL Board), David Coogan (Director, ETSL Board); Suzanne Holden (Director, ETSL Board)</p>	
1. Commencement	<p>At 3:00pm, Catherine Robson welcomed all attendees, provided an overview of the Agenda for the meeting and noted details of how to lodge questions and who to call to address any technical difficulties.</p>	
2. Welcome and year in Super	<p>The Chair noted that a quorum of ETSL directors, David Warren, Kieran Canavan and Adam Kuziow were present at the meeting.</p> <p>The Chair welcomed all members and attendees to the Annual Member Meeting of the Centric Super Fund (Fund).</p> <p>The Chair spoke about the role of an independent trustee within the operation of a superannuation fund. This discussion included:</p> <ul style="list-style-type: none"> <li>• Ongoing regulatory change and upcoming reforms;</li> <li>• Retirement solutions and support; and</li> <li>• Key changes in claims and member experience and the rationalisation of funds and products.</li> </ul>	
3. Fund update	<p>Kieran Canavan provided an overview of the Fund including:</p> <ul style="list-style-type: none"> <li>• Commentary regarding the Fund's size and service providers;</li> <li>• FY24 year in review;</li> <li>• Investment market performance and investment market outlook for 2025; and</li> <li>• Centric One Models performance.</li> </ul>	
4. Trustee Fund Review	<p>David Warren addressed the following key themes:</p> <ul style="list-style-type: none"> <li>• Outlining key focus areas across Fund growth;</li> <li>• enhancing retirement outcomes, retirement preparedness and product enhancements; and</li> <li>• Member Outcomes Assessments.</li> </ul>	



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5.     **Looking forward**     Kieran Canavan provided an update on a look forward to FY 24. This included:
- Maintain value for money and competitive fees through continued growth;
  - Maintain member engagement and satisfaction;
  - Further enhance product to meet the evolving needs of members; and
  - Respond to changes in legislation and regulatory environment
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6.     **Questions**     David Warren and Kieran Canavan responded to 3 questions asked by members:
- 1) What are the key drives and outlook for the investment markets in 25-26?
  - 2) What is the Trustees position on crypto currency/ asset class as an investment?
  - 3) How is the Trustee helping members to prepare for retirement?
- It was noted that it was not possible to respond to questions about a member's personal account or circumstances. The Fund would seek to contact these members directly to address their questions.
- Written responses to these and other questions posed by members are attached to these Minutes.
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7.     **Closing remarks**     The Chair thanked all those in attendance and noted that a video of the meeting, the Meeting Minutes and written responses to all the questions submitted by members would be available online within 4 weeks of the meeting.
- The meeting was closed at 3:37pm.
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# QUESTIONS AND ANSWERS

Members provided a range of questions, most of which were submitted prior to the meeting and few during the meeting. Below is the list of all member questions.

## QUESTIONS SUBMITTED PRIOR TO THE MEETING

### 1. What are the key drives and outlook for the investment markets in FY25-26?

The key drivers of financial markets in the coming year are expected to be inflation, interest rates, economic growth expectations and geopolitical risk.

The Reserve Bank of Australia is balancing its interest rate response between the desire for economic growth and the fear of inflation. There is an increasing expectation that interest rates will be cut in 2025, which would be a positive driver for the domestic equity market.

The big unknown for investors is how major geopolitical risks will unfold over the year. From conflicts in the Middle East and Eastern Europe to the possible foreign and domestic policy changes in the US, uncertainty is still present. Investment markets tend to not like uncertainty and this could lead to periods of volatility and lower returns.

In 2025, global investment markets may be shaped by slow economic growth, high inflation, and ongoing technological changes. Investors will likely focus on tech, clean energy, and ESG sectors, while also keeping an eye on interest rates and global events. Volatility will remain, but there may be opportunities in innovation and sustainability.

In the past few years, we have experienced an extraordinary chain of events post pandemic, interest rate changes, with the war in Palestine, U.S. election and upcoming federal elections in Australia. All contributing to uncertainty and volatility.

In times of market volatility investment balances may decline, but it is important to remember that markets move in cycles. Volatility is a natural part of the economic cycle and markets are influenced by a range of factors and are inherently unpredictable.

Remember that for most investors, superannuation is generally a long-term investment of 20 years or more. When investing over the long term, your super investments will likely need to withstand the volatility produced by these cycles more than once. While growth assets are more volatile, they also have higher expected returns over the long term which may assist your retirement outcome.

It is important to consider what is the right investment strategy given your personal circumstances.

### 2. What is the Trustees position on crypto currency/ asset class as an investment?

The Trustee doesn't offer direct investment options for cryptocurrency, including Bitcoin, as these investments are outside of the Fund's investment risk profile at this point in time.

Due to its high market volatility and inability to provide dividends or a running yield, we think it is high risk and will not offer the investment via the Fund.

We note that there are now Exchange Traded Funds listed on the Australian Stock Exchange which invest into cryptocurrencies like Bitcoin and we are monitoring such evolutions.



This is a fast-moving area of the market and we will continue to monitor regulatory and other developments as they arise.

### **3. How is the Trustee helping members to prepare for retirement?**

As part of Trustee's focus on 'member outcomes; the Fund has published a 'Retirement Income Strategy' – which is now available for members on the fund website.

The Strategy is intended to help members identify their retirement needs and assist them to develop a plan to meet those needs. It outlines key considerations for members with their retirement journey.

As part of the Strategy, members will be provided with educational material and tools relating to their retirement needs and planning. So, members can engage and get a deeper understanding of their retirement journey and lifecycle stages. Members will be able to access retirement content, tools, products and education material.

It is also important to note, that whilst everyone's idea of retirement can be unique, living your ideal lifestyle in retirement involves careful planning. It's important to consider seeking professional financial advice tailored to your personal retirement needs. Financial advice is able to consider your entire life circumstances inside and outside of superannuation to assist you in retirement.

### **4. Dealing with world market uncertainty in the current era?**

Investing across different asset classes invariably involves taking some risk in order to achieve returns. It is always very difficult to predict what investment markets will do in coming periods. Some of the risks which will likely influence markets in due course include (but are not limited to) widening global conflict, a slowing of economic growth, sustained inflation and a global credit crunch. It is important that members select investment options that reflect their risk appetite and investment horizon.

Looking forward, many economists and market commentators are pointing out areas of risk and concern that could have impacts on future investment returns.

The Trustee is unable to predict or comment on future returns that may be achieved but notes that market volatility is a part of the economic cycle and returns are unpredictable.

To assist members, the Trustee seeks to provide a diverse range of investments with different risk profiles to enable members to select investment options that are right for them and their personal circumstances.

Remember that for most investors, superannuation is generally a long-term investment of 20 years or more. When investing over the long term, your super investments will likely need to withstand the volatility produced by these cycles more than once. While growth assets are more volatile, they also have higher expected returns over the long term which may assist your retirement outcome.

It is important to consider what is the right investment strategy given your personal circumstances. If you have concerns about selecting the investment strategy that is right for you, it's important to consider seeking professional financial advice tailored to your personal needs.

### **5. What is percent earned v costs?**

Percent earned generally means percentage investment return and reflects the growth in the investment.



Costs are deducted from the member account and are found in the Fees and Costs table disclosed in the Centric Super Product Disclosure Statement on the Fund's website.

## **6. Could you explain the legal structure and the right of the members please.**

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The terms of the offer and rights of the member are defined in the PDS and the Trust Deed. The PDS and Trust Deed are available on the Fund's website.

### **ONLINE QUESTION:**

No online questions were submitted

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