

Transcript for Annual Members' Meeting 2025

Our Annual Members' Meeting for the 2025 financial year was held online on Thursday, 11 December 2025 at 11am (Sydney time).

Below is a transcript of the meeting.

Richard Burns (RB): Good morning. I'm Richard Burns, the Group Executive of Customer Office at Colonial First State. I'd like to welcome you to your Annual Members' Meeting for the 2025 financial year. I acknowledge the people of the Eora nation as the traditional custodians of this land. I pay my respects to the elders past, present and extend that respect to any Aboriginal and Torres Strait Islander people here today.

Today, I would like to update you on important progress made during the 2024-25 financial year towards helping our members achieve financial freedom. To help do that, I'd like to introduce Kelly Power, Chief Executive Officer of Superannuation.

Kelly Power (KP): Thanks, Richard, and welcome everyone here this morning. I'm very pleased to say that we've had another excellent year of great outcomes in the areas that we hear from our members that they care most about.

Firstly, high returns offering above median performance for many of our members, in particular in our default Lifestage funds, which Jonathan Armitage will talk about later today. Secondly, low fees. Our commitment that we made last year to keeping our fees low, we've kept this year and significant steps forward that we've made in other ways to support our members on their retirement journey.

RB: We have a lot of retired members that are here today, and we've really invested in making that retirement experience the best it possibly can be. You'll hear more from Kelly and I about what CFS delivered for our members in a moment. And a little later, we'll introduce our Chief Investment Officer, Jonathan Armitage, to explain how we again achieved strong returns during this unpredictable period in global investment markets.

KP: Yeah, unpredictable is one way of describing it. It's been a very interesting year. If you think through tariffs and what we've seen in U.S. markets, and you also think of some of the other volatility in markets that's been happening at the same time. But before we get started, remember this is a chance for you to ask questions of the CFS team and of the Board. And thank you to all of you who have submitted questions in advance. For anyone watching live, you can submit a question during today's meeting. Just click on the Q&A button on your screen. We'll answer as many of the questions as we can

after today's presentations and any questions we can't get to will be published on our website in the coming weeks.

Just a reminder, we can't answer any questions of a personal nature for privacy reasons, but you can schedule a call with our guidance team. All you need to do is go to cfs.com.au to organise that call.

RB: We'd also like to extend a warm welcome to the Colonial First State Executive team. David Kells, from our auditor, KPMG, and the directors of our trustee, Avanteos Investments Limited, who are joining us online today. The role of the trustee is to ensure CFS is working as hard as we can for the benefit of our members. Greg Cooper, chair of our Trustee Board, is with us today to tell you more.

Greg Cooper (GC): Thanks, Richard. Avanteos Investments Limited, known as AIL, is the trustee of Colonial First State Super and Pension Products. We act on your behalf to ensure your money is administered and managed responsibly to achieve the best possible outcomes for all members and beneficiaries.

At AIL, we are focused on ensuring Colonial First State provides outstanding products and services to members and advisors who support them, ensuring CFS is the most efficient provider of super and investment products and services, and making financial advice affordable and accessible for Australians. I'm pleased to say CFS has made significant progress on all three fronts, both during the 2024-25 financial year and in the months since then, including another year of top-tier super performance, fees that were again well below the industry average, and a financial advice offer that is more accessible and affordable for members, which you'll hear more about later.

Another important part of the trustee's role is to ensure your fund complies with the many laws and regulations that govern Australia's \$4.3 trillion super system, on behalf of over 18 million Australians who benefit from it. As one of the country's largest super and pension funds, Colonial First State is regulated by the Australian Prudential Regulation Authority (APRA) and upholds the highest standards when it comes to financial rigour, risk management and regulatory compliance.

The Australian Securities & Investments Commission (ASIC) last month released its review of 100 cases in which Australians were advised to set up a self-managed super fund. It found just 1 in 3 demonstrated they were in the client's best interest. ASIC Commissioner Alan Kirkland also warned that moving super from an APRA-regulated fund to a self-managed super fund means the loss of important protections and can place super at increased risk. Against that backdrop

I want to reassure members that as an APRA-regulated fund, you can have absolute confidence that CFS is managing your money effectively and responsibly to achieve the best possible outcomes for you. It's also been a challenging year for some in Australia's super system due to high profile cyber incidents, regulatory concerns over death benefit payments and losses involving Shield and First Guardian.

I'd like to assure members that CFS was not directly affected by these issues, and is very well prepared for these and other risk related events. In particular, the Shield and First Guardian products were not available on the CFS platform. So in short, we have delivered outstanding benefits to CFS members while upholding the highest standards of governance, administration and risk management.

In fact, there's no doubt CFS members are more confident and more active than average when it comes to managing their finances. Our research shows they're more likely than other Australians to be confident they'll have enough money to retire, almost twice as likely to have contributed extra to their super, and 64% more likely to have received advice, which we know is a major contributor to financial confidence.

Pleasingly, independent research from June this year also shows CFS members are much more likely to value their fund for investment performance, low fees, customer service and cyber security, among other things. You'll hear more shortly from Kelly Richard and Jonathan on how CFS is delivering on our strategy, and I'd like to extend my thanks to the entire CFS team, financial advisors and employees for their continued commitment to helping members move towards financial freedom over the past financial year.

In the meantime, as the chair of AIL, I'd like to thank our independent directors, Joanne Bloch, David Lane, who joined last year and Kevin O'Sullivan, who joined in January, for their advice and expertise. I'd also like to offer my thanks to John Brogden, who stepped down in August last year, and Benjamin Heap, who stepped down last December, on behalf of the board.

I want to reaffirm our commitment to providing you with the best possible returns, delivered as efficiently as possible and supported by exceptional service and advice. Thank you.

RB: Thanks, Greg. So, Kelly, let's update members on how CFS worked to grow their retirement savings during the 2024-25 financial year. Should we start with a big picture?

KP: Yeah, absolutely. Thanks, Richard. So at Colonial First State, we aim to offer you firstly, strong returns. Secondly, low fees. And finally, the best customer experience. And these are really the things that we hear often from our members that they want. We manage more than \$170 billion for almost a million member accounts, including \$135 billion in superannuation and pension investments. CFS is also one of the largest payers of pensions in Australia.

Last year we paid \$3.8 billion in pension payments to more than 170,000 retirees. Supporting our retirees is a critical part of what we do every day. We also insure more than 200,000 members, and we paid \$120 million in insurance claims last year.

RB: Kelly is our size an important factor in terms of the services that we can offer our different members?

KP: Yeah, look, I absolutely think it is. Our size enables us to invest in our business to offer more services and offer them more efficiently. And it helps us keep those fees low, which we know from the questions that you've submitted in advance is particularly important to you, our members. Our admin fees for FirstChoice Personal Super were just 0.2% in the last financial year, and they're still 0.2%, and this is less than half of the average of other super funds in general.

And for those of you in Essential Super or FirstChoice Employer Super, our annual fees are 11% lower than the super fund average. So as we committed last year to keep those fees low, we've really delivered on that promise over the last year. And then in the year ahead, we'll continue to focus on

providing the best possible value for money by ensuring that we remain competitive when it comes to fees.

You have that commitment from us. Richard, our size also means that members can be confident that when they invest with CFS, their money is safe and secure, which we know is very important.

RB: Yeah, unfortunately, this hasn't necessarily been the case for all Australians over the last year, a number of whom have lost retirement savings invested elsewhere. As Greg mentioned, Colonial First State is regulated by APRA, and we've been investing Australians' retirement savings for more than 30 years.

You can have absolute peace of mind that our expert investment team is investing your money responsibly and effectively. And on that subject - performance or the return we delivered on the money you invested with us - it's obviously hugely important to our members.

KP: Yes. And I'm very proud to say that it was another very strong year for performance at CFS. And it's not just me saying that. So to give you some context, our Essential Super and FirstChoice Employer Lifestage series were recognised by independent research house Chant West for delivering the two highest investment outcomes over one, three and five years to 30 June 2025, compared with every other MySuper product, when aggregating the experience of all of the different age groups.

And those results are outstanding and are not just a testament to the strength of our investment team, but also to our approach, which is the glidepath approach, which automatically adjusts how your money is invested according to your age and life stage. So now let's hear from Jonathan Armitage, our Chief Investment Officer at Colonial First State, who'll take you through the numbers and explain how we've achieved these results.

Jonathan Armitage (JA): Thanks, Kelly. Good morning. I'm delighted to speak with you today about how we've achieved what was, again, very strong investment performance in the 2024-25 financial year. Then I'll share our outlook on investment markets for the year ahead. The 12 months to 30 June 2025 represented another remarkable year for returns at CFS. The CFS Investments team is proud to have delivered a third consecutive year of

Strong performance with double-digit returns for most of our members. Our MySuper Lifestage, growth and balanced options have outperformed most of our competitors over one, three and five years. FirstChoice Employer Super performance included returns of 12.8% for our Lifestage 1975-79 growth option and 11.4% for our Lifestage 1965-69 balanced option.

FirstChoice Personal Super returns included 12.9% for our Enhanced Index Growth option and 11.75% for our Enhanced Indexed Balanced option, and FirstChoice Pension returns included 12% for our CFS Growth option and 10.2% for our CFS Moderate option. Since compulsory super was introduced on the 1st of July 1992, the average annualised growth fund return has been 8%, which makes these results all the more remarkable.

Our active approach to risk management and diversification was central to achieving this performance, supported by the strength of global investment markets. So looking back at the year to 30 June, continuing conflicts in Ukraine and Middle East and their increasingly tragic human cost dominated

geopolitical events. Against that backdrop, we saw significant returns from large technology companies such as those in artificial intelligence, coinciding with robust performance from commodities such as gold.

Meanwhile, some chaotic global trade initiatives in the form of tariffs imposed by the US on its trading partners sparked a sharp market downturn in April, followed by an equally sharp recovery. While this was a perfect demonstration of why it's important to stay the course during short-term market volatility, it also validated our strategy of diversifying to reduce risks associated with any one sector or region.

In terms of major contributors to growth in the 2024-25 financial year, global equities were a standout, delivering returns of about 18%. However, we had positioned our portfolios to take advantage as growth broadened to other investment types and we diversified into emerging markets, smaller companies and also unlisted infrastructure. Australian banks performed very well in what was a strong year for financial stocks.

CBA alone delivered a return of almost 50% for the year. Looking beyond equities, investment grade credit returned 7%. High yield credit returned 10% and emerging market bonds delivered returns of between 8 and 10%. At CFS, we understand that our members particularly value choice. So as we continue to deepen our in-house investment expertise, we're also signing partnerships with some of the world's best fund managers.

This gives our members access to options that are usually only available to institutional investors. Our rigorous due-diligence processes mean you can have confidence in the quality of the more than 200 investment options we offer in the 2024-25 financial year. We added alternative fixed income specialist Fort Lake Asset Management, followed by global infrastructure specialist Cohen and Steers.

Since then, we've partnered with Boston based Wellington Management, which invests in smaller global companies with strong fundamentals. We are also investing in private equity through a strategic partnership with J.P. Morgan Asset Management. In the current financial year, uncertainty around US policy remains high and we do expect continued volatility, but we also expect several megatrends will offer opportunities for growth over the coming years.

These include infrastructure supporting the growth of AI, technology and healthcare innovation and developments in rare earths and energy markets, including renewables. Closer to home, Australian inflation remains higher than many would like, which could see interest rates remaining elevated for a while longer. While we do expect returns will move closer to historic levels after three exceptional years, we remain optimistic about the outlook.

Our disciplined but adaptable approach and the breadth of investment options we offer position us well to navigate volatility and deliver strong performance for you over the longer term. I'd like to thank you for putting your trust in CFS. We look forward to again delivering strong returns for you in the current financial year and beyond.

RB: Thanks, Jonathan. We've talked about our strong performance, low fees and comfort members can feel when they invest with CFS, but insurance is also important to members.

The way death claims are managed was reviewed by the Australian Securities & Investments Commission earlier this year.

KP: Yes, that's right - insurance is a very important safety net for members and we've worked really hard to keep premiums affordable. We were able to negotiate a reduction in premiums for many of our members in FirstChoice Employer Super and in Personal super, and we take our commitments very seriously when it comes to paying claims out as well.

At CFS, we monitor the way all insurance claims are handled to ensure our members are treated with compassion and empathy at very challenging times. In fact, ASIC's review found that CFS is consistently the quickest super fund to pay death benefits to members.

RB: We also launched a self-service insurance portal in March. We know our members want to be able to access their accounts quickly and easily, and this has made it easy for members to adjust their insurance cover online.

Our team has been focused on providing tools that make it simpler to manage your super. That includes making enhancements to our website, our online portal, and our mobile app. We know transparency is important to you, and you can now log into our mobile app and see your personalised percentage returns anytime and anywhere. You can also see the fees you're paying on the CFS mobile app.

There's also a brand new Learning hub to provide you with educational information about super and investing in our mobile app. Pension account holders can now make additional withdrawals using our online portal, and members will soon be able to update their beneficiaries online. The quickest and easiest way to stay close to your super, including all the new features we're offering and many more that are coming soon, is to download the CFS mobile app.

KP: So access to information about super and investing in retirement is really important - particularly for those members who are looking to transition to retirement and who want more support. So last year, we expanded the personalised services we offer to help members feel confident in their retirement decision making. Our trained retirement guidance team conducted 22,000 calls to members offering general retirement advice.

That's 45% more members than we spoke to in previous years. We also made over 3000 retirement education calls and held 1600 individual consultations to help our members through what is a very challenging but very exciting retirement journey.

RB: There's now a dedicated Retirement hub on cfs.com.au, which offers members information, resources and educational videos. This is tailored to wherever you're at on your retirement journey, whether that's planning, starting, or enjoying retirement.

And we offer a range of other services that support members after they've retired. For example, last year we launched a guide and service that makes it easy for members to access government aged care.

KP: Yeah, we've had really great feedback, very encouraging feedback relating to that service in particular.



And according to the latest survey from CoreData, CFS is the number two fund nationally for retirement satisfaction out of the nine major super funds.

But supporting retirement was not the only area in which members told us they wanted more support and more help over the year. Service for our members remains a critical focus for us at CFS, and we've invested heavily in providing you the service and the support that you need when you need it the most. And that's shown through our low level of complaints.

Of the top 20 super funds, Colonial First State attracted the second lowest number of complaints per 10,000 members during the 2024-25 financial year, as tracked by the Australian Financial Complaints Authority. We've also heard a lot from our members about the importance of receiving help and advice, particularly in the lead-up to retirement.

RB: Yeah, that's right, 1 in 3 members told us they wanted our help to make it easy to get financial advice. Advice is a key factor that helps people feel confident in their financial future. So at Colonial First State, we now offer financial advice to suit any need. If you currently don't have an advisor, the best way to see all the advice options available to you is by visiting cfs.com.au. This also includes our fantastic Find an Adviser tool, which allows you to search for an adviser in your local area who can provide you with comprehensive financial advice.

Now, most recently, we launched Super Advice for members. This is particularly aimed at members who don't currently have an adviser and need simple, personalised advice on their investment options, contributions or help transitioning to retirement. You can book a session online or through our mobile app, and you can talk to one of our qualified advisers about any of these topics.

Well, that closes out what's certainly been a busy time at Colonial First State.

KP: Yes, it sure has. And to recap today we've talked about our strong investment performance and the choice of investments that we offer to all of our members; our low fees and our commitment to keeping fees low; our insurance offering; and the many ways that we support members in retirement and in the lead-up to retirement.

RB: And of course, how we support you with financial advice for all your needs, including advice for members.

KP: We were also honoured this year to be recognised as Australia's Best Super Fund by Mozo in 2025. But we're always looking for ways to do even better and would really love your feedback.

We want to thank you for the trust that you've placed in CFS to manage and to invest your retirement savings this year.

RB: Great. Thanks, Kelly. It's now time for the question and answer section of the meeting, and we're joined in the room by Jonathan and Greg. I want to thank those of you who sent through questions prior to the meeting. If you'd like to submit a question now, please click on the Q&A icon at the bottom of the screen.

Now, just as a reminder, please note if your question is of a personal nature, we won't be able to answer it for privacy reasons. And if we don't have time to answer your question, we will publish responses to all questions on our website.

Greg, we'll begin with you. Rocco from New South Wales has asked: Security is paramount - what extra measures are CFS taking to protect members.

GC: Yeah. Thanks. That's a really important question. And something that we take very seriously. Protecting your account is one of our top priorities. Firstly, I want to reassure you that CFS was not impacted by the cyber security incidents that affected other super funds early this year. We implement technical measures that align with international cyber security and data protection standards, and we regularly evaluate those capabilities through testing and independent reviews.

We also work closely with government and industry cyber security experts to ensure that we're using the most effective strategies to protect against cyber threats. Additionally, every CFS employee follows strict protocols with immediate escalation if anything looks suspicious. When you use CFS digital services, layers of cyber security and data protection measures are at work to protect your account. From the way we grant access to how we store data and monitor activity.

As cyber security threats evolve, we will expand these measures in line with industry best practice. This includes introducing multi-factor authentication on our platforms and adding AI tools to quickly spot and stop any threats to account security. Finally, I would encourage all members to visit the Staying Safe Online section on our website, which has practical tips for spotting scams and keeping your information secure.

RB: Great. Thanks, Greg. Staying with you for the next question. Greg from South Australia has asked, can you outline your approach to ensuring costs are controlled while continually improving platforms and service?

GC: Yeah. Thanks, Greg. That's another great question. CFS is extremely conscious of our cost base and expenses, and we know that keeping costs low while improving our services is very important to our members.

One of our key objectives is to be the most efficient superannuation provider in the market. We regularly review our operations to remove unnecessary complexity. For example, when we built the CFS platform, we partnered with specialists rather than building large internal teams. This gave us access to advanced technology and expertise without adding significant overheads. We also practice careful cost management.

Every dollar we spend is monitored to ensure it delivers value. An example of this is our marketing expenditure. We believe that some level of marketing and promotion is important to ensure members are kept up to date with developments about their super. Our marketing and related-party costs are much lower than most other funds. Because we're committed to keeping fees as low as possible.

We plan to keep it that way. We are also investing in improvements to make things better for members, such as personalised features on our apps and improved online tools while using our technology

partnerships to keep costs down. And finally, we maintain transparency. We disclose key cost figures and benchmark ourselves against other funds to ensure we remain competitive and accountable.

RB: Thank you. Greg. Kelly we'll move to you for the next question. William from Queensland asks, how is CFS different from funds like First Guardian and Shield, which collapsed earlier this year?

KP: Yeah. Thank you for the question, William. And we know that this is something that's very important to many superannuation members. So firstly to reiterate that CFS has never offered either of those funds, Shield or First Guardian, through either of our platforms.

We're also not amongst any of the trustees that are under investigation by ASIC relating to that matter. One thing I would say relating to our FirstChoice investment options and the way they're structured is, it's very different to those specific funds. The way we look after assets in FirstChoice is we have a professional custodian, it's separate from the investment manager.

And we account for the assets and securities. So we can see them. They're transparently traded on recognised markets. Our cash is reconciled daily and our unit prices reflect those valuations. And so we're quite comfortable with our position there. I'll also add that the team here and CFS has a robust investment governance framework. And we're continuously strengthening and uplifting that framework to protect your super and retirement savings.

RB: Great. Kelly, staying with you for the next question. Craig from New South Wales has asked, what is CFS doing to assist members in planning for retirement?

KP: Yeah, thanks for the question, Craig. And hopefully some of the information that we gave you earlier in our update can help you with that. We know that retirement can feel really overwhelming, and we've put a range of tools and services in place to help our members and to make it easier for our members.

What I would suggest in the first instance is to go onto the Retirement hub on our website. It's got a range of videos and calculators and guides, and it can really talk about which stage you're at, if you're planning for retirement, if you're transitioning or if you're already retired. So there's calculators like a retirement calculator to help you estimate how much you'll need when you retire.

There's also the Age Pension eligibility calculator. And so if you're looking to access the Age Pension, you can work with that, and with our partner Retirement Essentials. One of the other things that we have is personalised guidance as well. And as I mentioned earlier, our retirement team handled over 22,000 calls and one-on-one consultations to help our members understand, and support them with navigating what is a complex retirement system.

So I suggest you call that team in the first instance to get a sense of how CFS can help.

RB: Great. Thank you. Kelly. Jonathan, moving on to you for some of our next questions. So Amanda from Victoria has asked what investment options in renewables and industries, identified as ethical, do CFS have planned.

JA: Very good. So thanks for the question, Amanda.

So we know that many of our members want their super invested in ways that align with their values. Here at CFS, we are committed to responsible investing with our FirstChoice portfolio on a pathway to net zero emissions by 2050 and a 30% reduction in greenhouse gas emissions by 2030. So we offer about 12 sustainable investment options, including our Thrive Plus Sustainable Growth Fund, which invests in companies which are tackling climate change, looking at reduced waste, diversity, health care and also sustainable communities.

So if you look across the FirstChoice portfolio, we apply exclusions for controversial weapons manufacturing. And also tobacco producers. And all new options are subject to a thorough analysis before being added to the investment menu. So if we look ahead, we're exploring a number of different areas, including renewable energy and related industries, and particularly through our unlisted infrastructure and private equity investments.

And that's a key part of our strategy to support the transition to a low carbon economy. So our goal is going to continue to be to offer a diverse range of choices so that members can invest in line with their own values.

RB: Great. Thanks, Jonathan. Another one for yourself. Andrew from Queensland would like to know what strategy CFS is implementing to minimise the impacts of global market fluctuations on super balances.

JA: So, Andrew, that's a great question. So I think the first thing to say is that market ups and downs are very much part of investing. But we are aware that they can feel unsettling for super members. Our job is to make sure that your super is on track for the long term. So we've got a range of mechanisms to deal with those market fluctuations.

The first thing we do is actually start by diversifying your investments. So your money's not actually sitting all in one place. It's spread across, shares, equities, bonds and private assets like private credit and private infrastructure. So this way, if one part of the market takes a hit, for example, equities, we know that others can provide much more sort of balance within the portfolio.

So the next thing we do is very much sort of focus on managing risk within our portfolios. Our investment team tracks market movements daily, and we'll make some changes in the portfolios when we feel that that's necessary. We also run stress tests to prepare for unexpected events. Those could be things like sudden interest rate shocks or geopolitical events.

The final thing that we do is we've also got exposure to more defensive assets. And these are investments that may behave differently from equities and shares. And those help to smooth out the returns when particularly equity markets get more volatile. And the other thing that we do is focus on making sure that our fees are low.

So lower fees means that more of your money is actually staying invested and working for you. I think it's also important to remember that, super is a long-term investment. So markets may move up and down in the short term. History has actually shown that generally, you know, they recover sometimes quite quickly. And our strategy is very much focused on helping protect your retirement savings and making sure that they continue to grow over the long term.

RB: Great. Thanks, Jonathan. Again. Another one of yourself. Peter from Queensland has asked if CFS invests in cryptocurrency.

JA: A very topical question, Peter. So at CFS, we have taken a cautious approach to cryptocurrency. We don't invest directly into cryptocurrencies like Bitcoin or Ethereum within our superannuation portfolios. We think that these assets are actually highly volatile. And recent events have proved that out, they're difficult to value and rely more on momentum than normal investment fundamentals.

However, I think it's important to note that we do recognise the potential of the blockchain technology that sits behind cryptocurrency, and its wider applications. So that's why we've got exposure to those companies developing blockchain solutions through our equity portfolios. And we prefer to do that rather than holding the more volatile cryptocurrency assets themselves. So in short, we're going to continue to monitor developments in the cryptocurrency area.

Our focus very much remains on investments that deliver longer term value and also meet the strict governance and risk standards that you'd expect of a large superannuation fund.

RB: Great. Thanks for take us through that, Jonathan. Kelly, over to you for the next question. We've got Rosemary from New South Wales who would like to know what benefit do you get from a financial adviser, and do you need to have one?

KP: Yeah, it's a great question, Rosemary. And I know we've talked a lot about advice in today's update. The short answer is no, you don't need to have a financial adviser, and that's completely your choice. And many of our members manage their own super and investments and are very comfortable doing so. And the reason we emphasise the importance of advice so much is that our research does show that people that have a financial adviser are materially more confident about their financial future.

They've got clear goals. They can sort of navigate what can be a very complex retirement system and give you confidence that you're on track. And so CFS offers a broad range of general guidance and digital tools, to help you navigate that. But also if your needs are a little bit more complex, connecting you with a financial adviser.

And that could be an independent financial adviser. So our website is a really good place to start to find out more about what those options are.

RB: Great. Thank you. Kelly. Staying with you for our next question. It's Peter from Queensland, and he has asked, can Colonial First State guarantee they'll be compliant with the 1 July 2026 Payday Super obligations?

KP: Yeah, thanks for the question, Peter. And so for, everyone else in in regards to Payday Super and what that means, it's a new reform that's been introduced, which means your employer needs to pay your super at the same time as your wages. So if you get paid on a fortnightly basis, you'll get your super on a fortnightly basis instead of it coming through quarterly.

And it's a really important reform because it means your super gets to you quicker. So the short answer is, yes, CFS is fully committed to meeting those new Payday Super requirements, and they're 1 July 2026.

RB: Great. Wonderful. Thank you, Kelly, another question for you. We've got Judy from Victoria, and she would like to know what happens to your superannuation when you pass away.

KP: Yeah. Thank you for your question, Judy. Another really important topic. So when a member passes away, their super becomes what's called a death benefit. And that death benefit is any amount that you had in your account, plus any insurance cover that might have been linked at the time. If you've got a binding beneficiary nomination and that's something that we really encourage you to consider and to put in place, your super will then be paid to the person or the people that you've nominated, provided they meet what's a legal definition of 'dependent'. And that usually includes your spouse or your de facto partner or children of any age. If there's no binding nomination, the trustee pays the benefit according to superannuation law and will make a determination on that basis. So to make things easier for your loved ones, we strongly recommend keeping your beneficiary nominations up to date and in particular that binding nomination. And you can do that online or by calling CFS.

RB: Yeah, it's a really good suggestion. Thank you. Kelly. Jonathan, back to you for our next question. Don from New South Wales has asked what market forces are likely to affect yields in 2026. And are they the same for 2025?

JA: Thanks very much for your question, Don. It's obviously something that we spend quite a lot of time thinking about. So if we actually look at the last year, in 2025, yields have been influenced by a number of things: quite persistent inflation, particularly here in Australia, interest rate volatility and actually some geopolitical uncertainty as well. If you look globally, central banks, including the Reserve Bank of Australia, have been adjusting their policy to manage inflation.

And that's probably kept yields more elevated than we've seen for some time. At the same time, we've also seen global trade tensions and some more volatile corporate earnings. And that's all added up to a more predictable picture. So looking ahead to 2026, we think several forces are likely to shape investment yields. So first of all, global monetary easing is expected in a number of major economies, particularly the US and Europe.

And as they move away from what has been quite tight policy for the last couple of years, and that could lower bond yields, as well as supporting risk assets such as shares. We're also seeing a bit of a shift towards private markets and alternatives as investors look for diversification, but also stronger returns and in some cases, higher yields.

I think it's also important to sort of note that those geopolitical tensions and the continuing trade uncertainty will actually continue to influence sentiment and also impact yield curves as well. We do think inflation is going to continue to be an important factor. We do think it's likely to remain more variable than it has been in the last decade or so, and it's going to create some interest rate volatility in some markets.

And through that volatility, there will be opportunities in fixed income and wider credit markets as well. So in short, while inflation and geopolitical risks are going to be a feature, we do expect a bit of a

rotation towards areas like private credit, private infrastructure and also global high yield bonds as investors adapt to changing economic conditions.

So our investment team has been very active in positioning portfolios to navigate these dynamics. And we look forward to capturing those opportunities for our members going forward.

RB: Great. Thanks, Jonathan. I'm going to stay with you again. Diana from South Australia has asked: what are your views on the so-called tech bubble and how will that affect your investment choices for members?

JA: Yeah. Diana, thank you for that. It's an absolutely fascinating question. So technology stocks have obviously had an incredible run, very much driven by the innovation in areas like artificial intelligence and also cloud computing. But we're very conscious that when prices rise very quickly, it's natural to ask whether or not we're actually in some form of, asset bubble.

So valuations in parts of technology are quite high. And some companies may actually struggle to really justify those, not just high prices, but very, high expectations as well. I think it's also important to remember that not all technology is actually the same. Many of the businesses, particularly in the artificial intelligence area, have got very strong earnings.

They are absolutely global businesses and very strong cash flows. So we don't see that this is a bubble across the entire technology ecosystem. We have been a bit cautious about the concentration risk, because returns in many stock markets have actually been driven by a handful of large technology companies, particularly in the US. So to help manage that, we've actually expanded, broadened our equity exposure to include global smaller companies and sectors beyond those major technology areas.

We do think diversification is absolutely critical in this, and that's why we've been balancing our technology exposure with other growth areas like private infrastructure, private markets, and also some more defensive assets in fixed income and also private credit. To manage all this, active management is absolutely critical. And so our investment team is very focused on monitoring valuations across the board very closely.

And we'll adjust our positions if we think that the risks become too great in particular areas. So to bring all that together, technology is going to be a very important part of global growth. But we are very focused on making sure that actually just doesn't dominate our investment portfolios. Our approach is very much about staying diversified, making sure that we avoid what we think are unrewarded risks in markets, and focus on investing for the long term.

RB: Great. Thanks again for that detailed description. So the next question actually is a question from, Jonathan.

And I'll take this one. Jonathan asks: I switched my life savings to CFS six months ago, and I cannot see the amount I'm paying in fees in the app. Well, Jonathan, as I touched on earlier this morning, we have made a number of changes to the digital experience, and we're constantly upgrading the app.

We've also, as part of those changes, we've got a lot more detail about the fees that you pay on the app. The best way to find it is when you log on, you scroll down to the bottom of that first page and

you'll see a fees section. You're told there what the total fees are, but by simply pressing on that, that'll give you a detailed breakdown of any of the fees that you're being charged.

You know, that was all in response to member feedback that you wanted more transparency around our fees. And we provided that. So hopefully that answers your question.

We've got another question, from Peter, and that's for you, Jonathan. Okay. And Peter asks: how does Colonial First State believe Australian shares will perform next to international shares?

JA: Yeah, thanks for the question, Peter. That's one thing that we get asked quite a bit. So both Australian and international shares play an important role in your portfolios. But they do behave sort of slightly differently. So we do expect that the volatility in equity markets is going to rise a little bit. We've actually seen a little bit of that occur in the recent months.

We do think that you'll probably see some more, or larger, movements in areas like technology. Australia's market is actually slightly different from some of the overseas markets, more concentrated in areas like banks and also natural resource companies. So its performance is probably going to be a little bit more influenced by what happens with commodity prices and the domestic economy.

If you look at the way we've positioned our portfolios currently, we've probably got a little bit of a bias to, investments overseas, probably because there's a wider opportunity set in international shares. But we're also expecting that you'll see some robust performance from certain parts of domestic shares, supported by some very attractive yields in some sectors as well.

RB: Great. Thank you, Jonathan. So that brings us to the end of today's annual member meeting. I like to thank Greg, Kelly and Jonathan for joining me today. A recording and a transcript of the meeting, as well as answers to any questions we couldn't get to today is going to be available on the CFS website in the coming weeks.

So lastly, I just want to thank you for joining us this morning, and thank you for being members of Colonial First State. Thank you.
[ENDS]

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