

Prime Super 2025 AMM Transcript

Welcome to Prime Super's Annual Members Meeting for the financial year ending 2025.

We acknowledge the Traditional Owners of the land from which we are hosting this meeting today—the **Wurundjeri Woi-wurrung** and **Bunurong Boon Wurrung** peoples of the **Kulin Nation**.

We also acknowledge the Traditional Owners of the lands from which you are joining us, and pay our respects to **Elders past and present**, and extend that respect to all Aboriginal and Torres Strait Islander peoples.

In this virtual event, you'll hear about Prime Super's performance over the last financial year, our strategy, objectives and other things that may be of interest to you.

Today you will hear from Prime Super's Chairperson of the Board, Nigel Alexander and Chief Executive Officer, Raelene Seales.

You will then have time to ask questions. Please note that if we receive similar questions, we will answer them collectively, and if we can't address your question fully today, we will respond after the meeting on our website. We will only respond to questions around our products and services, not individual circumstances. For any questions about your individual account or Prime Super membership, please call 1800 675 839, or book a chat with one of our super specialists through our website at primesuper.com.au.

We will now hear from our Chairperson, Nigel Alexander

Good afternoon and welcome everyone, joining me today is Raylene Seales, CEO of Prime Super. I'm pleased to formally open Prime Super's Annual Members' Meeting for the financial year ended 30 June 2025. I'd also like to acknowledge the Traditional Custodians of the lands on which we meet and pay my respects to their Elders past and present.

The past financial year was shaped by escalating geopolitical uncertainty, moderating inflationary pressures, and the beginnings of lower interest rates around the globe. In Australia, many households continue to navigate cost-of-living challenges.

Against this backdrop, Prime Super has demonstrated stability and resilience.

At the end of the financial year, we had \$8.4 billion in funds under management and more than 140,000 members, of which more than 2,000 have a Transition to retirement or retirement account.

In the broader superannuation landscape, the industry now stands at \$4.3 trillion in size – a [9.8% increase year-on-year](#). Collectively, the Superannuation Industry is one of the [largest institutional investor groups](#) globally and the Australian superannuation industry is projected to become the second-largest pension system in the world by the [early 2030s](#). Today, mandatory contributions sit at 12% per annum and over the long term, the superannuation pool is expected to grow, spurred on by [investment returns](#).

Given the scale of the industry, it should be no surprise that it is attracting further and more rigorous scrutiny. The complexity of the system, combined with the need to safeguard member interests and ensure financial stability, has naturally prompted a heightened focus from regulators.

Among the ongoing reforms is the Delivering Better Financial Outcomes initiative, a multi-stage legislative package designed to enhance the accessibility, affordability, and quality of financial advice. These reforms are particularly focused on improving advice related to superannuation and retirement planning, ensuring that Australians can make informed decisions with greater ease and confidence.

Prime Super supports regulatory oversight that is measured, transparent and ultimately focused on delivering better outcomes for members – strengthening their retirement savings, and providing timely and fair access to members' superannuation.

On regulatory matters, in the current financial year ASIC issued Prime Super with a penalty to the value of \$18,780. This related to statements made in 2023 that some assets and sectors are excluded entirely from our investment strategy, such as manufacturers of tobacco products, when in fact some such investments did exist in a fund in our international fixed income portfolio.

The penalty was paid out of the Trustee's own capital (and not members' money). Our Management team is reviewing our processes to mitigate the risks of this occurring again.

I would now like to discuss several changes taking effect from 1 July 2025 that may affect members. Notably, Paid Parental Leave Superannuation Contributions came into effect on 1 July 2025. This means that eligible parents will receive the 12% mandatory contributions on government-funded paid parental leave, for up to 24 weeks for the 2026 financial year, increasing to 26 weeks for the 2027 financial year. These payments will be made retrospectively after the end of each financial year.

There are a number of other announcements such as changes to contribution caps, transfer balance caps and the bring forward rule. Information on these changes, along with other material, can be found on our website.

Looking ahead, the Payday Super initiative, which requires employers to pay their employees super at the same time as their salary and wages, is still on track for

implementation from 1 July 2026. This reform aims to improve the frequency and transparency of super payments, helping employees track their entitlements and reducing instances of unpaid or underpaid super.

The Government has also announced changes to its proposed Division 296 legislation, otherwise known as the \$3 million super tax. It has been announced that the tax will now only be applied to realised gains, not unrealised gains. Apart from a 30% earnings tax on super balances of \$3 million and above, a tax of 40% will now be applied to investment earnings for super balances above \$10million, again, only on realised gains. Indexing will also be applied to both these caps. This is now expected to take effect from 1 July 2026 with the first assessments issued in the 2028 financial year.

In addition, from 1 July 2027, the Low Income Superannuation Tax Offset will be increased from \$310 to \$810 and the eligibility threshold will be raised from annual earnings of \$37,000 to \$45,000. This is expected to help an additional [750,000 Australians](#), [300,000](#) of whom are women.

The superannuation industry is accustomed to debate, change and reform.

Our priority is to ensure that we remain adaptable and responsive to these changes and that members are informed and supported through the process. We remain focused on helping members make the most of their superannuation, through strong investment performance, clear communication and products that support our members' retirement goals.

Focussing on the long-term performance of the fund, you'll see that in terms of investment returns, most of our options are delivering strong, long-term rolling returns, with many of our 10-year returns sitting above the industry median, based on SuperRatings data at June 2025.

On average, our members have more than 20 years to retirement, so we encourage you to focus on the long-term result given that superannuation is a long-term investment.

Raelene will also cover our Alternatives and Income Focused options, which are not listed here as these options do not have comparative industry benchmarks.

In summary, in spite of the ongoing geopolitical uncertainty and heightened regulation, Prime Super is still delivering strong returns to our members.

Before I hand over to Raelene, I would like to acknowledge the contribution of Jacqueline Kelly, who retired from the Prime Super Board in December 2024. She was a member of the board since 2015 and last served as the Chair of the Remuneration and Nominations Committee.

In addition, I would also like to take this opportunity to thank our members, employers and partners for their continued trust in us. And to the Prime Super Board, Executive team and staff, for their dedication to the Fund and our members.

I'll now hand over to Raelene, who will share more about our performance, operational updates, and our commitment to the future.

Following Raelene's address, we'll provide an opportunity for questions.

Thank you, Nigel.

I'd also like to extend a very warm welcome to all our members who have joined us today. It's wonderful to have you with us.

I acknowledge the traditional owners of the land from where each of you are joining us, and pay my respects to elders past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples

We are incredibly proud of Prime Super's heritage, particularly our deep roots in rural and regional Australia. More than 60% of our members live in these communities, and their trust in us continues to be a cornerstone of our identity. More than 65% of our funds under management also come from rural/regional communities

While we began more than 30 years ago, as a fund serving the agricultural sector, today we are a truly multi-industry superannuation fund, supporting members across agriculture, health, aged care, education, and recruitment industries.

Our goal is to be a trusted partner, helping members achieve their retirement objectives.

On screen, you will see the returns for 1 year to 30 June 2025 and the annualised 10-year return to 30 June 2025 for accumulation and pension members. The difference in investment returns between Accumulation and Pension accounts is primarily due to the tax treatment. In the Pension phase, no tax is applied to investment earnings, which means positive returns are higher compared to Accumulation accounts.

You'll note that most of the returns as highlighted on screen have exceeded industry medians which is based on SuperRatings Fund and Pension Crediting Rate Surveys as at 30 June 2025.

For the financial year ending 2025, our MySuper option, where a majority of our members are invested, delivered 10.82% return, marking it the third year in a row that the option has delivered above 9% returns for our members. It has also outperformed the SuperRatings median across 1, 3, and 10-year rolling averages.

In the Pension phase, performance was equally strong. Our Balanced option returned 12.08%, outperforming the super ratings median across 1, 3, 5, and 10-year rolling averages.

Our Managed Growth option performed even more strongly, returning 13.03%, and exceeded the super ratings median across 1, 3, 5, 7, and 10-year averages for accumulation accounts. And for our pension accounts the Managed Growth option returned 14.68%, again exceeding the super ratings median across 1, 3, 5, 7 and 10-year averages.

The Conservative option has also done well in the 1 year and annualised 10 year returns to 30 June 2025 for accumulation and pension members.

There are no median benchmarks available for Alternatives and Income Focused options.

The Alternatives option allows members to invest in unlisted infrastructure, unlisted property and private credit, and the Income Focused option streams income returns into a separate Cash option, retaining capital returns for future growth.

These solutions offer our members choice and control as they plan for retirement.

While markets have performed very well again this year, it is worth reiterating that markets are volatile, and this is why we maintain a well-diversified portfolio both internationally and across various asset classes. Market fluctuations are common, and it is a timely reminder of the value in staying invested over the long term.

Prime Super's investment team carefully monitor market conditions and adapt our investment strategies, applying strong governance across our decisions.

This proactive approach, with a proven track record over time, means your investments are in expert hands.

It's important to mention that during the financial year 2025, we undertook a strategic review of our investment products and made the decision to discontinue the SRI Balanced investment option. This decision was made to ensure that our investment options continue to remain aligned with member demand, fund scale and long-term performance objectives and expectations. Reviewing our investment option mix, investment strategy and strategic asset allocations are an important part of how we work to deliver value for our members, and the Investments Team regularly review the Fund's investment strategy.

As Nigel has mentioned, I would like to emphasise the focus on long-term results.

A majority of our returns have exceeded the industry median over the 10-year rolling period.

It's important that you're investing in a way that meets your requirements – so please reach out to us if you would like to undertake a review of your superannuation arrangements.

Our Member Solutions team are highly experienced, knowledgeable and qualified, ready to support members whenever they need to make decisions on their superannuation. This part of the service we know our members love.

Moving on to insurance, in the financial year 2025, we've paid nearly \$18 million to members and their beneficiaries through insurance benefits and in financial year 2025, our insurer, TAL approved 95.8% of insurance claims – an increase from the previous financial year which was 94.6%.

I'm also pleased to share that from 1 July 2025, we have updated our Self Harm Exclusion and Pre-Disability Income definitions to better reflect the unique employment and earning circumstances of our members. These changes aim to improve outcomes, provide help and support to those facing mental health challenges, particularly in rural Australia.

In addition, we have also made changes to our fee structure which came to effect on 1 July 2025, providing better value for our members.

From 1 July 2025, members with a \$50,000 balance in our accumulation product will see an approximate 23% reduction in net administration fees and costs, and 27% for our pension product.

These changes reflect our ongoing commitment to delivering value to our members.

In addition, alongside your Annual Members' Meeting notice, you would have received updates to our investment fees, costs, and transaction costs, also effective 1 July 2025.

Once again, assuming a \$50,000 balance, these updates result in a reduction in the total cost of product across all our investment options.

On screen you will see the how the changes in fees and costs impact the cost of product based on a \$50,000 balance. For full details, we encourage members to review the relevant Product Disclosure Statements, available on our website.

In other metrics, we welcomed more than 23,000 new members to the fund, had more than 55,000 conversations. We've noted that our members are increasingly connecting with our team through book a chat appointments that have risen by more than 27% year-on-year.

We have introduced member education webinars as part of our suite of education material for members. Our webinars have had strong engagement and growing interest from our member base, and we will continue to evolve this service that aims to make superannuation simple for our members to understand and engage with.

We are primed for growth.

Leadership is a key element to driving Prime Super towards progress and innovation. During the year, we refreshed our executive leadership team, welcoming new talent and promoting emerging leaders from within. This blend of fresh thinking and deep industry expertise positions Prime Super strongly for the future. Our leadership team brings renewed energy and a shared commitment to evolving and innovating for the benefit of our members.

In addition, we've invested in strengthening our data analytics capabilities. This allows us to make smarter, more informed decisions about the products and services we offer and align them to our members' evolving needs. We've also launched a continuous improvement program to drive transformation across the business as a way to increase our effectiveness and efficiency in how we operate and how we allocate members' funds for the best returns for their retirement.

I would like to take this opportunity to reaffirm to our members our commitment to stand by them and help them shape their financial future. Our purpose remains clear: to deliver strong returns, protect our members' futures and build a super fund that is shaped by innovation, integrity and care.

Before I close, I'd like to take a moment to acknowledge and thank Helen Whitehead who finished with Prime Super on 30 June 2025. Helen served as the General Manager, Marketing and Communications since November 2019. She's played a part in developing Prime Super's identity and her influence and impact continues to resonate today.

I would also like to thank Rob Babb, our General Manager of Risk and Compliance, who will be leaving Prime Super this month. Rob has made a significant contribution to our organisation during his time with us improving our risk and compliance frameworks that are essential in protecting our members' money, and we wish him all the very best in his next chapter.

At the same time, I'm pleased to welcome Matt Williamson, who stepped into the role this month. I look forward to continuing our progress in risk and compliance under Matt's leadership.

And to our members, thank you for choosing Prime Super. We are honoured to be your trusted partner on your retirement journey.

And to the incredible Prime Super team, thank you for your care, your dedication and your unwavering commitment to each other and to our members.

We will now move into the question and answer segment of today's meeting.

This concludes the presentations for today.

We are now preparing for the question and answer segment with PrimeSuper's team.

Joining our Chair and CEO is Michael McQueen, General Manager Investments.

We also have our auditor Brett Calio and Actuary Tim Jenkins present to answer any questions you may have.

To ask a question, please click the Q&A or chat button on the control toolbar. Type your question in the text box and then click send.

As a reminder, similar questions will be answered collectively and if we can't address your questions fully today, we will respond after the meeting on our website.

We will only respond to questions around our products and services, not individual circumstances.

We will begin with questions we've received prior to today. The first question for Nigel is from Charles.

We continue to see a lot of mergers of Superfunds of late. Will there be a merger planned for PrimeSuper?

Thanks Charles for the question.

We are not involved in any active discussions at this stage regarding mergers.

We constantly review our position. We are receptive to discussions. We have participated in mergers up until now of course. I guess the point I would make is that any decision we would make in the future regarding a merger would be based on our view through the lens of what's in members best interests. Thank you.

Thank you Nigel.

We have a question from Julie now for Raelene. Does Prime Super use AI? Thanks for the question Julie.

Thanks for your question Julie, as we said earlier, we've launched a continuous improvement program over the last 12 months and we are exploring leveraging AI to continue to streamline our internal processes.

And that is obviously to improve our operational efficiency. Now whilst AI brings opportunities, it can also bring risks. Our approach will be cautious and conservative with strong emphasis on governance and security.

And most importantly human oversight will remain and it's absolutely critical and individuals will be responsible for ensuring that we verify accuracy of any AI generated information and processes. But thank you for the question.

Thank you Raelene.

Now a question for you Michael from Luke. Why was the SRI balanced investment option discontinued?

Thank you for the question Luke. As Raelene mentioned earlier, we made the decision to close our SRI balanced option following a strategic review of our investment options and offering.

That decision was made to streamline our product suite and we really wanted to ensure that our investment options were aligned with demands from our members, that those options were of sufficient scale and they did meet our long term performance objectives and our own internal expectations for performance of those options. Thank you for the question.

Thank you Michael.

There are no further questions received at this point.

So thank you for those who had submitted.

This concludes our financial year 2025 annual members meeting.

The recording of this meeting along with the transcript, questions and answers will be posted on our website primesuper.com.au within a month. Thank you for everyone who joined us this afternoon.

We look forward to catching up with you again next year.

Thank you.

Transcript end