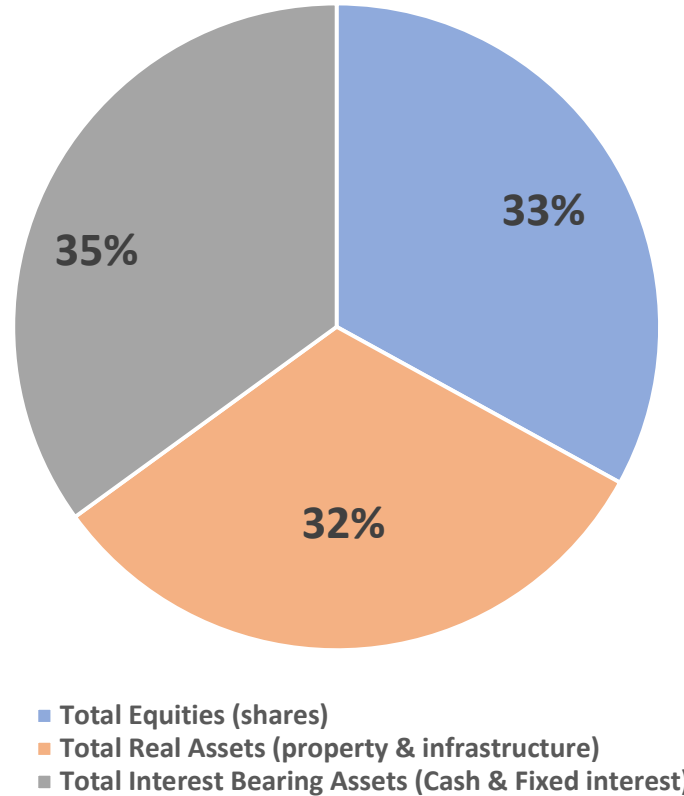


MIESF Annual Member Investment update 30 June 2020

by Chris Artis – Chief Investment Officer

- MIESF Net Assets: \$855 million dollars
- Invested across 2 options: **MySuper** and **High Growth**
 - MySuper total assets: \$825 million
 - High Growth total assets: \$30 million

MIESF MySuper Strategic Asset Allocation (SAA) as at 30 June 2020

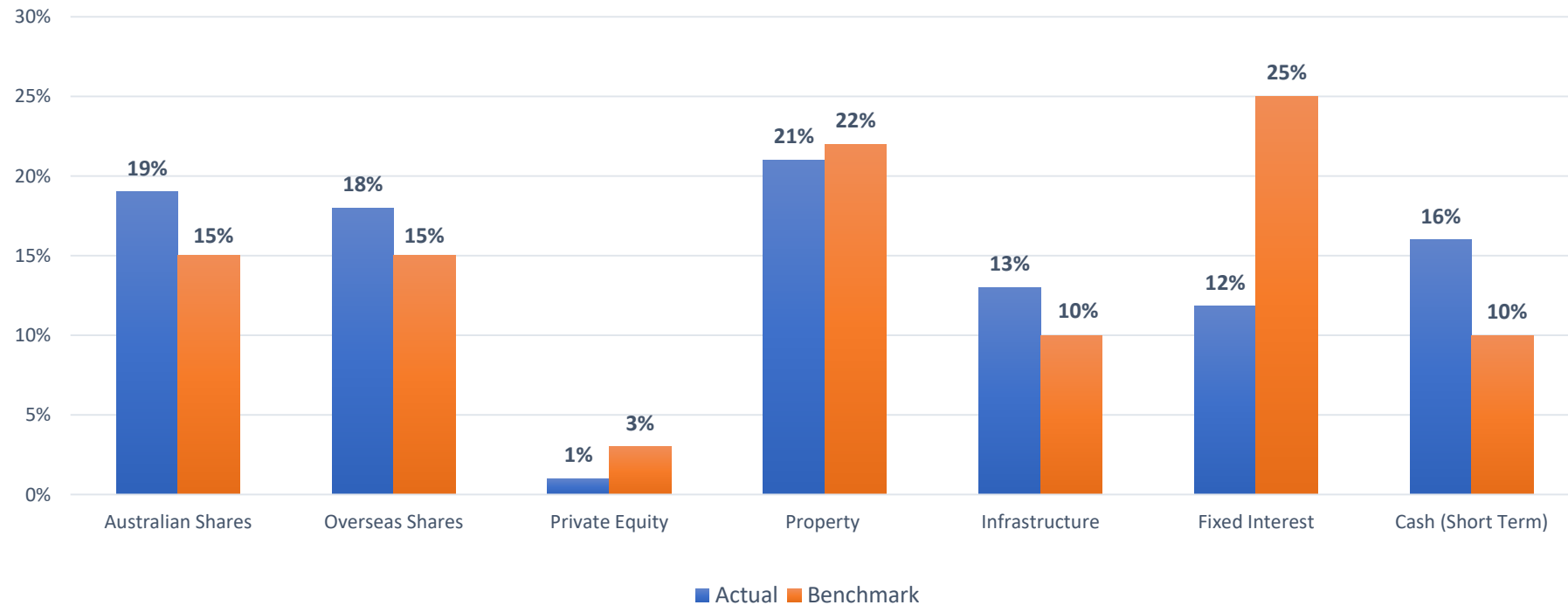


The SAA is the road map that guides MIESF towards achieving the investment objectives for MySuper of;

- Short term: Avoiding a loss each year and declaring a positive return; and
- Long term: Beat inflation or CPI +2% p.a. net of fees and tax over rolling 10 year periods

MIESF MySuper SAA for the year ending 30 June 2020: actual v benchmark

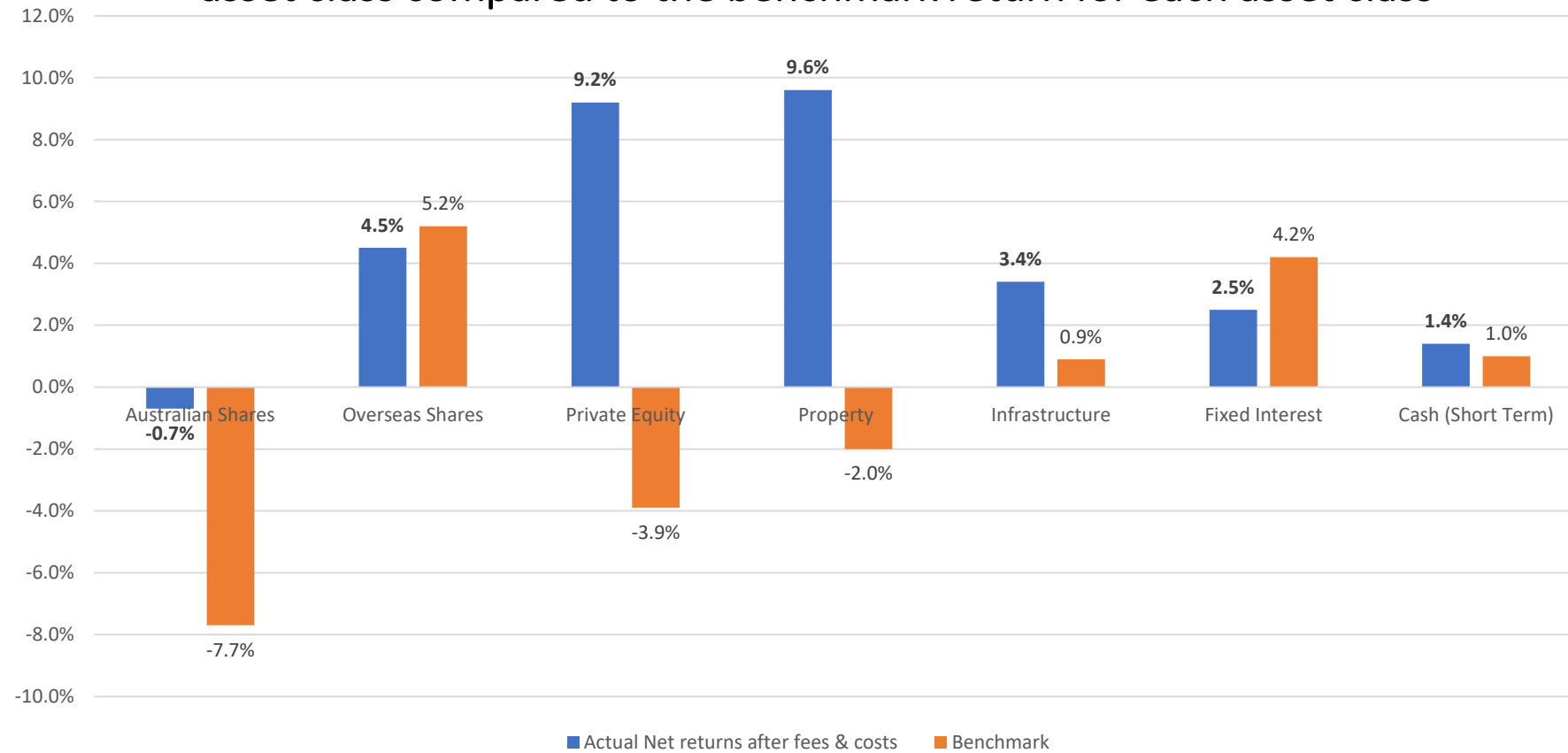
MySuper Asset Allocation as at 30 June 2020: actual v benchmark



The SAA is the road map that guides MIESF towards achieving the investment objectives for MySuper of;

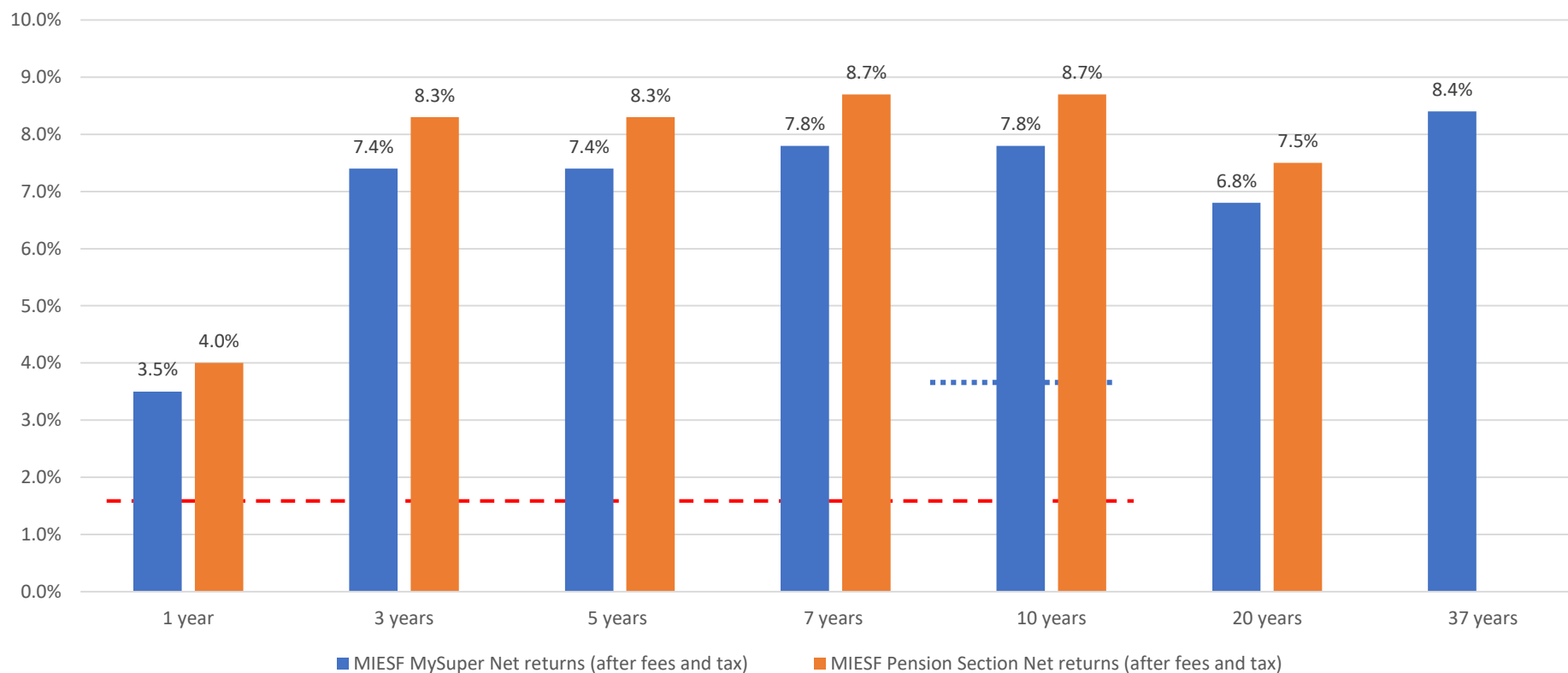
- Short term: Avoiding a loss each year and declaring a positive return; and
- Long term: Beat inflation or CPI +2% p.a. net of fees and tax over rolling 10 year periods

MIESF MySuper Net Returns (after fees and costs) for the year ending 30 June 2020 by asset class compared to the benchmark return for each asset class



Note: past returns are no guarantee of future performance and investment returns should not be relied upon as a guide to future performance.

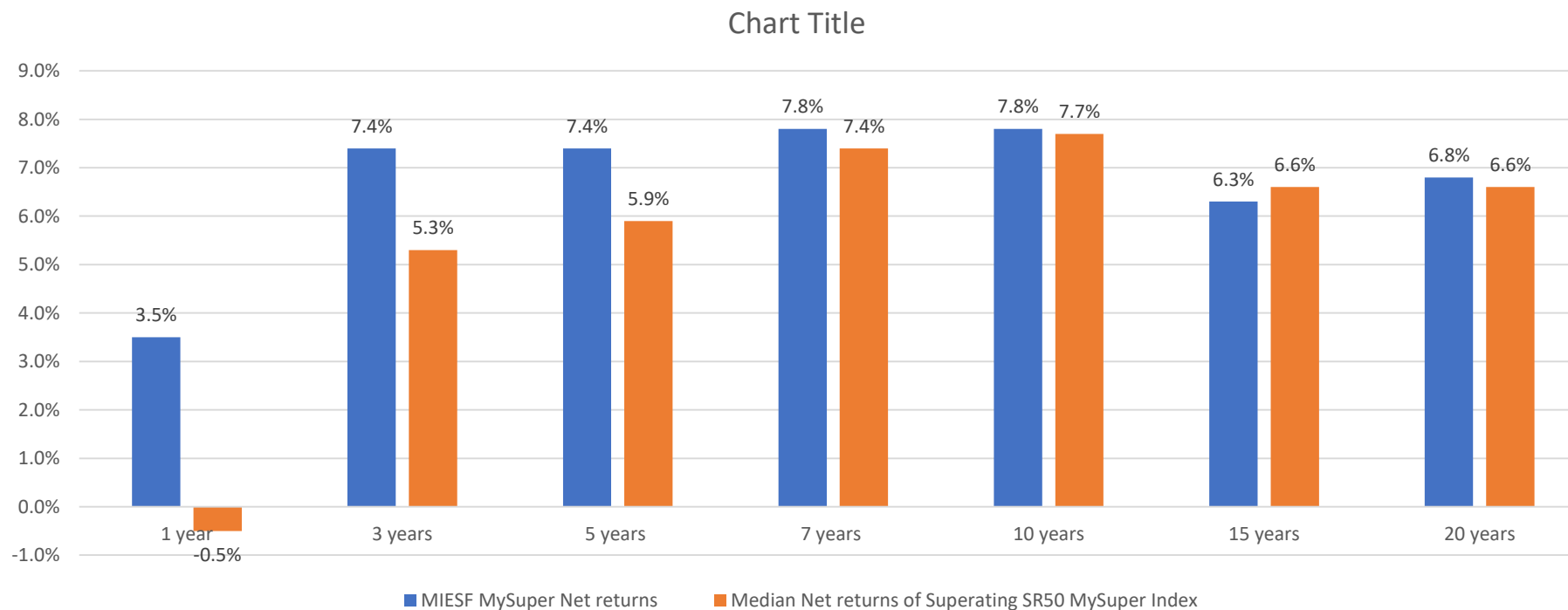
MIESF MySuper and Pension section Net Returns for the year ending 30 June 2020 (p.a.)



The red dash line represents the average inflation rate (CPI) over 10 year period of 1.8% p.a. to 30 June 2020. The investment objective of MySuper is to beat CPI by 2% over this period. The net return of 7.8% exceeded CPI+2% or 3.8% by 4.0% p.a. over the 10 years. MIESF MySuper has achieved this objective together with declaring a positive return for the year ending 30 June 2020. The net return for the Pension section was higher as no tax applies to investment earnings when members are in the pension section.

Note: past returns are no guarantee of future performance and investment returns should not be relied upon as a guide to future performance.

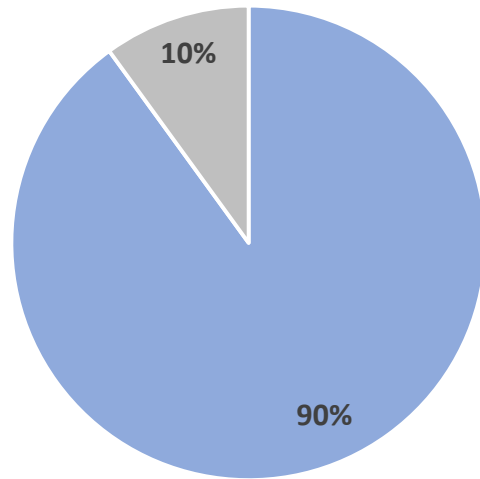
MIESF MySuper Net Returns for the year ending 30 June 2020 compared to the SR50 MySuper Index median returns (p.a.)



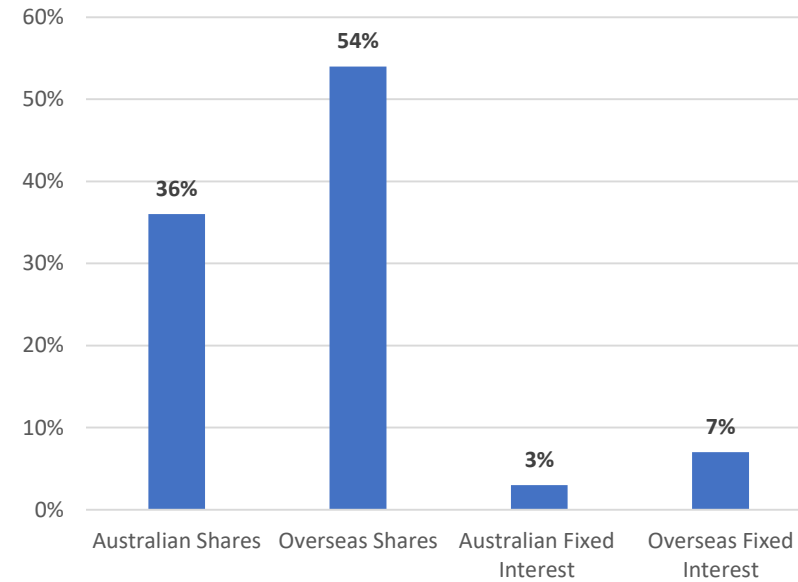
The SR50 MySuper Index (produced by SuperRatings Pty Ltd) compares the net returns of 50 MySuper products and ranks them from the highest return to the lowest. For the year ending 30 June 2020, the median MySuper product returned -0.5%.

Note: past returns are no guarantee of future performance and investment returns should not be relied upon as a guide to future performance.

High Growth Option SAA as at 30 June 2020



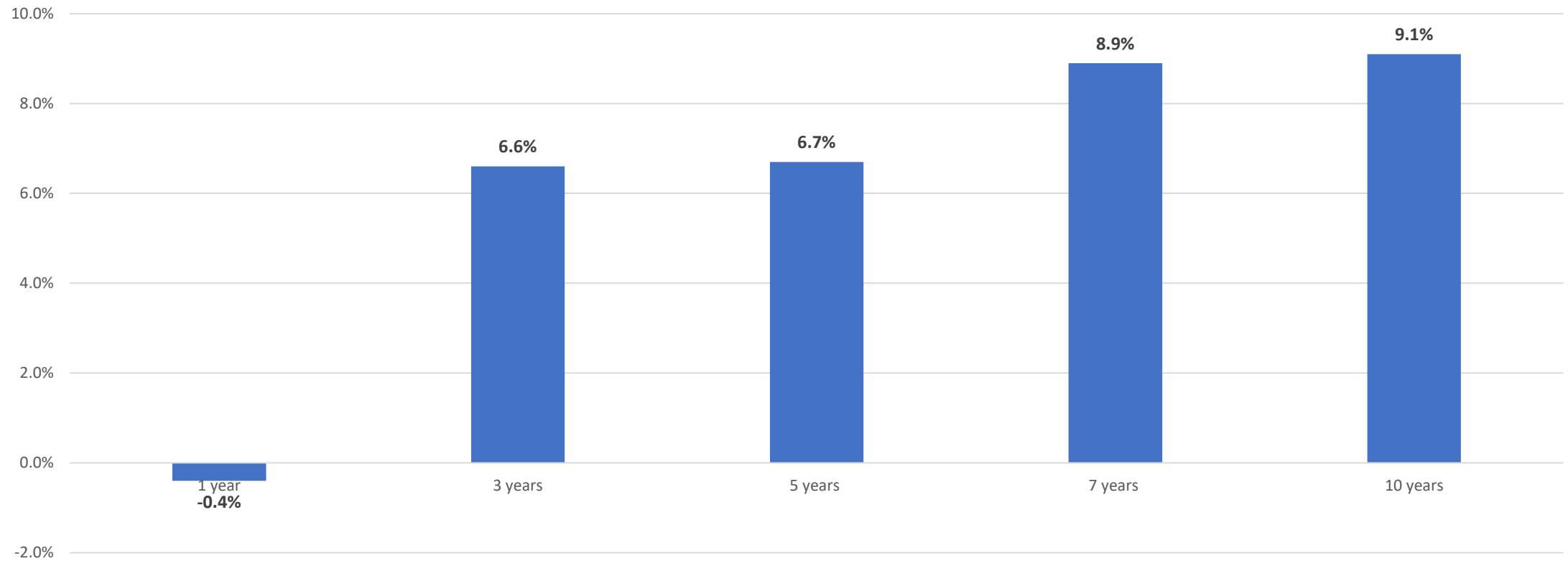
- Total Equities (Australian & Overseas shares)
- Total Interest Bearing Assets (Fixed interest)



The SAA is the road map that guides the High Growth Option to achieve the investment objectives of;

- Providing capital growth over rolling seven-year periods measured at each 30 June; and
- Beating inflation or CPI +4% p.a. net of fees and tax over rolling 10 year periods

High Growth Option net returns to 30 June 2020 (p.a.)



- Note: past returns are no guarantee of future performance and investment returns should not be relied upon as a guide to future performance.*

Economic Update

- Covid-19 has caused global devastation to people, countries, economies and markets.
- Governments around the world and Central banks have responded aggressively with financial support and monetary stimulus.
- Interest rates around the world have been cut to all time record lows.
- Share markets have responded with 40%+ increases from the mid March 2020 lows.
- Technology shares have increased even higher as consumers switched to online for everything.
- Government debt levels are now at post WW2 highs which could be a problem in the future.
- Savers and retirees are being disadvantaged as safe cash, term deposits and fixed interest offer very little yield.
- Investors have no other option but to invest in riskier assets like shares, property, credit, high yield bonds.
- Covid-19 vaccine rollout in 2021 provides short term optimism.
- MIESF remains cautious on the longer term outlook.