



# 2024 Annual Member Meeting

Meeting minutes

Held online, Tuesday 3 December 2024, 1pm - 2pm (AEDT)

**Presenters:**

Michael Cameron, Chair of the Equip Super Board

Scott Cameron, Chief Executive Officer

Andrew Howard, Chief Investment Officer

Carrie Norman, Chief Experience Officer

**Other attendees****Equip Super Board**

Justine Hickey, Deputy Chair of the Board / Independent Director

Penny Davy-Whyte, Independent Director

Simone Thompson, Member Director

Matthew Cassin, Member Director

David Doolan, Employer Director

Mark Cerche, Employer Director

Sharife Rahmani, Employer Director

**Equip Super Executive Team and Other Responsible Persons**

Natalie Alford, Chief Risk Officer / Company Secretary

Marc Pizzichetta, Chief Financial Officer

Charles Yanni, Chief Growth Officer and Employer Relations

Anna Papile, Chief Operations Officer

Brent Retallick, Chief Technology and Transformation

Amanda Veldman, Chief People Officer

Fiona O'Keefe, Fund Auditor, Deloitte

Mark Samuels, Fund Actuary, Mercer Consulting

Mark Nelson, Fund Actuary, Mercer Consulting

Louise Campbell, Sub-Plan Actuary, Willis Towers Watson

Luke Carroll, Sub-Plan Actuary, Willis Towers Watson

Jackie Downham, Sub-Plan Actuary, Willis Towers Watson

Nerida Seccombe, Sub-Plan Actuary, The Heron Partnership

**Apologies**

Julian Widdup, Member Director

Andrew West, Sub-Plan Actuary, Willis Towers Watson

## Minutes

The Minutes comprise a summary of key aspects of presentations, questions, and answers.

Equip Super's Annual Member Meeting for the 2024 financial year was hosted by Michael Cameron, Chair of the Equip Super Board, who was joined by Scott Cameron, Chief Executive Officer, Andrew Howard, Chief Investment Officer, and Carrie Norman, Chief Experience Officer.

*Meeting commenced at 1pm Australian Eastern Daylight Time on Tuesday 3 December 2024.*

## 1. Welcome and introductions – Michael Cameron

Chair, Michael Cameron:

- Welcomed Equip Super and Catholic Super members to the 2024 Annual Member Meeting and made an Acknowledgement of Country.
- Recognised that a quorum of Equip Super Directors was present and declared the meeting open.
- Introduced the presenter panel for the meeting and acknowledged Equip Super's other Board members, Executives, Auditor and Actuaries in attendance.
- Highlighted the information being covered in the meeting was general in nature and related to the Fund as a whole and doesn't take into account personal circumstances, such as individual investments or financial objectives.
- Provided an overview of the meeting agenda and format, described the process for asking questions during the meeting, and noted that the meeting minutes and written responses to member questions would be available on Equip Super's website by 31 December 2024.
- Introduced the Equip Super Board and provided an overview of its composition.
- Highlighted the meeting is the first combined Equip Super and Catholic Super annual member meeting, reflecting the journey that brings together the two brands as one Fund with the clearly defined purpose to support our members as they prepare for financial freedom in retirement. Today, we're proud to serve nearly 140,000 members and manage nearly \$35 billion in funds under management.
- Outlined the advantages of being a mid-sized superannuation fund and the strategic vision for future growth, including the exploration of a merger of equals with TelstraSuper.
- Announced that, following due diligence, the merger with TelstraSuper is expected to be in the best interests of members and a binding Heads of Agreement had been signed to proceed with the merger. The Board is very pleased with this development, which will create a fund of \$60 billion with more than 225,000 members.
- Noted a key driver for the merger is delivering the best retirement outcomes possible to members through achieving scale benefits. The merger will provide significant economies of scale and, as a result, members will receive a reduction in the asset-based administration fee to 0.15% and a reduction in the administration fee cap to \$750 from the effective date of the merger of the two funds. It is expected that the merger will be effective late next year. Until then, we will continue to operate independently and with no disruption for members or employers.
- Recognised Equip Super's achievements including:
  - Equip Super was awarded the highest platinum performance rating from SuperRatings for the 15th consecutive year
  - Equip Super's super and retirement income products received a 5-Apples rating from Chant West

- Equip Super was awarded the winner for Best Member Education 2024 by SuperRatings.
- Congratulated the Equip Super team on consistently achieving excellent results.
- Thanked members for their support and commitment to the Fund.

The Chair introduced the CEO, Scott Cameron.

## 2. CEO update and Fund overview – Scott Cameron

CEO, Scott Cameron:

- Provided an update on the Fund's key strategic objectives, growing the Fund, delivering the right products and services for members, and forging deep connections with members and other stakeholders.
- Reported that for the year ended 30 June 2024, the MySuper investment option delivered a return of 9.25%, and the Balanced Growth (accumulation) investment option delivered 9.23%. For these same options over the 10 years to 30 June 2024, the MySuper investment option returned an average of 7.18% a year over that time, and the Balanced Growth option returned an average of 7.43% a year. The Balanced Growth (retirement income) option returned 9.88% for the year to 30 June 2024 and delivered an average return of 7.88% a year for the 10 years to 30 June 2024.
- Highlighted fees had been reduced for the second year in a row. For accumulation members, the asset-based administration fee reduced from 0.22% to 0.19% a year. For retirement income members, the weekly administration fee reduced from \$1.95 to \$1. The asset-based administration fee also reduced from 0.20% to 0.19% a year. As with accumulation members, this fee is applied to the first \$500,000 of a member's account balance. These fee reductions had in part been made possible by the work done over the past couple of years to consolidate and streamline the Fund's operations through the One Fund strategic initiative.
- Noted the Fund had undergone significant growth, doubling in size from \$16 billion in funds under management in 2016, to more than \$34 billion today. Growth in the size of the Fund remains central to Equip Super's strategic objectives, balanced with making personalised connections through the service and support we provide.
- Recognised the importance of the ongoing support provided by the Equip Super and Catholic Super employer relations teams to more than 9,000 employers across a range of industries and sectors Australia-wide, including mining and resources, automotive, and energy and utilities, and Catholic workplaces. Over the past year, the net promotor score for both Equip Super and Catholic Super substantially increased, and a nine out of ten satisfaction rating was received from employers.
- Highlighted a new Member Experience team led by Chief Experience Officer, Carrie Norman was established during the year, focused on creating better experiences for members.
- Acknowledged the work of the Equip Super team and their commitment to supporting members to prepare for financial freedom in retirement.
- Noted the investment made in the growth and development of the Equip Super team during the year, and the strengthened commitment to fostering a diverse and inclusive culture.
- Thanked members for their ongoing support.

The CEO introduced Chief Investment Officer, Andrew Howard.

### 3. Investments and markets update – Andrew Howard

Chief Investment Officer, Andrew Howard:

- Reflected on the 2023-24 financial year, noting there were fears of a recession in the United States, ongoing inflation concerns in Australia and globally, and continuing conflict in Ukraine and the Middle East.
- Noted the Fund delivered positive returns for members for the year ended 30 June 2024. The MySuper investment option returned 9.25%, the Balanced Growth option returned 9.23%, the Growth Plus (accumulation) option returned 12.12%, the Balanced Growth (retirement) option returned 9.88%, the Growth (retirement income) option returned 11.78%, and the Growth Plus (retirement income) option returned 12.83%.
- Presented on the investment strategy, highlighting the key principles of long-term investing, active management of investment managers, diversification to combat the impacts of shorter-term volatility in investment markets, and investing responsibly.
- Outlined the approach to responsible investment and the focus on climate change.
- Provided examples of the Fund's investments including a \$160 million investment in the Barwon Institutional Healthcare Property Fund and a new investment in Aligned Energy, a developer and operator of multi-tenant, wholesale data centres across the United States.
- Presented insights on current global investment markets.
- Noted the Fund remains well positioned to navigate what lies ahead, and to continue to deliver strong, long-term investment returns for members.

The Chief Investment Officer handed over to the Chief Experience Officer, Carrie Norman.

## 4. Creating a great member experience – Carrie Norman

Chief Experience Officer, Carrie Norman:

- Emphasised that creating positive and helpful experiences for our members is fundamental to our core purpose of supporting members to prepare for financial freedom in retirement. The Member Experience team are dedicated to ensuring members receive the education, advice and support they need, when they need it, and continually seeking opportunities to enhance member experience.
- Outlined the enhanced retirement offer and new retirement-orientated tools, services and support launched during the year, including a dedicated retirement support team, the Retirement Handbook, the retirement drawdown calculator, and simple online process for opening new Retirement Income accounts.
- Noted the advice offer now includes the super advice service, available to members for simple questions relating to their accounts, contributions or investments, and the comprehensive advice service provided by Equip Financial Planning and Catholic Super Financial Planning, for more complex, personal financial advice, available both to members and non-members. The overall member satisfaction rating for the Advice team this year was 9.1 out of 10, with members highlighting the ease of dealing with us, our expertise, the way we simplify the complex, and how we tailor our solutions to each member's situation.
- Provided a summary of the updates made to the Equip Super and Catholic Super websites to improve the digital experience for members.
- Noted a new personalised easy to understand insurance summary to help members better understand their insurance cover was introduced this year. The way the Fund charges for insurance cover was also redesigned with the introduction of an insurance fee, calculated at 4% of premiums, to reflect the costs we incur as a Fund in providing insurance to our members. This fee came into effect at the beginning of this financial year on 1 July 2024, and only it applies to members with insurance cover through the Fund.
- Thanked members for their feedback throughout the year and encouraged members to contact the team to enable ongoing improvements to member services and support.

The Chief Experience Officer handed over to the Chair.



## 5. Q&A and closing remarks

The Chair:

- Noted that the presentations had concluded and thanked the presenters and Equip Super and Catholic Super team.
- Introduced the questions and answers session.

*How would the forthcoming merger with TelstraSuper improve member outcomes? What kind of benefits will members be able to get following this?*

**Answered by Scott Cameron, CEO**

The merged entity would leverage our combined strengths across member and employer servicing, retirement solutions, investments and managing tailored corporate superannuation arrangements, including defined benefits. It is expected that the merger will provide significant scale benefits and deliver improved retirement outcomes to members, whilst maintaining the personalised service that the two funds currently provide. As announced today, members will receive a reduction in the asset-based administration fee to 0.15% and a reduction in the administration fee cap to \$750 p.a., from the effective date of the merger of the two funds which is expected to be late 2025.

*How is this going to impact members and will this be an opportunity to allow members to invest a proportion of their super in "Direct Access" e.g. Australian shares/ETF?*

**Answered by Scott Cameron, CEO**

Whilst there are no immediate changes to the products or services you will receive, in time, the two funds' investment menus will be combined taking a 'best of breed' approach creating a broader range of options for members to manage their superannuation and retirement savings.

TelstraSuper currently provides its members with a 'Direct Access' option which offers their members the ability to invest their super directly in companies listed in the ASX300, a range of selected Exchange-Traded Funds (ETFs), and term deposits.

*How has the Israeli conflict affected global investment decisions, and what would a Harris or Trump presidency mean for global markets?*

**Answered by Andrew Howard, Chief Investment Officer**

The ongoing conflict in the Middle East is devastating for those involved and we hope that a resolution is soon reached. In terms of markets, the impact so far has been limited, with oil markets showing the highest sensitivity. Unfortunately, conflict in the Middle East is not new, which means financial markets tend to look through shorter-term implications. However, the situation warrants close watching, and further escalations would see volatility rise.

Meanwhile, it's only been a month since Trump's victory in the 2024 US presidential elections. On a positive note, the election outcome itself was clear and uncontested, which provides certainty. Also, Trump's policy agenda is positive for earnings and growth which will also benefit markets over the medium term.

However, Trump's approach to trade policy and tariffs will be watched carefully for any flow-through impact to inflation and retaliatory measures from global trade partners. Deficits will likely remain high, too. The key flow-through here is to interest rate policy and bond yields.

*How prepared is Catholic Super to [deal with] the increasing volatility of the global political environment impacts on the stability of the fund to withstand a financial crisis?*

**Answered by Andrew Howard, Chief Investment Officer**

I think the key thing here is that volatility is part and parcel of investing in global markets. So, in order to make a financial return for our members, we must take on an acceptable level of investment risk.

Our key avenue for managing risk is via diversification. This means we invest in a wide variety of assets that behave differently in certain economic scenarios. This helps to smooth the ride over shorter-term episodes of volatility without compromising returns over the long term.

Also, it is important to remember that super is a long-term investment. So, it is inevitable that sometimes there will be periods where investment returns are low or negative. However, history has shown that markets eventually recover, and these periods can provide excellent investment opportunities.

Specifically, in terms of the geopolitics that Judith mentions here, we agree that we are in a period of heightened risk which bears close watching. However, again, our key principles of diversification and long-term investing are the best guide to managing through any volatility witnessed.

*Is Equip Super investing in digital assets, like Bitcoin, directly or plan to? And, given IBIT quickly amassed over \$30 billion in assets, setting records for the fastest ETF to reach such a milestone, does this form part of your strategy for your members?*

**Answered by Andrew Howard, Chief Investment Officer**

The Fund doesn't allocate member funds to bitcoin, or any other digital asset, nor do we plan to.

We view bitcoin as a speculative asset. It provides no cash flow to investors and it's difficult to ascribe a fundamental value to it. We do note that the regulatory environment for bitcoin continues to evolve. And the ways for investors to gain exposure have expanded recently.

However, for the time being, we don't view it as an appropriate investment for member funds.

*What is the investment governance framework that is applied to ensure that our exposure to unlisted investment e.g. real estate, infrastructure, private debt etc is minimised to ensure that it doesn't impact investment performance?*

**Answered by Andrew Howard, Chief Investment Officer**

As many of you may already know, as per superannuation industry standards, the Fund is required to have an Investment Governance Framework consistent with its obligations to act in the best financial interests of members. As part of this we must formulate a liquidity management plan and develop, maintain and implement a comprehensive investment stress-testing program.

Our liquidity management policy is approved by the Trustee. It outlines procedures for measuring and managing Fund liquidity and considers how liquidity can be managed in a range of stress scenarios. We measure and report our liquidity exposure regularly. We constantly monitor market developments to observe how conditions may be evolving which could impact the liquidity environment of certain assets and the Fund specifically.

Fund investments are rebalanced daily. As part of this we monitor member cash flow and switching activity which ensures we have ample liquidity to meet all obligations.

Liquidity management is a key area of focus for the regulator, APRA, and for the Fund. We are keenly aware of our liquidity positioning, the market environment for illiquid assets, and our requirement to meet member obligations as they fall due.

*A number of banks and even industry funds now improve the security of their member's funds by sending an authorisation code to the member's mobile phone before the funds can be accessed. Is Catholic Super considering such a move?*

**Answered by Carrie Norman, Chief Experience Officer**

Ensuring our members can transact with us and manage their accounts securely really is a top priority, just as it is for our members. So, we're always looking at ways we can improve the security of our members' accounts and their personal information.

I'm pleased to say that we've been looking at improving our security protocols for Catholic Super members over the past few months.

Equip Super members will already be aware that an additional authorisation code is requested when they log onto the Equip Super platform. And within the next few weeks we should be introducing that same safeguard to the Catholic Super online platform.

So, for any Catholic Super members logging in to access their accounts online, you should soon see this additional security requirement.

This will mean some small changes to the way Catholic Super members log in, but we think it's well worth it if it means improving security.

We've contacted members to let them know what they'll need to do for future logins. And if you haven't logged in previously, the Member Online portal will step you through the process.

We're well aware that potential security threats to data and personal information are always evolving, so it's essential that we continue to evolve the systems and standards we use to keep your accounts and information secure.

And I'd urge members to stay vigilant, too. Be vigilant around unsolicited emails – whether they're from us or from another organisation you know. And keep an eye on your accounts for any suspicious activity – things like transactions or apparent fees that you weren't expecting and can't explain.

And don't hesitate to take that extra precaution of calling us directly if you want to verify a transaction or just double-check that an email you've received has definitely come from us.

Also be aware that we will never ask you to give us your bank account information through an email or an SMS, nor will we send you any correspondence that asks you to give us the login credentials that you use to sign in to your secure account through our member portal.

Like I said, these threats are constantly evolving, so we all need to be vigilant when it comes to keeping your personal information and data as secure as possible.

*How come blue collar workers are being charged more than white collar workers?*

**Answered by Carrie Norman, Chief Experience Officer**

When you join Equip Super, Ryan, we assign you an occupation rating based on who you work for. This rating is one of the factors that determines the premiums you pay for any insurance cover you take out through the Fund. So, for Equip Super we have five occupation ratings: Professional; White collar; Standard; Blue collar, and Heavy blue collar or hazardous.

Occupations rated as blue collar, or heavy blue or hazardous, usually involve manual labour and so our insurer considers them to be riskier than, say, a white collar or professional rating. And because they come with a higher risk of a claim, the cost of the cover itself is usually higher.

You can check the occupation rating that applies to your insurance cover at any time by logging into your account online. And if your work situation changes make sure you let us know. It could even mean a drop in your occupation rating which would then lower your premiums.

For our Catholic Super members, please note that this is one area where our two brands do differ. So, you'll need to refer to the Catholic Super website or your product disclosure statement to find out more about the arrangements that may apply to you.

**Closing remarks**

Chair, Michael Cameron:

- Highlighted that all questions received from members, including any not addressed during the meeting, will be addressed and made available on the Fund's websites.
- Reiterated the Fund's purpose is to support members prepare for financial freedom in retirement. That means delivering strong long-term returns, while also keeping fees as low as possible. And it means providing members with the personalised service, support, guidance and advice you need to achieve the best possible retirement outcomes.
- Thanked members for their time on behalf of the Board and management team, and highlighted the team look forward to continuing to support members on their super and retirement journey.
- Noted that the Equip Super team is available to answer any questions about today's meeting or about super and retirement via the usual channels and as noted in the presentation.
- Closed the 2024 Annual Member Meeting.

*The Meeting concluded at 2pm.*

### Disclaimer

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Before making a decision to invest in the Fund, you should read the Product Disclosure Statement (PDS) and Target Market Determination (TMD) for the product which are available at [equisuper.com.au](https://equisuper.com.au)

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