

2021-2022 Member Outcomes Assessment



equíp



**Catholic
Super**

The annual Member Outcomes Assessment explains how our MySuper, Choice and Pension investment options, products and services have promoted the financial interests of members, and are expected to continue to do so in the future.

This year we have determined that each of our products have promoted the financial interests of members.

Putting members first

Member outcomes are our number one priority. As a proud profit-to-member super fund, we are committed to promoting the best financial interests of our members. This ranges from the products we provide, the services we deliver, and the investments we manage on our members' behalf. We not only work hard to optimise investment performance, we also focus on keeping our operating costs low. This supports our overall goal for members to have more money when they retire.

Our determination

It is the determination of Togethr Trustees Pty Ltd (the Trustee) that Equipsuper Superannuation Fund (the Fund) has met and promoted the financial interests of its members across all key areas throughout the 2021-22 financial year and is well placed to continue to do so into the future. The determinations included in this Member Outcomes Assessment, for our MySuper, Choice (Accumulation) and Choice (Account Based Pension) products, were reviewed and approved by the Trustee Board (the Board) on 20 February 2023.

Report inclusions

This report incorporates product assessments for MySuper, Choice – Accumulation and Choice – Account Based Pension products for Equip and Catholic Super for the financial year ending 30 June 2022, unless otherwise specified. In this document, we refer to both Equip and Catholic Super as 'the Fund'.

MyLifeMyMoney Superannuation Fund (MLMM) completed a successor fund transfer into the Fund with effect from 30 June 2021. Since that date, MLMM has been wound up. All its assets and liabilities have been transferred to the Fund. Catholic Super, MyLife MySuper, Transport Super and MyLife MyPension are divisions of the Fund.



In Summary

MySuper (Equip & Catholic Super)

| | |
|----------------------------------|--|
| Performance test | Our MySuper options passed the Your Future, Your Super Performance Test. |
| Fees and costs | Based on benchmark comparisons of total fees and costs: <ul style="list-style-type: none">• Equip MySuper is a cost competitive product and is operating efficiently in the financial interests of members.• Catholic Super MySuper did not meet desired outcomes and further improvement is required to ensure members' financial interests are promoted. It is intended that this underperformance will be addressed as an outcome of the One Fund program of work (see page 17). |
| Investment returns and risk | Based on a benchmark assessment of long-term net returns alongside an assessment of investment risk, our MySuper investment options meet the financial interests of members. |
| Investment strategy | Based on a benchmark assessment of the ability to achieve the target return, in consideration of the investment objective and risk appropriate to each option, our investment strategy meets the financial interests of members. |
| Options, benefits and facilities | Based on internal and external benchmark measures, as well as member satisfaction, our member services support the financial interests of members. |
| Insurance strategy and fees | Based on affordability, with consideration for the quality of insurance processing, our standard default insurance supports the financial interests of members. |
| Scale | Based on its size and consideration of scale metrics, our scale is sufficient in meeting the financial interests of members. |

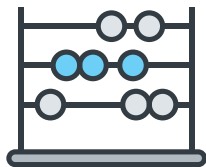
Choice – Accumulation (Equip & Catholic Super)

| | |
|----------------------------------|---|
| Fees and costs | Based on benchmark comparisons of total fees and costs: <ul style="list-style-type: none">• Equip Super Choice – Accumulation is a competitive product, with all but two investment options meeting comparative objectives; it is operating efficiently in the financial interests of members.• Catholic Super Choice – Accumulation has a number of investment options that did not meet desired outcomes and further improvement is required to ensure members' financial interests are promoted. It is intended that this underperformance will be addressed as an outcome of the One Fund program of work (see page 17). |
| Investment returns and risk | Based on a benchmark assessment of long-term net returns alongside an assessment of investment risk, our Choice – Accumulation investment options meet the financial interests of members. |
| Investment strategy | Based on a benchmark assessment of the ability to achieve the target return, in consideration of the investment objective and risk appropriate to each option, our investment strategy meets the financial interests of members. |
| Options, benefits and facilities | Based on internal and external benchmark measures, as well as member satisfaction, our member services support the financial interests of members. |
| Insurance strategy and fees | Based on affordability, with consideration for the quality of insurance processing, our standard default insurance supports the financial interests of members. |
| Scale | Based on its size and consideration of scale metrics, our scale is sufficient in meeting the financial interests of members. |

Choice – Account Based Pension (Equip & Catholic Super)

| | |
|----------------------------------|--|
| Fees and costs | <p>Based on benchmark comparisons of total fees and costs:</p> <ul style="list-style-type: none">• Equip Choice – Account Based Pension overall provides cost competitive products and is operating efficiently in the financial interests of members.• Catholic Super Choice – Account Based Pension shows a much-improved relative position compared to the prior year, but a number of investment options still did not meet desired outcomes. Further improvement is required to ensure members' financial interests are promoted. It is intended that this underperformance will be addressed as an outcome of the One Fund program of work (see page 17). |
| Investment returns and risk | <p>Based on a benchmark assessment of long-term net returns alongside an assessment of investment risk, our Choice – Account Based Pension investment options meet the financial interests of members.</p> |
| Investment strategy | <p>Based on a benchmark assessment of the ability to achieve the target return, in consideration of the investment objective and risk appropriate to each option, our investment strategy meets the financial interests of members.</p> |
| Options, benefits and facilities | <p>Based on internal and external benchmark measures, as well as member satisfaction, our member services support the financial interests of members.</p> |
| Scale | <p>Based on its size and consideration of scale metrics, our scale is sufficient in meeting the financial interests of members.</p> |

Performance test and heatmap results



We are pleased to report that the Equip and Catholic Super MySuper products received a Pass result in APRA's performance test, and our products delivered strong performance relative to peers as measured in the 2022 MySuper heatmaps.

APRA's Superannuation Heatmaps are designed to improve Trustee accountability through better transparency, provide comparable measures of performance across products, and promote industry consolidation amongst underperforming products, to drive better outcomes for members.

The MySuper Heatmap provides credible, clear and comparable insights into MySuper products across three areas: investment performance, fees and costs, and sustainability of member outcomes.

Equip MySuper Performance Test and Heatmap results

| Metric ¹ | Equip MySuper |
|--|---------------|
| Performance test measure | 0.61% |
| Pass/Fail Indicator | Pass |
| 8 Year Net Investment Return (NIR) p.a. ² | 6.58% |
| Administration fees disclosed (\$50,000 account balance) | 0.35% |
| Total fees disclosed (\$50,000 account balance) | 0.96% |
| Registerable Superannuation Entity (RSE) Adjusted Total Accounts Growth Rate (3-year average) | -1.72% |
| RSE Net Cash Flow Ratio (3-year average) | -0.79% |

1. Refer to www.apra.gov.au/mysuper-product-heatmap-0 for definitions of these metrics.

2. NIR is calculated at investment option level, not for representative members with \$50,000 account balance.

Catholic Super MySuper Performance Test and Heatmap results

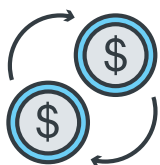
| Metric ¹ | Catholic Super MySuper | | | | |
|--|------------------------|--|-------------------------|-------------------------|--|
| | Lifecycle | Lifecycle stage: Growth Plus (MySuper) | Lifecycle stage: Age 51 | Lifecycle stage: Age 52 | Lifecycle stage: Balanced Growth (MySuper) |
| Performance test measure | -0.05% | N/A | N/A | N/A | N/A |
| Pass/Fail Indicator | Pass | N/A | N/A | N/A | N/A |
| 8 Year Net Investment Return (NIR) p.a. ² | 6.79% to 7.07% | 7.07% | 6.98% | 6.88% | 6.79% |
| Administration fees disclosed (\$50,000 account balance) | 0.37% | 0.37% | 0.37% | 0.37% | 0.37% |
| Total fees disclosed (\$50,000 account balance) | 0.98% to 1.02% | 1.02% | 1.00% | 0.99% | 0.98% |
| Registerable Superannuation Entity (RSE) | | | | | |
| Adjusted Total Accounts Growth Rate (3-year average) | -1.72% | N/A | N/A | N/A | N/A |
| RSE Net Cash Flow Ratio (3-year average) | -0.79% | N/A | N/A | N/A | N/A |

1. Refer to www.apra.gov.au/mysuper-product-heatmap-0 for definitions of these metrics.

2. NIR is calculated at investment option level, not for representative members with \$50,000 account balance.

The Catholic Super MySuper investment option is a lifecycle investment option. For members aged under 51, this is Catholic Super's Growth Plus MySuper option. From age 51 we gradually move member accounts to our Balanced Growth MySuper investment option.

Fees and costs summary



We believe that the basis for the setting of fees is appropriate and supports the financial interests of our members. Recognising that our fees and costs are higher than they could be, we are working to bring these down.

How we compare

Equip

Equip generally performs well across fee and cost comparisons with peers for MySuper, Choice – Accumulation and Choice – Account Based Pension.

Diversified accumulation options are consistently placed in the second quartile. Sector-specific accumulation options also rate highly.

In pension phase, the majority of investment options compare favourably, with only a few third quartile placements. For pension options, it is notable that the comparisons have changed substantially to last year's. On 1 July 2022, Equip lowered pension administration fees, thus improving its position relative to other funds.

Based on this assessment, the Trustee determines that Equip offers a cost-competitive MySuper option, and cost-competitive Choice – Accumulation and Choice – Account Based Pension options, which are operating efficiently in the financial interests of members.

Catholic Super

Compared to the prior year, the relative fee position of Catholic Super for both accumulation and pension members has improved considerably, following two FY22 investment fee changes. Despite these decreases, the MySuper options ended the FY in the third quartile. For diversified options, the majority of comparisons are now in the target second quartile; for sector-specific options, positions have improved, with some options still in the third quartile.

For FY22, the Trustee determines that based on benchmark comparisons of total fees and costs across the MySuper lifecycle options, Choice – Accumulation and Choice – Account Based Pensions, some options are cost-competitive, while others should be operating more efficiently to be in the financial interests of members.

The Trustee is in the process of fully consolidating the investment menus for Catholic Super and Equip. This is expected to occur ahead of 1 July 2023. It is proposed that the consolidation will assist to improve the relative position of the investment options.

Basis for setting fees

The basis for fee setting is currently measured against the annual income to cost ratio. This ratio continues to meet the internal three-year objective, ensuring the Fund operates within its expected cost range. Fees are structured in a manner that provides sustainable revenue to the Fund to provide for products and services to maximise member retirement outcomes in the longer term, with fee caps applied to the Fund's products at a member level to limit fees beyond a reasonable share of costs.

Operating Cost Ratio (OCR)

The Fund's OCR of 0.29% is below the target level of 0.32% and therefore exceeds the objective. The operating costs of the Fund will continue to be closely monitored through monthly reporting, annual budgeting and quarterly forecasting processes to ensure this remains the case.

Based on this assessment, the operating costs of the RSE licensee business operations are not inappropriately affecting the financial interests of the beneficiaries who hold a MySuper product or Choice product.

Equip MySuper vs Median fees and costs comparison¹

Equip's fees and costs remain lower than the median.

| Equip MySuper | Median |
|---------------|--------|
| 0.96% | 0.98% |

1. Source: Quarterly MySuper statistics September 2020 – September 2022. Table 2a and 2b: Representative member investment performance - MySuper products with single investment strategy and lifecycle investment strategy. Annualised fees and costs for the year ending 30 June 2022, based on a \$50,000 balance.

This assessment meets the Trustee's outcome expectation for fees to be lower than the median MySuper default option.

Catholic Super MySuper vs Median fees and costs comparison¹

Despite the investment fee reductions, the below-median ranking target was not met in FY22. The Trustee is in the process of fully consolidating its product offering at the end of FY23, and with this consolidation it is expected that members currently in the lifecycle MySuper will be moved into the single default Equip MySuper option. This option was ranked in the second quartile for FY22.

Members who don't choose their investment strategy are currently invested in the Catholic Super MySuper product, which is based on age. Until age 51, members are automatically invested in our Growth Plus investment option. From age 51, we gradually move the member's super until fully invested into our Balanced Growth MySuper investment option at age 53.

| | Catholic Super MySuper | Median |
|-----------------|------------------------|--------|
| Growth Plus | 1.06% | 0.98% |
| Age 51 | 1.05% | 0.98% |
| Age 52 | 1.04% | 0.98% |
| Balanced Growth | 1.03% | 0.98% |

1. Source: Quarterly MySuper statistics September 2020 – September 2022. Table 2a and 2b: Representative member investment performance - MySuper products with single investment strategy and lifecycle investment strategy. Annualised fees and costs for the year ending 30 June 2022, based on a \$50,000 balance.

Investments summary



We believe that the level of investment risk and investment return target is appropriate for members.

Investment returns

Equip

Equip's MySuper product continues to perform well over the long term, meeting the peer comparison target and the PDS Investment Objective.

The peer comparison return target was met for the majority of diversified investment options. The PDS investment objective has been achieved for most investment options.

Changes to strategic asset allocations and the restructuring of asset classes over recent years have established a framework and platform that is proposed to enable an improvement in the performance of investment options that have been below peer comparison or the PDS investment objective.

Equip MySuper vs Median fund performance¹

| Net Investment Return period | Equip MySuper | Median |
|------------------------------|---------------|--------|
| 3 year (pa) | 4.42% | 4.05% |
| 5 year (pa) | 5.81% | 5.76% |
| 8 year (pa) | 6.58% | 6.24% |

1. Source: APRA's MySuper Heatmap as at 30 June 2022, published 15 December 2022.

Catholic Super

The peer objective target was not met for the majority of the lifecycle stages of the Catholic Super MySuper product. However, the PDS investment objective was met for all the lifecycle stages.

Equip is currently delivering the One Fund program of work, including merging the Catholic Super investment products into the Equip investment products. An expected outcome of this program of work is improved performance.

Catholic MySuper vs Median fund performance¹

| Net Investment Return period 3 year (pa) | Catholic Super MySuper | Median |
|---|------------------------|--------|
| Growth Plus | 4.49% | 4.05% |
| Age 51 | 4.38% | 4.05% |
| Age 52 | 4.27% | 4.05% |
| Balanced Growth | 4.15% | 4.05% |
| 5 year (pa) | | |
| Growth Plus | 5.88% | 5.76% |
| Age 51 | 5.73% | 5.76% |
| Age 52 | 5.58% | 5.76% |
| Net investment Return period | Catholic Super MySuper | Median |
| Balanced Growth | 5.43% | 5.76% |
| 8 year (pa) | | |
| Growth Plus | 7.07% | 6.24% |
| Age 51 | 6.98% | 6.24% |
| Age 52 | 6.88% | 6.24% |
| Balanced Growth | 6.79% | 6.24% |

1. Source: APRA's MySuper Heatmap as at 30 June 2022, published 15 December 2022.

Investment risk

Equip MySuper

In ranking the investment risk for Equip MySuper against all other MySuper product and lifecycle stages, Equip ranks in the second quartile for the year to June 2022.

The Trustee determines that the level of investment risk applicable to members is appropriate for the Equip MySuper product.

Catholic Super MySuper

The Catholic Super MySuper product risk measure is below the median for the majority of lifecycle stages. Catholic Super employs a lifecycle strategy with the Balanced Growth option as the final stage. This results in a higher Standard Risk Measure (SRM) than the average MySuper fund and the average lifecycle fund. The implementation of a higher SRM is intended to ultimately produce higher net benefits for members.

The Trustee determines that the level of investment risk applicable to members is appropriate for the Catholic Super MySuper product.

Choice – Accumulation and Choice – Account Based Pension

We were unable to assess the comparative level of investment risk for our Choice - Accumulation and Choice - Account Based Pension products due to a lack of reliable data but intend to perform these assessments in future years where such data becomes available.

Investment options and returns

These tables show the annual returns of our investment options for our MySuper and Choice - Accumulation and Choice - Account Based Pension products over the long term, as well as comparative performance based on the SuperRatings peer quartile performance for the period ending 30 June 2022, where data is available.

Returns shown are after the deduction of all fees and taxes as at 30 June 2022. The actual returns credited to a member's account balance will be influenced by the timing of payments into and out of the account, allowing for contributions, taxes, fees and switches between investment options.

Equip Choice – Accumulation Returns as at 30 June 2022^{1,2}

| Investment option | 3 year | | 5 year | | 7 year | | 10 year | |
|-----------------------------|--------|------------------|--------|------------------|--------|------------------|---------|------------------|
| | Equip | Quartile Ranking | Equip | Quartile Ranking | Equip | Quartile Ranking | Equip | Quartile Ranking |
| Pre-mixed options | | | | | | | | |
| Growth Plus | 5.88% | First | 7.93% | First | 7.80% | First | 10.77% | First |
| Growth | 5.20% | Third | 6.81% | Second | 6.98% | Second | 9.36% | Second |
| Balanced Growth | 4.51% | Second | 6.03% | Second | 6.38% | Second | 8.40% | First |
| Balanced ³ | 3.30% | Second | 4.53% | Third | 4.92% | Second | 6.47% | Second |
| Conservative | 2.14% | Second | 3.09% | Third | 3.48% | Third | 4.69% | Third |
| Sector specific options | | | | | | | | |
| Australian Shares | 4.69% | Second | 6.60% | Third | 7.09% | Third | 9.19% | Third |
| Overseas Shares | 6.16% | Second | 8.62% | First | 7.92% | Second | 12.03% | Second |
| Fixed Interest | -0.04% | First | 1.09% | First | 1.86% | First | 2.70% | First |
| SRI | 3.58% | Fourth | 7.59% | First | 7.02% | First | 9.18% | Second |
| Cash | 0.37% | Third | 0.90% | Third | 1.15% | Third | 1.54% | Third |
| Closed options ⁴ | | | | | | | | |
| Property | 5.77% | Second | 7.26% | Second | 7.77% | Second | 8.57% | Third |

1. Source: SuperRatings Fund Crediting Rate Survey, June 2022.

2. Quartile rankings measured against peer groups

3. Peer comparison for the Balanced option is based on notional participation in the SR 25 Conservative Balanced survey.

4. Investment option was closed during the financial year (prior to 30 June 2022) and results are based on returns to 31 May 2022.

Equip Choice – Account Based Pension Returns as at 30 June 2022^{1,2}

| Investment option | 3 year | | 5 year | | 7 year | | 10 year | |
|-----------------------------|--------|------------------|--------|------------------|--------|------------------|---------|------------------|
| | Equip | Quartile Ranking | Equip | Quartile Ranking | Equip | Quartile Ranking | Equip | Quartile Ranking |
| Pre-mixed options | | | | | | | | |
| Growth Plus | 6.15% | Second | 8.70% | First | 8.42% | First | 11.74% | Second |
| Growth | 5.48% | Second | 7.57% | Second | 7.56% | Third | 10.16% | Second |
| Balanced Growth | 4.53% | Third | 6.51% | Second | 6.64% | Third | 8.96% | Second |
| Balanced | 3.35% | Third | 4.97% | Third | 5.28% | Third | 7.04% | Third |
| Conservative | 2.34% | Second | 3.51% | Second | 3.70% | Third | 5.08% | Third |
| Sector specific options | | | | | | | | |
| Australian Shares | 5.20% | Second | 7.32% | Fourth | 7.62% | Third | 10.00% | Third |
| Overseas Shares | 6.59% | Second | 9.53% | First | 8.77% | First | 13.32% | First |
| Fixed Interest | -0.01% | First | 1.29% | First | 1.88% | Second | 3.00% | Second |
| SRI3 | 3.62% | N/A | 8.14% | N/A | 7.81% | N/A | 10.37% | N/A |
| Cash | 0.44% | Third | 1.06% | Third | 1.35% | Third | 1.80% | Third |
| Closed options ⁴ | | | | | | | | |
| Property | 6.23% | Second | 8.04% | Second | 8.47% | Second | 9.31% | Third |

1. Source: SuperRatings Pension Crediting Rate Survey, June 2022.

2. Quartile rankings measured against peer groups.

3. SuperRatings does not provide a sustainable investment survey for pension products.

4. Investment option was closed during the financial year (prior to 30 June 2022) and results are based on returns to 31 May 2022.

Catholic Super Choice – Accumulation Returns as at 30 June 2022^{1,2}

| Investment option | 3 year | | 5 year | | 7 year | | 10 year | |
|-----------------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|
| | Catholic Super | Quartile Ranking | Catholic Super | Quartile Ranking | Catholic Super | Quartile Ranking | Catholic Super | Quartile Ranking |
| Pre-mixed options | | | | | | | | |
| Growth Plus | 4.45% | Third | 6.03% | Third | 7.09% | Second | 9.55% | Second |
| Growth | 4.10% | Fourth | 5.66% | Fourth | 6.68% | Third | 8.67% | Third |
| Balanced Growth | 4.04% | Third | 5.37% | Third | 6.31% | Second | 8.00% | Second |
| Balanced | 2.68% | Fourth | 3.92% | Fourth | 4.77% | Third | 6.03% | Third |
| Conservative | 1.82% | Third | 3.01% | Third | 3.85% | Second | 4.94% | Second |
| PostiveIMPACT | 5.50% | First | N/A | N/A | N/A | N/A | N/A | N/A |
| Sector specific options | | | | | | | | |
| Australian Shares | 4.25% | Third | 6.58% | Third | 8.20% | First | 10.07% | First |
| Overseas Shares | 4.09% | Fourth | 6.66% | Fourth | 7.29% | Third | 10.84% | Third |
| Diversified Fixed Interest | -0.26% | First | 1.60% | First | 2.33% | First | 2.88% | First |
| Cash | 0.48% | Second | 1.05% | First | 1.44% | First | 1.86% | First |
| Closed options ³ | | | | | | | | |
| Balanced Plus | 5.23% | First | 5.61% | First | 5.98% | First | N/A | N/A |
| RetirePlus ^{4,5} | 3.69% | N/A | 4.31% | N/A | 4.66% | N/A | N/A | N/A |
| RetireStable ⁴ | 2.96% | N/A | 3.62% | N/A | 3.93% | N/A | N/A | N/A |
| Property | 6.05% | First | 7.45% | Second | 8.29% | First | 8.45% | Third |

1. Source: SuperRatings Fund Crediting Rate Survey, June 2022.

2. Quartile rankings measured against peer groups.

3. Investment option was closed during the financial year (prior to 30 June 2022) and results are based on returns to 31 May 2022.

4. No clear peer group survey was available with investment options with similar low volatility and lower risk of capital drawdown characteristics.

5. Investment option was closed prior to having 10-year performance upon which the PDS Investment objective was based.

Catholic Super Choice – Account Based Pension Returns as at 30 June 2022^{1,2}

| Investment option | 3 year | | 5 year | | 7 year | | 10 year | |
|-----------------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|
| | Catholic Super | Quartile Ranking | Catholic Super | Quartile Ranking | Catholic Super | Quartile Ranking | Catholic Super | Quartile Ranking |
| Pre-mixed options | | | | | | | | |
| Growth Plus | 5.24% | Third | 6.83% | Third | 7.87% | Second | 10.61% | Second |
| Growth | 4.59% | Third | 6.28% | Third | 7.38% | Third | 9.67% | Third |
| Balanced Growth | 4.97% | Second | 6.21% | Third | 7.19% | First | 9.09% | Second |
| Balanced | 3.03% | Fourth | 4.40% | Fourth | 5.36% | Third | 6.84% | Third |
| Conservative | 2.17% | Second | 3.49% | Third | 4.43% | Second | 5.69% | Second |
| PostiveIMPACT | 6.04% | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| RetirePlus ³ | 3.37% | N/A | 4.61% | N/A | 5.30% | N/A | 7.06% | N/A |
| RetireStable ³ | 2.86% | N/A | 3.85% | N/A | 4.50% | N/A | N/A | N/A |
| Sector specific options | | | | | | | | |
| Australian Shares | 4.59% | Third | 6.85% | Fourth | 8.39% | Second | 10.46% | Second |
| Overseas Shares | 4.53% | Fourth | 7.42% | Third | 8.16% | Second | 12.37% | Second |
| Diversified Fixed Interest | -0.41% | First | 1.79% | First | 2.68% | First | 3.33% | First |
| Cash | 0.57% | Second | 1.23% | First | 1.67% | First | 2.17% | First |
| Closed options ⁴ | | | | | | | | |
| Balanced Plus | 6.05% | First | 6.39% | First | 6.74% | First | N/A | N/A |
| Property | 7.21% | Second | 8.62% | Second | 9.36% | First | 9.44% | Third |

1. Source: SuperRatings Pension Crediting Rate Survey, June 2022.

2. Quartile rankings measured against peer groups.

3. No clear Peer Group Survey was available with investment options with similar low volatility and lower risk of capital drawdown characteristics.

4. Investment option was closed during the financial year (prior to 30 June 2022) and results are based on returns to 31 May 2022.

Investment strategy

We believe our investment strategy appropriately meets the long-term financial interests of members.

Our investment strategy is developed by the Board with the goal of supporting our members to prepare for financial freedom in retirement.

This goal is achieved based on the following Investment Beliefs:

1. The long-term Strategic Asset Allocation (SAA) for each investment option is the greatest single determinant of member outcomes.
2. Diversification is a central element in maximising risk-adjusted returns.
3. Financial markets at times provide opportunities to vary the actual asset allocation away from the SAA in order to enhance returns and manage risk, whilst remaining mindful of peer and regulatory constraints. These opportunities are typically infrequent and best exploited with patience and a medium-term focus.
4. Active investment management is supported as a way of diversifying risk and enhancing returns over the long-term. Any decision to allocate to active investment strategies is made with the expectation of generating competitive post fee returns for members while maintaining competitive fees.
5. Risk is multi-faceted, however the primary risks are achieving the real return objective of each investment option and meeting regulatory performance benchmarks, while providing competitive long term returns relative to peers.
6. The primary investment focus is to optimise real returns to members after fees, costs and taxes, while delivering competitive fees, using scale benefits to reduce fees over time.
7. Disciplined investment management and prudent investment governance improve outcomes for members.
8. Being a responsible investor and incorporating Environmental, Social and Governance (ESG) factors into the investment decision making framework is a fundamental component in meeting fiduciary obligations and member best financial interests.
9. Climate change is a material foreseeable and actionable financial risk, yet also provides investment opportunities. As part of the management of climate change the Trustee has adopted a target of net zero emissions by 2050.

Our investment strategy was assessed on the ability to achieve the target return, in consideration of the investment objective and risk appropriate to each option.

In considering the outcome of the MySuper and diversified options over the mid to long term and in understanding the contributors to sector specific outcomes in relation to market, the Trustee determines that the investment strategy for the products, including the level of investment risk and the return target, is appropriate to the beneficiaries of those products.

Options, benefits and facilities summary



It's important to us that we provide the information, advice, products and services that our members need today and in retirement, and ensure we are constantly working towards improving retirement outcomes.

Member services

We offer a range of services and products to help our members make the most of their future retirement and take control of their super.

These include:

- Retirement products, including transition to retirement pension options
- Personal financial planning advice, with the first appointment offered at no additional cost
- 24/7 online account access
- Web chat
- Online tools and calculators
- Retirement seminars
- Phone helpline
- Outbound call team
- Annual Member Meeting
- Annual report
- Regular newsletters
- Regular email updates.

We use three categories to assess the appropriateness of options, benefits and facilities provided to members:

1. Internal measures like our retirement readiness index, member engagement index and voluntary exit rate reporting,
2. Member sentiment like our overall member satisfaction measure, and a strategic Net Promoter Score (NPS), and
3. External benchmarks like SuperRatings' fundamentals assessment of member servicing, and ChantWest communicating and digital engagement ratings

Based on our assessment, we have determined that all internal measures, member sentiment and external benchmark targets were achieved in the 2021-22 financial year, and our options, benefits and facilities are appropriate for members holding our MySuper, Choice - Accumulation and Choice - Account Based Pension products.

Insurance



We believe our insurance strategy and fees are appropriate for our members.

Insurance strategy and fees

We aim to provide insurance that our members can depend on, so they have a solid and dependable financial safety net throughout their working life.

The Trustee acknowledges that further improvement in member experience and process efficiency can be made. Across all claim types, the Trustee's claims handling timeframe targets have not been met over the period to 30 June 2022.

To help improve this, the Insurance Management Forum was set up during FY23 with the goal to uplift the member end-to-end experience. The Fund's insurance claim decision processes continue to be reviewed with improvements expected to continue following the appointment of MetLife as the Fund's insurer from 1 July 2022.

Our insurance strategy seeks primarily to ensure that insurance is affordable and not inappropriately eroding our members' retirement outcomes. When assessing the affordability of our insurance, we looked at the average default insurance premium as a percentage of salary, with our result being well below the target of 1% at 0.50% for Equip and 0.37% for Catholic Super.

We continue to monitor premiums and default coverage amounts, particularly for older members, to maintain affordability, as well as comparing our insurance offering against the needs of our members and other insurance offerings in the market.

Scale



We believe our size provides scale benefits to our members, which helps us deliver better retirement outcomes.

Measuring scale

At \$29.8 billion and with 150,117 member accounts, the Fund is a relatively large fund and is of sufficient scale when it comes to the implementation of investment strategy across all asset classes. The Fund has sufficient scale to cover operating costs and to gain access to desired investments in sectors such as property and infrastructure. This scale has been achieved, in part, through mergers which have allowed us to benefit from buying power, investment pooling and shared governance support.

Member retention remains a strategic focus for the Fund as it is for many funds, reflecting industry trends and consolidation pressures.

Future growth

Our growth strategy will ensure that our scale remains appropriate into the future. Having executed a number of successor fund transfers in recent years (most significantly the transfer of Catholic Super into Equip on 30 June 2021), the Trustee's vision is to grow to \$50 billion in member assets. We believe that growth and scale drive better outcomes for members in retirement.

What we are improving



We believe we can always do better for our members. During the year, we worked on some important changes that delivered, and will deliver in future, substantial improvements in member outcomes.

What we've already done

Appointed a new insurer

We conducted a competitive market tender to appoint a new insurer with MetLife appointed effective 1 July 2022. We expect this change to deliver an improved claims processing experience and more digital self-service tools to members, as well as creating process efficiencies that may have a beneficial impact on insurance claim and underwriting timeframes.

Initiated Retirement Program

The focus of the Retirement Program was to meet the requirements of the Retirement Income Covenant with a view to optimising the retirement outcomes of its members. The Trustee's Retirement Income Strategy was approved by the Board in May 2022 and a public summary was made available to members online on 1 July 2022. The Strategy is focussed on uplifting the member experience in the years prior to and post retirement, to ensure all members understand their options and gain access to the information and support they need.

What we're doing

One Fund program of work

One Fund is a program of work to integrate and remove duplication across the Fund. One Fund intends to align and consolidate investment options, products, fees and member experiences to provide better service and outcomes for members.

A fee review forms part of the One Fund program of work, and it is anticipated that fee reductions will be passed on to members from the end of FY23. These fee reductions will, in part, reflect efficiencies derived from the One Fund program of work.

As part of the One Fund program of work, Catholic Super investment options will be merged into Equip investment options. Whilst Catholic Super investment options have shown underperformance, the Equip product suite has generally outperformed its peer comparison targets.

Improving processes and controls

Through improving process and controls, the Fund will develop repeatable, clear and consistent process, procedures and controls, which will improve day to day management. This will ensure effective controls are in place to manage risk and compliance and meet obligations, as well as deliver enhanced member experience.

Better digital capability

We are improving members' experience and achieving operational efficiencies through a website redesign (including improved member access and navigation enhancements) and review of forms.

Increasing brand awareness

We are evolving our brand in market to support our strategic growth ambitions.

Building our Retirement Program

With a focus on uplifting the member experience in the years prior to, at the point of and post retirement, our Retirement Program aims to help all members understand their investment income options and gain access to the information and support they need to have the best retirement possible.

Improving our insurance offer

We are working with our insurer to revise the total and permanent disablement (TPD) definition, with the intent of delivering improved member claim outcomes.

Enhancing customer experience monitoring

We are implementing a monitoring program that will better inform adjustments to product, pricing, service and engagement strategies.

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Important information

This information is published Togethr Trustees Pty Ltd (ABN 64 006 964 049; AFSL 246383) (the Trustee), the trustee of Equipsuper Superannuation Fund (ABN 33 813 823 017) (the Fund). It provides important details about the Fund's activities and investments for the financial year ended 30 June 2022. Catholic Super, MyLife MySuper, Transport Super and MyLife MyPension are divisions of Fund.

This is provided for general information only and does not take into account your personal objectives, financial situation or needs and should therefore not be taken as personal advice.

You should consider whether it is appropriate for you before acting on it and, if necessary, you should seek professional financial advice. Before making a decision to invest in the Fund, you should read the appropriate Product Disclosure Statement (PDS) and Target Market Determination (TMD).

Past performance is not a reliable indicator of future performance.

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