

**Equisuper Annual Member Meeting Q&A for website**

Admin questions		
	Why does equip charge us to sell units to pay for the monthly bills when we give money to super monthly, why not us the cash?	Equip does not charge to buy or sell units. We do charge administration and investment fees, however these are low compared to other funds.
	Why were Enquiries to Equip during the first Melbourne COVID 19 lockdown not answered?	<p>Unfortunately, due to the suddenness of the pandemic and the first Melbourne lockdown we needed to make a series of major changes to the way our business operated including, for example, virtually all staff needed to transition to work from home. The difficulty of making these operational changes was compounded by a number of significant movements in our investment markets as well as some government announcements to do with superannuation, such as the COVID-19 early access scheme, which required a significant amount of work.</p> <p>We also had a significant increase in the number of member enquiries during this period. At times, we experienced two to three times our normal call volumes.</p> <p>All of this meant that for a short time we weren't able to answer enquiries as quickly as normal. We were pleased that we were able to keep our communication channels open and not discourage members from contacting us, but we realise that we didn't meet many members' expectations and we apologise if this was the case for you.</p>
	What does Equisuper expect to happen to insurance costs within super in the next 5 years?	<p>Overall, we don't expect insurance costs (or premiums) to decrease over the next five years. That said, we expect that the insurance cover you get through superannuation to remain more favourably priced, on average, than the individual cover most people get directly.</p> <p>Here's a more detailed answer which explains our thinking:</p> <ul style="list-style-type: none"> <li>Recent changes to government regulations have meant that fewer people, Australia-wide, are insured through superannuation. This means that insurance costs to keep people covered have been rising recently throughout the</li> </ul>

		<p>superannuation industry. This has resulted in premiums rising across most super funds, including Equip.</p> <ul style="list-style-type: none"> <li>• The number and size of claims fluctuates from year to year, which has an impact on cost and insurance premiums. We manage that by negotiating premiums with our provider for a fixed term, which is usually three years, to ensure premiums are consistent for an extended period so members know what to expect and can plan for this cost.</li> <li>• COVID-19 is expected to trigger a rise in salary continuance (SC) claims over the next couple of years. This is where salary is paid when an employee is unable to work through temporary illness or injury. Equip does not offer salary continuance cover as a default to members.</li> <li>• Lastly, the group life insurance market in Australia, which provides insurance products to superannuation members, is getting smaller. What that means is that the companies that are left are bigger and more efficient. While this should mean lower costs, having fewer providers could also mean there may be less competition in the medium to long term.</li> </ul>
	What are the number of members and what is the average investment \$ / member	As at 31 December 2020, there were 68,236 Equip members with an average account balance of \$237,060 per member. The average accumulation balance was \$184,834. The average defined benefit member account balance was \$744,907 and the average pension member account balance was \$710,162.
	Why doesn't this Super fund have "temporary and permanent disablement insurance", like most other funds?	<ul style="list-style-type: none"> <li>• Equip offers two different types of insurance in this area. We offer Death and Total and Permanent Disablement (TPD) cover by default to members who come through participating employers.</li> </ul>

		<ul style="list-style-type: none"> <li>We also offer Salary Continuance (SC) insurance, which covers temporary disablement for up to two years. However, this is no longer part of our default coverage, so members have to apply for it separately.</li> </ul>
	Admin support from Equip has been inconsistent. What metrics are used to measure customer satisfaction & How does the fund rank?	<p>We're sorry that the help you've received has sometimes fallen short of your expectations. This is something that we take very seriously and we're always trying to improve.</p> <p>We officially measure customer satisfaction at least twice each year. We do this by seeking feedback from a randomly chosen representative sample of our members - around 20,000 members each time.</p> <p>We last surveyed members in July 2020 and in this survey our member satisfaction score was 76.7% (higher than the average super fund score of 75%). Our most recent Net Promoter Score, which is a standard measure of member satisfaction and advocacy, was measured in October 2020. In this survey we scored 13.8, ranking 9th out of the 28 funds surveyed.</p>
	With the Rio fund it was possible to download a file of weekly unit prices between two dates. This is not possible with Equip in the same way. I would like you to restore this capability.	<p>Thank you for your feedback. While we can't make any commitments at this time, we will certainly consider your suggestion. Our website upgrades over the last 18 months have sought to improve the content on our website and how easy it is to use, as well as its overall stability and security. We hope that overall you are satisfied with the more modern offering, but we certainly acknowledge that during the upgrade process, a small number of existing features of the old site were not continued.</p>
	1) Why is there no automated confirmation of change requests like Banks have and 2) Why is the balance on line two days old?	<ol style="list-style-type: none"> <li>We confirm various transactions including when you update your name or address, make a change to your investment strategy or beneficiary nominations or when you make a contribution via BPAY or transfer money into the fund. Other transactions may also be included in the future, as determined by the Trustee. You can manage your account notification preferences by logging into your account online, clicking on the person icon on the top right of the page, then click on personal details and scroll down to the communication preferences section.</li> <li>Unit prices are two days old because they can only be calculated once investment markets (around the world) have closed. Unit prices are calculated on the next business day and applied to your account the business day after that.</li> </ol>

	<p>Why asset and administration fees are taken out of my net contributions and not out of investment performance.</p>	<p>Both the asset-based fee and the weekly (flat dollar) fee are administration fees. The administration fees come directly out of a member's account, which gives us more flexibility, as it allows us to cap fees for members. For example, members with low account balances don't pay the weekly fee, to make sure we comply with government regulations designed to avoid erosion of small account balances. It would be impossible to administer this through unit prices. Similarly, for our members with high balances we cap how much they pay, and the asset-based fee is only charged up to a certain account balance. Again, we couldn't easily do this if we charged the asset-based fee via unit prices.</p> <p>In contrast, fees charged through unit prices are paid by all members, no matter how much money they have in the fund, on their full balance. We only charge investment-related fees through unit prices.</p>
<b>Investment questions</b>		
	<p>Modern nuclear technologies provide reliable baseload power. What is the exposure to these technologies</p>	<p>Equip does not have any direct exposure to nuclear technologies. There are some discussions within the superannuation industry that nuclear reactors should be considered and that an early step would be to ensure that Australia has the technical capacity to engage with nuclear energy. We will continue to monitor this, but market and financial risks must be overcome first and then we will assess to see if it fits our risk/return criteria.</p>
	<p>Why isn't growth a recommended option over 50?</p>	<p>Our Growth option is not our default option for members over 50 (our default option for all accumulation members, including those over 50, is our MySuper Option), but depending on personal circumstances the Growth or even the Growth Plus Options might be appropriate for a member over 50 years old.</p> <p>Whether those options are right for you depends on things like your risk appetite, the size of your total wealth (super &amp; other assets), years until retirement, life expectancy, whether you have paid off your own home or have other debts, the circumstances of your partner (if you have one) or dependents and desired retirement income amongst many other factors. Without knowing those factors, we can't recommend an option for you, but we do have a financial planning team that may be able to help.</p>

		<a href="#">Find out more and book an appointment here.</a>
	<p>Will equip offer a precious metals option for super investment?</p> <p>I am finding this a difficult thing to organise and going my own SMSF is next to impossible with the new rules requiring financial planner sign off . And expensive.</p>	<p>No, at this point it's looking unlikely that we will offer a precious metals option as unfortunately we have not had enough demand from members to justify the setup and ongoing operational costs. If too few members invest in an Option, then either that Option would need to have very high fees, which we believe would be unpalatable, or the high costs would need to be borne by all members of the fund.</p> <p>We review our option selection annually and we welcome member feedback on potential new options.</p>
	Will Equip offer the equivalent of retail (non super) managed funds that use the same investment strategies used in super?	Although there would be some structural complications, we could consider setting up non-super options if there were enough member demand, but to date we have not had many member queries for this.
	Have the funds written down the value of the investments in airports?	Yes, the valuation of our airport investments were written down around late March 2020 when the global and domestic impact of COVID first began to be understood and modelled by airport management and independent valuers. We continue to update our valuations as new information and data becomes available, in line with our valuation policy.
	Considering your comments on tech stocks, what is the funds position on these stocks?	We employ fund managers with different and complementary investment styles. Consequently, there are differing views on tech stocks that are implemented by the differing fund managers in our portfolios. We have some managers (typically 'growth' style managers) that have been overweight in tech stocks prior to and throughout the last year and have therefore benefited from stock price rises. But we also have other managers (typically 'value' style managers) that have considered many tech stocks to be over-priced and have not owned, or owned less of, these stocks. Taken together, this strategy of diversifying styles of equity managers has resulted in our Overseas Shares option's performance being ranked 2 <sup>nd</sup> of the top 50 super funds in the SuperRatings International Shares Survey over the year to 31 January 2021, and consistently in the top 10 options over longer periods.
<b>Responsible investment questions</b>		
	When will Equip Super be introducing a Sustainable Growth option? Most of the other major Industry Super Funds already offer it.	Equip does offer a sustainable and responsible investments option (called Sustainable Responsible Investments). It invests in Australian companies, usually listed on the

		<p>Australian Stock Exchange (ASX), based on the Sustainable Asset Management's Dow Jones index Australia (SRI criteria).</p> <p>As part of our joint venture with Catholic Super, we are looking to consolidate our product offering within this area. Catholic Super's PositiveIMPACT option evaluates investment strategies that will benefit from the transition to a low carbon, energy efficient and climate resilient future. It is invested across listed equities and unlisted investments including property, infrastructure and private equity.</p>
<b>Fee questions</b>		
	<p>Merging funds are passing on the benefits of reduced fees to their members. Since Equip merged with Rio, our fees have gone up. Why? An additional Equip merge has just been announced, when can we expect the fee reductions to be passed on?</p>	<p>We answered a very similar question to this live during our Annual Member Meeting, question 2. You can read the answer in the minutes or watch the video recording.</p>
<b>Merger questions</b>		
	<p>Is it true that since the previous CEO was removed that several other senior staff have left, and that staff morale has plunged?</p>	<p>Some senior staff have left since late 2019 when our current CEO, Scott Cameron, was appointed and the joint venture with Catholic Super began. The joint venture has led to a consolidation of positions, creating efficiencies which will benefit members. All organisations benefit from a healthy level of turnover and we are happy with our current level of turnover. Staff morale remains high.</p>
	<p>By Toyota joining Equip, what does that mean to retirees?</p>	<p>Toyota joining our fund will make us larger overall. As we grow and scale through other funds joining Equip it helps us reduce overall cost per member and so benefits all members. For retirees specifically it will help with things like:</p> <ul style="list-style-type: none"> <li>• Maintaining our competitive fees which retirees pay for our Pension Products</li> <li>• Over time, improving our services to members in areas like product development, on-line tools for retirees, individual financial advice for pre and post retirement.</li> </ul>

	When the funds merge will the two brands be kept i.e Equip and Catholic Super?	Yes, Equip and Catholic Super will remain separate brands.
	Joint Ventures and Mergers are speculative by nature, how can that always be in the members financial best interests?	<p>One of our overall strategic goals is to grow to \$50 billion of funds under management (FUM) and 300,000 members by 2025. We believe this is a realistic and achievable target which will benefit all members through the benefits of scale.</p> <p>Before approving any merger or joint venture (JV) we undertake a detailed commercial analysis and comprehensive due diligence. Only once we are satisfied that the JV or merger will be in the best financial interest of existing members will we allow it to proceed. In addition, under superannuation law, a merger can only occur if the trustees of both funds are satisfied that, overall, the transferring members will enjoy “equivalent rights” in the new fund compared to their rights in the old fund.</p> <p>JVs and mergers grow the overall number of members in our funds and the funds we have under management. This gives us benefits of scale including:</p> <ul style="list-style-type: none"> <li>• Enabling us to drive lower investment manager fees and so deliver better returns to members.</li> <li>• Reducing our operational costs by consolidating and rationalising our product offerings and administration expenses.</li> <li>• Sharing the cost of our staff salaries, financial planning, custody fees, technology and other expenses over more members, making overall savings.</li> </ul> <p>These savings enable us to maintain our competitive fee offering over the long term.</p>