



2023 Annual Member Meeting

Meeting minutes

Held online, Tuesday 19 Dec 2023

Agenda

1. Welcome and introductions
2. CEO update and Fund overview
3. Investments and markets update
4. Enhancing our member experience
5. Q&A and closing remarks

Speakers

- Michael Cameron (Chair of the Board)
- Scott Cameron (Chief Executive Officer)
- Andrew Howard (Chief Investment Officer)
- Alexis Harrison (Chief Member Officer)

Minutes

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

Equip Super's Annual Member Meeting for the 2023 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 Alexis Harrison, Chief Member Officer.

Meeting commenced at 10am Australian Eastern Daylight Time on Tuesday 19th December 2023.

Disclaimer

Issued by Togethr Trustees Pty Ltd ABN 64 006 964 049, AFSL 246383 ("Togethr"), the Trustee of Equipsuper ABN 33 813 823 017 ("Equip Super").

The information contained is general advice and information only and does not take into account your personal financial situation or needs. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, you should seek professional financial advice. Where tax information is included, you should consider obtaining taxation advice.

Before making a decision to invest in Equip Super, you should read the Product Disclosure Statement (PDS) and target market determination (TMD) for the product which are available at equipsuper.com.au

Past performance is not a reliable indicator of future performance.

Eligibility criteria applies for insurance and the insurer is MetLife Insurance Limited (ABN 75 004 274 882 AFSL 238096).

Financial advice may be provided to members by Togethr Financial Planning Pty Ltd (ABN 84 124 491 078 AFSL 455010) – a related entity of Togethr.

1. Welcome and introductions – Michael Cameron

- **Good morning and speaker introductions.**
 - Welcome to the Equip Super Annual Member Meeting for the 2022-23 financial year.
 - Introduction of Michael Cameron as the Chair on November 1.
- **Acknowledgement of Country**
 - Acknowledgement to the Traditional Owners of the land of the Wurundjeri People of the Kulin Nation, paid respects to their Elders, past, present and emerging, and the First Nations Elders of other communities who may have joined the meeting.
- **Introducing presenter panel**
 - Chief Executive Officer : Scott Cameron
 - Chief Investment Officer: Andrew Howard
 - Chief Member Officer: Alexis Harrison
 - Presence of other Board members and Executives.
 - Thanks to all attendees.
- **Meeting Open**
 - Declaration of Annual Member Meeting open.
 - Presence of quorum with Directors, auditor, and plan actuaries.
- **General Disclaimer**
 - Information covered and presentations are general in nature.
 - Doesn't consider personal circumstances.
 - Encouragement to seek individual financial advice if required.
- **Outline of Meeting**
 - Opening remarks by Michael Cameron.
 - Scott to present on behalf of the Executive team.
 - Andrew to discuss investments, current outlook, and implications for the Fund.
 - Alexis to share improvements and upgrades since the last year.
- **Process for Asking Questions**
 - Questions accepted during the meeting using the "Ask a Question" function.
 - Limitation to questions about the Fund, redirect personal inquiries to the Helpline.
 - Written responses for all live questions will be included in the meeting minutes.
- **Introducing the Current Board**
 - Overview of the Trustee Board, consisting of employer representatives, member representatives, and independent directors.
 - Acknowledgment of Jan Dekker's service and welcome to Julian Widdup.
- **Our Fund, Our Purpose, and What We Offer**

- Focus on providing the best retirement outcomes for members.
- More than 90 years of guiding members through various economic challenges.
- **Offerings include super, financial advice, and retirement income accounts.**
 - Strong partnerships with over 9,400 employers.
- **Fund Accolades**
 - Recognition from SuperRatings, Chant West, and Money Magazine.
 - Awards for 'Best value for money,' 5 Apples rating, 'Best of the Best Award,' and 'Member Education' award.
- **One Fund and Positioning the Fund for Growth**
 - Introduction of the One Fund initiative.
 - Integration of operations with Catholic Super.
 - Positioning for growth with initiatives effective from July 1, 2023.
- **Farewell to Danny**
 - Acknowledgment of Danny Casey's contribution.
 - Stepping down as Chair on October 31.
 - Instrumental leadership during the joint venture in 2019 and the global pandemic.
 - Wishing Danny success in future endeavours.

2. CEO update and Fund overview – Scott Cameron

- **Greeting and Welcoming Michael**
 - Scott Cameron welcomes everyone and extends a warm welcome to Michael Cameron, the new Chair.
 - Acknowledges Michael's expertise in investments, finance, strategy, and leadership.
 - Recaps Michael's recent appointment on November 1.
- **Recapping on the Financial Year**
 - Overview of challenges faced during the financial year: Ukraine conflict, cost of living pressures, interest rate rises, and market volatility.
 - Despite challenges, all Fund investment options yielded positive returns.
 - Equip MySuper investment option returned 9.84% for the year.
 - Recognition from Chant West and SuperRatings for Balanced Growth investment option's performance.
 - Balanced Growth option provided an average annual return of 7.83% over the past 10 years.
- **Our Strategy for Growth**
 - Importance of growing the Fund for greater economies of scale.
 - Benefits of increased scale include lower fees and improved member services.
 - Balance between size for added value and maintaining personalized service.
 - Overview of fee reductions post-merger with Catholic Super.
- **One Fund**
 - Overview of One Fund initiative's objective to streamline operations and product offerings.
 - Achievements include one MySuper product, one investment choice menu, one set of fees, one central administrative database, and one unified approach.
 - Anticipated benefits for members: reduced fees, streamlined services, and improved investment options.
- **New Brand and Digital Enhancements**
 - Launch of a refreshed brand on July 1, 2023, to accurately represent core brand values.
 - Extensive digital enhancements, including redesigned websites for personalised information.
 - Recognition with the Best Member Education award for 2024 from SuperRatings.
- **Insurance Product Uplift**
 - Improvements in default TPD insurance cover, simplifying eligibility for claims.
 - Recognition from Money Magazine for 'Best value death and TPD insurance in super' for 2024.
 - Alexis Harrison, Chief Member Officer, to provide further details later.
- **Cyber Security**
 - Continuous assessment and strengthening of cyber security measures.

- Dedicated Data Governance and Security team with 24/7 monitoring.
 - Measures include data loss prevention safeguards, proactive threat seeking, and technology infrastructure reinforcement.
 - Early-stage exploration of the benefits and potential impacts of artificial intelligence on security.
 - Cautionary advice on potential scams via social media, SMS, email, or phone calls.
- **Partnering with Employers**
 - Collaboration with over 9,400 employers nationwide, providing workplace seminars and super health checks.
 - Support for employees, including referrals to personal advice from Equip Financial Planning.
- **Supporting Our People**
 - Extensive review of people frameworks, policies, systems, and processes.
 - Introduction of new programs and initiatives to support employee engagement and high performance.
 - Introduction of Equip Super Stars program recognising outstanding team members.
 - Refreshed core values: Members first, Accountability, Respect, and Collaboration.
 - Positive impact seen in increased employee engagement scores.

3. Investments and markets update – Andrew Howard

- **Introduction and One Fund Changes**
 - Andrew Howard expresses the importance of addressing market impacts and managing the Fund's portfolio in a volatile environment.
 - Brief overview of the One Fund program's impact on the Investment offer.
 - Streamlining investment offerings across Equip Super and Catholic Super to enhance operating efficiency and reduce costs for members.
- **Investment Objective and Strategy**
 - Core objective: Growing members' wealth for financial freedom in retirement.
 - Active investment approach with proactive choices based on market conditions.
 - Emphasis on long-term view, patience and discipline amid market volatility.
 - Diversification across asset classes and within them as a crucial tool.
- **Responsible Investment**
 - Integration of responsible investment, considering issues like climate change, human rights, and diversity.
 - Examples of collaborative engagement initiatives addressing modern slavery and climate change.
 - Equip Super's involvement in Climate Action 100+ to encourage companies to address climate change impacts.
 - Introduction of the Future Focus investment option aligning with certain ESG criteria and sustainability.
- **Fund Performance and Market Overview**
 - Positive returns for all investment options for the financial year ended June 30, 2023.
 - Acknowledgment of strong equity market performance.
 - Caution about the apparent disconnect between equity momentum and the underlying economy.
 - Global uncertainties, including geopolitical risks and ongoing conflicts, contribute to market uncertainty.
- **Portfolio Positioning**
 - Repositioning the portfolio by trimming equities and increasing exposure to cash and bonds.
 - Consideration of bonds for stability, liquidity and diversification benefits during volatile periods.
 - Impact of rising interest rates on bond returns explained.
 - Assurance that the Fund is well-positioned to navigate uncertainties and deliver long-term returns.
- **Member Support and Financial Planning**

- Encouragement for members to seek assistance from financial planners for queries or concerns about their investment options.
- Contact details for financial planners will be provided at the end of the meeting.

4. Enhancing our member experience – Alexis Harrison

- **Greeting and Member Office Initiatives**
 - Acknowledgment of the opportunity to discuss initiatives for member benefits.
 - Focus on enhancing individual interactions and experiences with Equip Super and retirement savings.
 - The Member Office's proactive role in supporting members on their retirement journey.
- **Rebranding and Digital Enhancements**
 - Launch of the refreshed brand for Equip Super on July 1, 2023, reflecting a proactive, precise, and positive image.
 - Consolidation of sub-brands with the joint venture with Catholic Super, improving operating efficiency.
 - Introduction of a new website on July 1, 2023, with improved content, efficiency, and lower costs for members.
 - Human-centered design principles applied for a more intuitive website structure and personalised content.
 - Introduction of a Knowledge Hub and an Explore and Learn section tailored to different life stages.
 - Development of new calculators, including the Retirement Lifestyle Calculator and Super Contribution Calculator.
 - Expansion of unit price and investment performance dashboards for members.
- **Mid-year Snapshots and Member Education**
 - Refinement of mid-year digital account snapshots for online check-ins.
 - Recognition of Equip Super's commitment to member education, highlighted by winning the Member Education award at SuperRatings' Annual Super Fund of the Year Awards.
 - Emphasis on the importance of education and support during the transition from paid work into retirement.
 - Introduction of "The Next Chapter" approach to retirement based on comprehensive research.
 - Award recognition as the Good Design Award Winner in the Design Strategy category for The Next Chapter.
- **Insurance Offer and 360Health Virtual Care Program**
 - Refinement and enhancement of total and permanent disablement cover to offer better value for money.
 - Award acknowledgment by Money Magazine as the 'Best value death and TPD insurance in super' for both women and men for the third consecutive year.
 - Introduction of the 360Health Virtual Care program in partnership with MetLife, providing access to specialist health care at no additional cost for members, spouses, and children.
 - Encouragement for members to explore the program on the Equip Super website.
- **Listening to Members and Feedback**

- Expressing gratitude for member feedback obtained through various channels, including research studies and surveys.
- Commitment to understanding members' needs and goals, and to continuous improvement, based on feedback.
- Encouragement for members to reach out with suggestions or concerns through provided contact details or the website.

5. Q&A and closing remarks – Michael Cameron

- Introduction to questions and answer session

“Given the current war in both Ukraine and the Middle East what is the likely impact on the shares component and what strategies is Equip Super adopting or recommending for members?”

Answered by Andrew Howard

While secondary to the significant human cost and personal toll for those involved, geopolitical conflict can also cause market volatility. However, history has shown that volatility brought about by such events tends to be short term and isolated to specific markets.

In relation to Ukraine and the Middle East, we’ve seen volatility in certain commodity-related sectors, such as oil and agricultural commodities. However, markets more generally have operated with normal levels of volatility. Of course this can change as the situation evolves and we’re continuing to monitor these events.

In terms of the portfolio, we believe a well-diversified approach is appropriate to manage the ups and downs of markets, while also ensuring we remain focused on longer-term outcomes. Generally speaking, this is the same philosophy we endorse for our members when it comes to investing their super and retirement savings.

If you’d like financial advice that’s specific to your own circumstances and goals, our team of Financial Planners can help. You can [book an advice appointment](#) on our website, or contact the team directly (we’ll show the contact details at the end of today’s session). We’ll be showing some contact details on screen at the end of this meeting.

“Why has Equip started radio advertising? And is this the best use of members’ funds?”

Answered by Alexis Harrison

As a Fund, our purpose is to support our members to prepare for financial freedom in retirement. Our strategy for growth is essential to helping us achieve that. That’s because growing our Fund allows us to achieve greater economies of scale, which increases our capacity to deliver a range of important benefits for members – such as greater value for money, broader investment expertise, a wider range of investment opportunities, and better member services.

One of the ways we seek to grow the Fund is by growing our membership. This year, we invested in selected radio advertising in targeted markets, to increase awareness of the Equip Super brand and attract new members to the Fund.

It’s also a great way to extend our reach when it comes to communicating and connecting with existing members. These ads serve as a reminder of the products and services we provide, and encourage our members to engage with us and with their super in general.

The reach and efficacy of any advertising we do is carefully monitored against clear targets to ensure it represents a measurable and justifiable use of Fund resources.

“What member directors on the board currently work in the industries that the fund has members in?”

Answered by Scott Cameron

In compliance with the legislative and regulatory requirements, our Board is structured to include three Independent Directors, three Employer Directors, and three Member Directors.

To be eligible for nomination as a Member Director, a member must:

- be a Fund member for at least 90 days prior to nomination as a Member Director candidate, and
- be able to satisfy the Board that they have a direct, substantial and relevant connection to the Fund’s membership base or to an industry that employs a significant number of the Fund’s members, to ensure that a deep understanding of the members’ perspective will continue to inform the Trustee’s decision making.

Our three current Member Directors are:

- David Doolan, BBus (Acc), MAICD, TFASFA: David has more than 25 years’ experience in corporate treasury and finance, including extensive financial markets experience. He’s worked for a number of global corporations across a diverse range of industries, including mining, automotive, financial services and manufacturing.
- Matthew Cassin, MBA, BCom: Matthew has 25 years’ experience within the banking and finance industry, including executive level roles at the Catholic Development Fund and Commonwealth Bank of Australia.
- Julian Widdup, BSc, MBA, FAICD, FIA, FIAA: Julian has over 15 years’ experience working in the superannuation industry, with significant board experience and expertise in investment governance, business, finance, risk management. As a qualified actuary and an economist Julian has advised major super funds including the Australian Catholic Superannuation Retirement Fund, and served as a director for a number of Australian and international companies, including Australian Catholic University and Catholic Schools NSW.

You can find information on all of our Directors on our website.

“What are the executive team’s objectives in 2024?”

Answered by Scott Cameron

As a Fund, our purpose is to support our members to prepare for financial freedom in retirement. Our strategy for growth is essential to helping us achieve that.

Growing our Fund allows us to achieve greater economies of scale, which increases our capacity to deliver a range of important benefits for members – such as greater value for money, broader investment expertise, a wider range of investment opportunities, keeping up with ever increasing regulatory and compliance requirements, and better member services.

With this in mind, the Executive team’s key strategic objectives for the 2023-24 financial year are to:

- Grow the Fund via inorganic growth (i.e. as appropriate fund acquisition opportunities arise), as well as organic growth (i.e. by growing our member numbers and via member retention)

- Deliver competitive net returns, relevant quality products and services including education and advice for our members, and
- Connect, by fostering stakeholder confidence and trust among our member and employer communities, regulators, the broader industry, and our people.

We've had a multi-faceted query from a member who would like to...

"Understand about the investment performance so I can make decision to rollover my other super fund into Equipsuper, my retirement plan and super income after I reach 67 years old."

Answered by Alexis Harrison

As a starting point, there's a range of information on our website about our investment options, including information on how they're invested, the investment return objectives for each option, and monthly investment option performance. Head to the investment section of our website for that information.

The website is also an excellent source of information, tools and resources to help you confidently plan for [retirement](#), and better understand the various options available to you for maximising your savings and retiring well.

We've also got a range of financial advice services that could provide you with some more direct support. These range from straightforward advice on your Equip Super accounts – so things like which investment options will suit your needs, or what types of contributions would work for you, or in this case, assistance with making a rollover into your Equip Super account. In most cases super advice is provided at no extra cost – it's simply part of your membership.

And then for more complex financial advice needs – for example broader contribution strategies or more detailed retirement planning that takes your specific needs into account – we offer a comprehensive financial advice service. Fees do apply to this service.

As a starting point I'd suggest contacting our Advice team – either via our website or we can provide a number at the end of this session – and we can have a chat and even refer you to one of our Financial Planners if that's what you'd like to do. It's worth noting that the initial consultation with a Planner is at no extra cost, and you're under no obligation to proceed with that service if you don't wish to.

"Given the challenging investment environment, what are the ways the fund is undertaking to keep costs low for members to improve investment returns?"

Answered by Andrew Howard

Equip Super's fees are significantly lower than the retail fund average, and lower than the overall super fund average. Even so, as a profit-to-member industry fund we're constantly looking for opportunities to deliver fee savings to members without compromising on investment outcomes and the other services we provide.

Growing the size of our Fund in recent years has allowed us to deliver fee savings to members. In addition, our strategic program, One Fund, resulted in considerable consolidation and alignment of Catholic Super with Equip Super from 1 July 2023.

One of the key objectives of this program of work was to help us reduce our operating costs, which in turn helps us keep the fees that we charge our members as low as possible. As a result, from 1 July 2023 we decreased the standard asset-based administration fee for the majority of our superannuation accounts from 0.25% p.a. to 0.22% p.a. of account balance. We expect a further beneficial adjustment to administration fees in the short to medium term.

Of course, it's not just about delivering lower fees. The most important outcome for members to be aware of is the returns we deliver after accounting for fees – that is – 'net returns'. If we can find investments that we think will offer great returns after accounting for costs then that is something we will consider – and these are the sorts of opportunities we continue to look for in any market environment.

“Have the costings for more detailed financial advice changed and if so why?”

Answered by Alexis Harrison

A couple of things to address here.

We actually offer three different levels of advice for members – general advice, super advice, and comprehensive advice. In the majority of cases those initial two forms of advice are provided to members at no extra cost – it's just one of the benefits of being an Equip Super member.

Our comprehensive advice service is a premium advice service provided by Equip Financial Planning, and the cost of this service has increased over the last few years. The cost is based on the nature of the advice being provided, the overall scope and the work involved.

Your first appointment for this level of advice is complimentary. And you can also bring your partner, even if they're not a member. In that initial appointment we focus on getting to know you, your financial circumstances and financial goals and objectives.

And then we can determine what we think will be the best plan of action. At that point your planner will communicate the associated costs, and of course there's absolutely no obligation to go ahead with those services if you don't wish to. You will only pay for the services you end up using.

We try to keep these costs as low as we can, in line with legislative requirements and the expectation on all super funds that advice costs are justified and don't unfairly burden those members who don't seek advice.

We believe the costs that we apply to our advice services are fair for members, and continue to be competitive.

There's more information on advice fees and costs on our [website](#).

“What are you doing about data security and making sure my money and information are safe?”

Answered by Scott Cameron

This is an area in which we're continually investing our time and resources as a fund – because the security of our members' personal information and their accounts is paramount.

We're constantly monitoring our systems and processes as well as evolving cyber security threats to see where we can be making improvements.

This year we tightened our data loss prevention safeguards; we expanded our capabilities in proactively seeking out potential threats, and we reinforced our existing technology infrastructure and operational capabilities.

We're also looking more closely at AI and the potential threats and benefits that may present. We recently assessed our current identity verification processes for example, and the team is working to protect us from the threats from AI identity replication.

As with all cyber security concerns, it's constantly evolving, and it requires constant vigilance from us as a fund.

Closing remarks – Michael Cameron

- Acknowledgment of the topics covered during the forum and the availability of all questions on the Equip Super website in January.
- Reiteration of Equip Super's purpose: supporting members in achieving financial freedom in retirement.
- Commitment to delivering strong long-term returns and keeping fees as low as possible.
- Emphasis on providing personalised service, support, guidance, and advice for optimal retirement outcomes.
- Gratitude to members for their time and a commitment to continued support on their super and retirement journey.
- Encouragement for members with questions to contact the Helpline at 1800 682 626 between 8:00 am and 8:00 pm AET, Monday to Friday.
- Closing of the fourth Annual Member Meeting.

Meeting concluded at 11am Australian Eastern Daylight Time.