



# 2023 Annual Member Meeting

Additional Member Questions & Answers

Held online, Tuesday 19 Dec 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](http://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.

## Q&A –

“Equip is an industry fund but does not have any union representation on the board, other larger industry funds have unions on the board why is equip different and is it anti union.?”

Previous Directors on the Equip Super Board have had union affiliations, although none of the current Directors are affiliated with a union – and we don’t have an anti-union stance.

Not all industry funds will have union representation at Board level, while some industry funds are structured in such a way that unions are shareholders, and this enables direct union representation on the boards of those funds.

Under our constitution Equip Super has a different board structure. All of our members are eligible to nominate themselves to be considered for a Director position on our Board, including any members with a union affiliation.

When a Member or Employer Director position is opened for nominations, we issue a Call for Nominations on the Fund’s websites and may also send electronic notifications to employer sponsors. We then have a rigorous appointment process, which includes an independent skills assessment by an external assessment consultant.

You’ll find our full Board Appointment and Renewal Policy on our [website](#).

“What safeguards are built into the funds to protect investors value if there is a view a market is over valued or a crash/bubble could be in the near term? Lock in some value now, preserve for a market correction event and then reinvest.”

Our investment options are designed to deliver on their investment strategy over the long term. For example, the default MySuper option aims to achieve a return of at least CPI plus 3% over rolling ten-year periods.

In order to achieve this objective, we need to take on a certain amount of investment risk. When share markets are down, as has been the case in recent months, this may mean that shorter-term returns are low or negative. But we remain focused on longer-term objectives.

Our main tool for managing market volatility is diversification. By combining many different types of investments across different asset classes and different styles, we’re better able to cushion the impact of market ups and downs.

Also, Equip Super believes in the active management of investments. This means we’re constantly looking for ways to improve outcomes for members and steer our investment strategy in a direction that’s best suited to the market environment at any particular point in time.

“Has the fund’s financial advisory changed (costings) for a more personalised plan? Detailed”.

The cost of our comprehensive advice 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.

### “When you open an income stream can you keep your super fund too?”

Yes, you can open a retirement income stream – for example an Equip Super Retirement Income account – and still retain your existing super account.

We offer two main types of retirement income accounts at Equip Super...

Our Transition to Retirement Income account is designed for members who want to reduce their working hours as they move closer to retirement. In that situation a member can supplement their income with payments from their Transition to Retirement Income account. And at the same time the employer keeps paying SG contributions into the member's super account.

And of course we have a Retirement Income account as well, which is designed for members who are ready to leave the workforce completely and move into full retirement. It's a separate account from your super account and doesn't mean you have to then close that super account right away.

There's a lot more information on our website. But for more comprehensive support, one of our qualified Financial Planners can also assist. There's more information on advice services our website, too.

### “How do you see the economic outlook for the coming 18-24 months”

Inflation, whilst still too high, is showing signs of normalising which likely means that interest rates have met or are close to their peak for this cycle. Financial markets now expect cuts to interest rates throughout the course of 2024 (almost six rate cuts are expected in the US, and two are expected in Australia). So far, the global economy has remained very robust in the face of material increases to rates over the last couple of years leaving many to opine that we are headed for a “soft landing”, where inflation declines within targeted levels without a material rise in unemployment. Should this eventuate over the course of the next year or so it will be a significant achievement for central banks.

Over this year, market attention will focus on the path of inflation and whether or not the evident normalisation continues. Also, developments in the labour market are key given unemployment rates are near all time lows.

Forecasting economic developments is difficult. However, to our mind financial markets have moved quickly to price in a soft landing. Expectations for earnings growth this year are quite high, and credit spreads are tight. The risks here are that there remains plenty of room for disappointment for share markets should the environment unexpectedly deteriorate.

In order to manage the uncertainty we believe a well-diversified approach is appropriate and best suited to deliver on our long term investment objectives.