2025 Annual Member Meeting

Additional member questions and answers

Held online, Wednesday 10 December 2025, 1:00pm – 2:01pm AEDT

Questions and answers

1. *Is there anything significant in the works to reduce member fees at Equip or in the super industry - or do you see fees remaining at this level going forward*

At Equip Super and Catholic Super, we seek to balance the fees our members pay alongside the investment we make in the products and services they receive.

As part of this, we regularly review our pricing to ensure it is competitive and represents value-for-money. As a result of our increased scale and efficiency, we've delivered a number of fee reductions including most recently on 1 July 2024. There are no immediate plans to further reduce fees, however we continue to assess this. As a profit-to-member Fund, we're always looking for ways to achieve further cost and efficiency improvements and passing on those savings to our members.

We have also continued to invest in the fund, with a current focus on risk and information security, and service uplift. Our members benefit from these improvements, alongside our competitive fees.

2. *The government has announced that they are looking at accessing all super funds to provide funding for housing & wind & solar farms. Is there any way that they will be able to access equip members funds to do this? If it is true, how are you able to stop this happening?*

While the government can encourage super funds to invest in specific industries, our investment decisions remain focused on what's in the best financial interest of our members, and at this stage we see no indication of this changing.

3. *With your pension clients, is the mix of cash, capital stable and growth appropriate for a market that is overvalued and potentially due to a large correction like a GFC for clients early into their retirement, or should we adopt a higher defensive position at this stage of the investment cycle?*

It's important to note here that large market moves, either positive or negative, are always possible when investing in share markets. We've experienced very strong returns in recent years. Our strategies are designed to navigate periods of volatility and smooth the path of returns. As a general rule, for all of our members, we emphasise the long-term nature of superannuation – even for members in pension phase that may still have quite a long-term investment horizon.

In terms of investment choices, we offer a range of diversified and sector specific investment options, so you can choose one or more that best suits your needs.

For members in pension phase who might not want to make their own choice, we also offer a MyPension strategy that allocates to a select mix of these underlying investment options and rebalances periodically.

But for those members who might be unsure of which way to go with their investment choices, our financial advice team is well placed to work with members to select an investment strategy that best suits their needs.

4. *EquipSuper Double Membership Fee Complaint. Why does EquipSuper charge additional Member Fees (Double) for members who have a Retirement and an old Accumulation account, for just a single member service? Is this permitted under Superannuation Laws? Has this Double Membership Fee overcharging for a Single*

Member Service practice been reviewed and approved by the Australian Financial Complaints Authority Limited (afca.org.au)?

Under superannuation law, a super fund must set its fees in a way that is fair and reasonable to all types of members.
Retirement income and accumulation accounts have different features and benefits, including different legal and administration requirements, so they need to be managed separately.

It's also important to understand why these fees apply. Fees are charged on each account to cover the cost of managing that account and running the fund – things like administration, compliance, technology, and member services. These costs are tied to the product itself, which is why fees are applied at the account level rather than at the member level.

For these reasons, charging separate fees on these two account types is typical across the super industry and is permitted by law.

5. *Will Equip join Vision Super and HESTER in divestment from Israeli companies, citing the United Nations findings of potential genocide in Gaza as a critical factor in their decision. Particular considerations for the board are, financial institutions, banks, stocks and bonds, and military defence such as Elbit Systems, including US Honeywell and Lockheed? If not, why?*

As outlined in our Responsible Investment Policy, across the majority of funds under management, the Fund currently has some restrictions on certain types of investments in specific weapons (this includes chemical and biological weapons, anti-personnel mines and cluster munitions).

Other than the exclusions outlined in the policy, we also have some restrictions on investments that contravene sanctions including those issues by the United States, United Nations or European Union. There are currently a number of jurisdictions in which such sanctions are in place, including Russia.

Although we don't have any specific restrictions in place regarding investment in Israel, as at 30 September 2025 approximately 0.033% of our portfolio is invested in Israel-based securities.

We're committed to continuously improving our approach over time, but we don't currently have any plans to review our approach to exclusions.

6. *Hostplus super fund launched its retirement bonus payment from 10 Nov/2025, offering eligible fund member a cash top-up when they witch from accumulation account to pension phase super. the bonus based on member balance and investment allocation in the 12 months leading up to the transfer. Is catholic super going to do the same?*

At Catholic Super, a potential retirement bonus has been added to our product development roadmap. While there's no confirmed timing or decision at this stage, we're actively exploring its feasibility to ensure any future offering delivers genuine value for our members.

Our priority is to design solutions that support members in achieving a confident and financially secure retirement. If we move forward with a retirement bonus, we'll communicate details well in advance through our usual member channels.

7. *What is Equip Super's assessment of the U.S political and financial situation going in to 2026 with respect to a potential sharp downturn in its economy, and the resultant impacts on world markets and hence superannuation returns.*

Looking ahead, our assessment of the US political and financial landscape heading into 2026 is one of cautious optimism, however we are also conscious that there are significant potential risks that remain on the horizon. On the negative side, inflation remains stubbornly high, growth is subdued and unlikely to change in the immediate term, and the labour market is showing signs of deterioration. Consumer spending is weak, and valuations—particularly in AI-related sectors—are at record highs, creating bubble-like conditions. And some parts of the credit market have also begun to exhibit stress, which could amplify volatility if conditions worsen.

However, there are a range of positive factors which are also important to take into consideration. The Federal Reserve is expected to maintain a more dovish stance under new leadership when the current Chairmen, Jerome Powell, steps down in March next year, with further rate cuts likely to support liquidity. Fiscal stimulus measures, including accelerated capital expenditure depreciation as outlined in President Trump's 'One Big Beautiful Bill', should provide a tailwind for investment. Additionally, ongoing deregulation in the banking sector and the potential for a Supreme Court ruling that impacts tariffs, could ease inflation concerns and support a more stabilized economic outlook.

For global markets and superannuation returns, this means heightened uncertainty but also opportunities. While risks around AI-driven valuations and the potential for economic fragility remain, policy support and liquidity improvements could cushion downside scenarios. Equip Super continues to monitor these dynamics closely to ensure portfolios remain resilient in the face of both volatility and potential upside surprises. And finally, I think it highlights the importance of diversification, something that I outlined in my speech a little earlier as the reality is that the range of outcomes from here is quite wide.

8. *I have another larger fund whose strategy is to invest in wood duck companies that offer growth and hence higher returns by value adding. Is this the Strategy of this fund also?*

The term "wood duck companies" generally refers to businesses that are quite highly speculative – essentially companies that look attractive on the surface but lack substance.

One of Equip Super's investment beliefs is that active investment management can provide superior net of fee outcomes. To this end, across both the Australian and Global equities asset classes, Equip Super appoints predominantly active managers who aim to outperform their respective benchmarks. This is in contrast to passive managers who aim to match the benchmark.

The active managers seek out companies that display strong fundamentals such as:

- Competitive advantage / positioning in their industry
- Strong financials – earnings stability, solid operating margins, low debt level, free cash flow generation
- Strong management – experienced leadership focussed on delivering value to all shareholders
- Attractive valuations – not paying too much for growth expectations

By focusing on these types of quality companies versus more speculative companies, the managers in Equip Super's portfolio are likely to deliver more sustainable growth in a more consistent fashion. Having high quality companies in the portfolio also provides resilience during times of market and economic downturns.

9. Can you please provide some insights on what investments are currently occurring in gambling related industries.

We understand this is an area of interest for many members and are happy to provide transparency on investments in the gambling industry within the Fund.

Currently 0.1511% of the total Fund is invested in the shares of companies that derive more than 5% of their revenue from operations in gambling. This includes companies that operate lotteries and online gambling, as well as businesses that primarily operate casinos.

A further 0.2062% of the total Fund is invested in the shares of companies that have some involvement in gambling, but where this is not a material revenue source (gambling revenue is <5% of total revenue), for example cruise lines and hotels that may provide gambling facilities to their guests.

10. Why did the proposed merger with Telstra super failed to go ahead

In December 2024, Equip Super and TelstraSuper signed a binding Heads of Agreement to proceed with a 'merger of equals' between the two funds. At that time, the two funds had agreed a pathway to undertake a merger that was thought to be in the best financial interests of members of both funds. In May 2025, TelstraSuper took the decision to terminate the binding Heads of Agreement and, as a result, the merger did not proceed.