


Annual Report 2015



BE BETTER
EQUIPPED



The Australian people are renowned for their optimism and generous nature. Our country is home to sweeping vistas, boundless resources, and a unique sense of mateship. And although you won't see it on the postcards, we are internationally recognised for the strength and integrity of our superannuation industry.

The image features a white background with large, abstract green shapes at the top and bottom. The top shape is a semi-circle filled with a pattern of smaller, overlapping green triangles. The bottom shape is a solid green semi-circle. Centered between these shapes is the text "BUILDING A BETTER TOMORROW" in a blue, outlined, sans-serif font.

BUILDING A BETTER
TOMORROW



Equip has been helping Australians manage their assets, build their wealth, and plan for retirement since 1931. From our early beginnings with the State Electricity Commission of Victoria we have grown to become a \$7 billion dollar fund operating across a multitude of sectors.

A lot has changed since those early days, but our commitment to the financial security of our members has always defined us as a fund. It's the bedrock that enables us to face the new century with confidence and a sense of purpose.

WE INVITE YOU TO JOIN US ON THIS JOURNEY, AND HAVE OUTLINED HOW WE INTEND TO MEET THE FUTURE IN THIS NEW LOOK ANNUAL REPORT.





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“Change is inevitable.

The measure of any organisation is its ability to look forward, chart a course, and find success on the horizon. Equip has enjoyed strong growth over the past year and we’re looking towards the future with a clear and sustainable vision, one based on product innovation, customer service, and the delivery of strong returns. On behalf of the board, I would like to thank all members and employers for their continued support of Equip, and their on-going commitment to the fund in the years ahead.”

Andrew Fairley, Chair.

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THE CHANGING SUPER ENVIRONMENT

Australia boasts one of the world's best superannuation systems. We're globally recognised for our performance in key metrics, and renowned for the sustainability and integrity of our industry.

We're also home to a dynamic superannuation market. A combination of government policy, regulatory changes, and technology has driven innovation and change throughout the industry for several years. Much of this is in response to the challenges of funding Australia's ageing population now and in the future. According to government figures, the percentage of the population aged 65 and over will rise from 13.5% presently to 22.7% by 2050. As well as generating higher costs in health and aged care, population ageing will have a lasting impact on economic growth as the overall employment participation rate declines.

These realities are shifting the focus of superannuation from wealth accumulation to long term sustainability. Increasingly, superannuation is seen as a way to ensure future income, and with people living longer, this is especially relevant to quality of life issues.

If Australia wants to maintain its internationally recognised superannuation system, we must accept that change is both necessary and inevitable in the face of demographic and socio-economic shifts. These shifts will incorporate product innovations, industry growth and consolidation, digital transformation, and the changing public conversation around superannuation.

Our successful application to the Australian Prudential Regulation Authority (APRA) for an extended public offer licence will provide a launch pad for substantial transformation and growth in the 2015-16 financial year. Our investment and partnership with financial technology start-up, Clover, will position us among the industry leaders in online automated investment services.

The following section offers a more in-depth preview of the changing superannuation market, and how we are preparing for the future.

A person is swimming in the ocean, holding a large white surfboard. The background is a warm, orange-toned photograph of the ocean with a large white surfboard. The text is overlaid on the right side of the image.

“The next five years present

huge opportunities for Equip. Our extended public offer licence and partnership with AustralianSuper mean we are strategically positioned to grow our business, minimise costs, and provide a better member experience. This is a dynamic industry, and we’re laying the foundations for continued growth in the future. I’d like to take this opportunity to thank all Equip members and employers for their continued confidence in our vision and their support for Equip.”

***Danielle Press,
Chief Executive Officer.***

GROWTH AND CONSOLIDATION

There has been much discussion in recent years about the imperative for small and medium sized superannuation funds to merge in order to stay competitive. The argument usually presented is that smaller funds lack the scale to compete cost-effectively, and that this disadvantages their members.

With mergers between not-for-profit entities notoriously difficult to achieve, we have created a new opportunity for funds in this sector to realise the scale benefits a merger would provide while still enabling them to maintain their brand identity, servicing models, and member relationships.

The extended public offer licence allows us to become a trustee for corporate and other industry super funds and to achieve economies of scale across member administration and investments. This will give participating funds cost reductions without compromising investment and service outcomes for members and employers. At the same time, it will enable them to maintain their individual brand identity and relationship with their members and employers.

We expect this increased scale will open up new investment opportunities, access to improved

technology, and provide more relevant and personalised communications and advice to our members. Ultimately, this means value for money and competitive fees for our members.

Strategic alliances represent another growth opportunity. Last year, we announced that Equip had become the specialist defined benefit partner in a new alliance with AustralianSuper. This partnership will see around \$300 million in defined benefit assets transfer to Equip by April 2016 and will present new opportunities for us to tender jointly for new corporate accounts with AustralianSuper in the future.

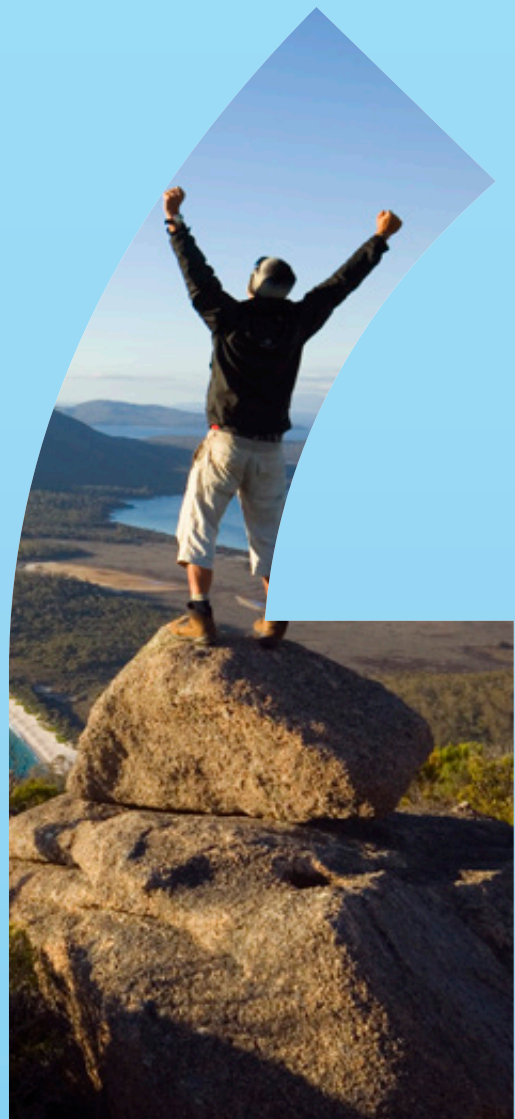
We are also pleased to announce that Equip has been named the Traffic Management Association of Australia's preferred super fund. We are looking forward to welcoming new members and employers from the traffic management industry.

Growth and the associated economies of scale are necessary for the long term sustainability of any superannuation fund; the extended public offer licence and Equip's partnership with AustralianSuper means we are better positioned than most to take advantage of the regulatory changes pushing for industry consolidation.

"The coming year promises considerable growth and opportunity for the fund. Boosting membership and partnering with employers enables us to benefit from scale, which offers both a broader investment field and a more streamlined mix of tools and process for all members, employers, and partners."

John Farrington, Executive Officer, Corporate Relationships.





“Superannuation is no longer just about account balances and investment returns.

The industry is growing and maturing, adopting a more holistic, lifestyle based focus. Increasingly, the question isn't, 'how much do you have', but 'how much do you need'? At Equip we're broadening the conversation to embrace all aspects of retirement, and helping our members realise those dreams while pursuing a happy and healthy retirement.”

Geoff Brooks, Executive Officer, Strategic Marketing and Communications.

LEADERSHIP AND INNOVATION

Responding to changing market conditions and expectations within the superannuation industry requires leadership and innovation. It means adopting a more holistic, consumer focused approach which embraces the potential of new technology.

One of the biggest trends in the United States over the past two years has been the emergence of what is commonly referred to as ‘robo-advice’: online financial advice tools which make investment recommendations based on mathematical algorithms. These automated investment services (AIS) are expected to account for around \$255 billion in global investor capital by 2019.

Equip has responded to this growing interest in AIS by partnering with financial technology company, Clover. This investment will enable members to benefit from access to the AIS technology, while also providing the fund with the potential for financial returns through Equip’s investment in Clover, once the service is marketed to other super funds and non-super investment funds.

At the same time, we have been actively working to meet the demands of the changing superannuation environment with a range of award winning initiatives across market segments. Equip MyPension is a pre-packaged product, designed to

look after investments and income while making super benefits last as long as possible for members. Its ‘three bucket approach’ is based on widely used financial planning strategies, and has launched to critical acclaim, with growing uptake by our members.

Our ‘Move the Dial’ campaign focuses on the social and financial challenges of achieving greater equity in super for women. It exemplifies the way we seek to improve financial outcomes and understanding through interactive online education. Within a few weeks of launch, nearly 4,000 people used our online tool to track how their super was travelling against peers.

These initiatives reflect our engagement and alignment with broader industry priorities, and the growing need to provide a customer journey well beyond retirement. The most successful superannuation funds in the coming decade will be those that not only attract new members, but retain them with value added products throughout the life of their membership.

We are committed to innovation, and are able to draw on a dynamic, mid-size organisational structure that can successfully respond to the ongoing industry changes and opportunities.



DIGITAL TRANSFORMATION

“Technology is going to transform our industry in the years ahead, and the move towards automated investment services will enable us to provide members with a better, more personalised, and more responsive experience. But technology doesn’t operate in isolation, and our commitment to customer service will underpin our digital transformation in the years to come.”

***Justin Sadler, Executive Officer,
Member Relationships.***

Digital transformation is about more than online tools. Equip is undertaking a substantial transformation program, examining and implementing a new online experience underpinned by revised administration processes.

In other words, our digital transformation over the next few years will be more than skin deep, as we move to online forms, straight-through processing of requests and transactions, and ever-more customised communications with members.

Not only is this important for existing members, but also to attract new members and employers to the fund.

We are actively looking at ways to build and encourage member engagement across both traditional channels and emerging media. This means an increased reliance on sophisticated data analysis and targeting.

In keeping with our positioning as a retirement specialist, our partnership with seniors’ website oversixty.com.au enables us to reach an audience of almost 300,000 people interested in retirement planning and solutions. Our Activ8 TV series is another digital drawcard, allowing us to seed content to sites like Oversixty and our own online channels. These initiatives are being supported by a greatly expanded content marketing and social media approach designed to take audiences on a journey from initial click through to conversion.

We are looking very closely at our digital strategy and developing a roadmap for future innovation and best practice solutions.

But regardless of technological advances, a super fund is only as good as its member service, and Equip remains committed to exceptional customer service across both new and traditional channels.

A photograph of two male swimmers in a starting crouch on a wooden pier over the ocean. The swimmer in the foreground is wearing a green swim cap and black swim trunks, leaning forward with his hands on the pier edge. The second swimmer is behind him, also in a crouch. The background shows the ocean and a blue sky with white clouds. A large white quotation mark is positioned to the left of the text.

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“Effective saving habits require a goal or reward; something to aspire towards. At Equip we help our members define that financial goal and work with them to achieve it. Talking about the options and opportunities available to our members shifts the conversation from lump sum payouts to long term investment growth and the lifestyle that affords.”

***Troy Rieck, Executive Officer,
Liability Management.***

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CHANGING THE CONVERSATION

Superannuation used to be viewed as a lump sum payment, a one-time figure that was withdrawn when a person retired. That perception has shifted in recent years, and super is increasingly seen as a means of receiving a long-term income throughout retirement.

This shift is changing both the products on offer and public debate around superannuation. Equip MyPension has already proven very successful in this sector with its off-the-shelf retirement income and investment solution, and saw Equip named 'Most Innovative Australian Fund' by publisher Corporate Livewire at its 2015 Global Funds Awards.

Retirement planning tools including our retirement calculator are soon to be enhanced by the rollout of our automated investment service. These are designed to help members in the wealth building phase plan for the future, particularly those aged between 30 and 49.

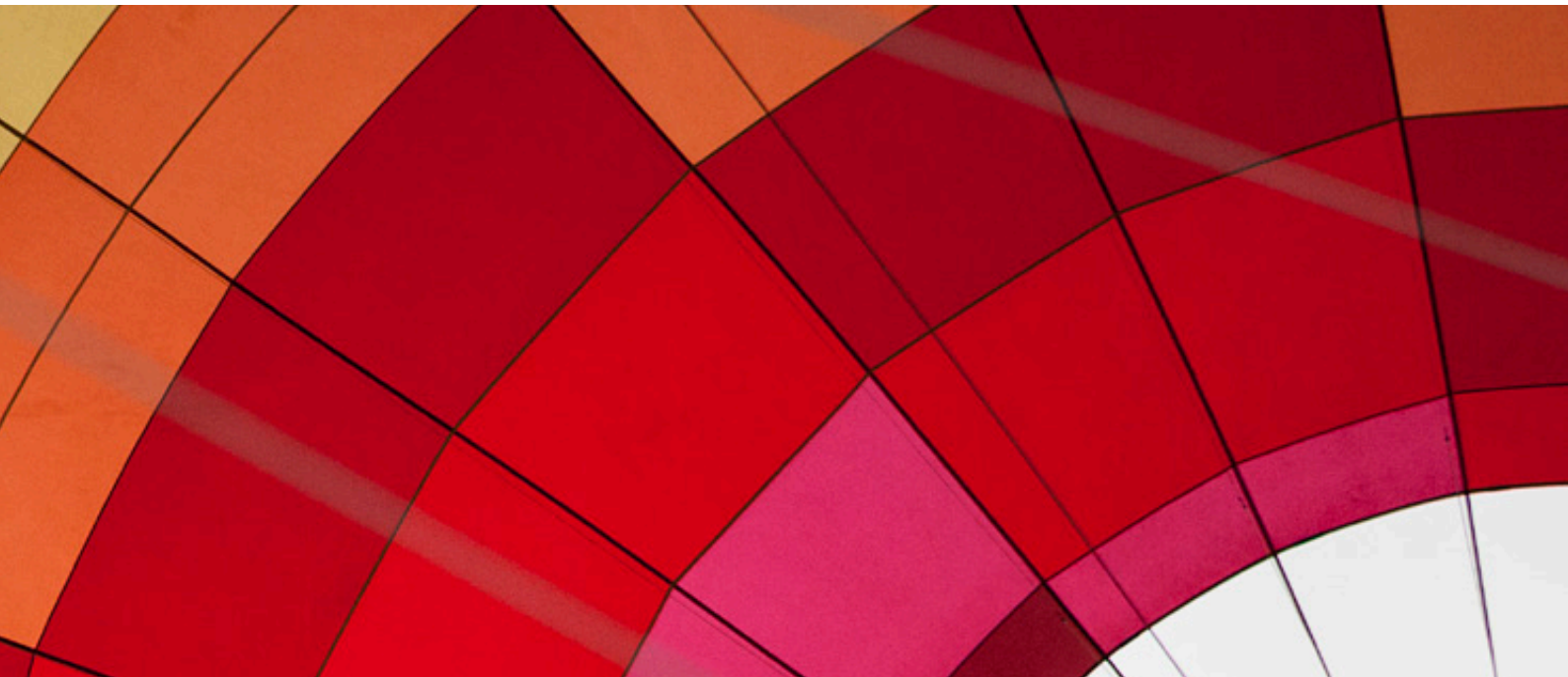
As part of our continued shift to focus on income in retirement, we have also begun work on a term deposit option, which will be our first new product launched this financial year. We are also

considering products like equity portfolios drawn from Australia's ASX300 listed companies which members can use to more precisely choose their preferred share portfolio.

It's worth noting that super savings are only one aspect of many people's retirement income. Investments, the government age pension, and part time work can all contribute to the money that flows into retirees' pockets.

This is an important part of the conversation, and something we have been communicating to members of the broader community. Equip has placed over 11,000 calls to members over the past year to discuss retirement income options, and has backed this with online campaigns and language designed to simplify the process and provide members with the best possible overview.

This is an industry-wide conversation that's set to gather pace in the coming years. Equip is strategically positioned to take advantage of this shift, and products such as Equip MyPension are designed to help members and employers now and in the future.



Financial planning overview



Equip Financial Planning works with our members to build their wealth and confidence in the future. We help individuals plan and implement strategies that align with their goals and lifestyle aspirations.

We have had strong and continued growth in recent years, and as at 30 June 2015 we had \$1.4 billion in funds under advice. This represents 22% growth since June 2014, and means 73% of all the fund's pension members are under advice.

Our national coverage has continued to expand. We now have a financial planning office in NSW, which also provides services to members in QLD and the ACT, in addition to our Melbourne and Traralgon offices. In total we employ 12 staff. Throughout the next 12 months we will continue to expand our regional presence, specifically in Traralgon, Victoria, where many of our long-term fund members are located.






Equip Financial Planning is committed to innovation and value added services. Over the past 12 months we have introduced a number of initiatives designed to broaden our scope and assist members.

Our partnership with SuperFriend, a mental health initiative, helps us to talk about the non-financial aspects of retirement, including sense of purpose and changing relationships. This is also an objective of our new aged care advice offering, which focuses on later life financial management and helps members navigate issues relating to aged care accommodation charges, means testing, and estate planning.

Expanding our services and our national reach is enabling Equip Financial Planning to build on our previous success supporting members through retirement. Our weekly surveys show 9 out of 10 financial planning clients are very satisfied with their planner relationship and likely to recommend our service to others.

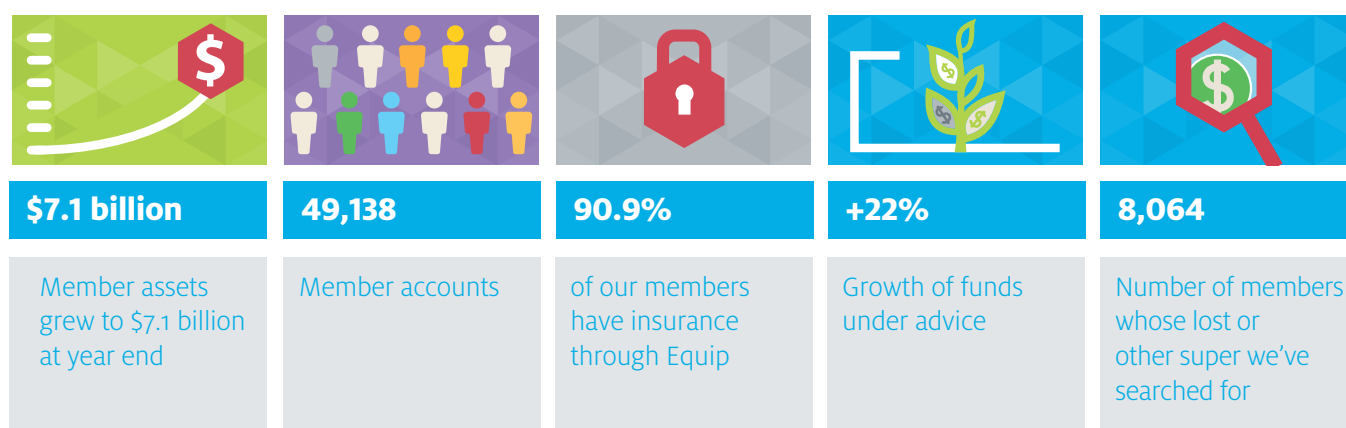


Our planners can advise on a number of different issues, not just superannuation. Equip Financial Planning can offer professional advice on:

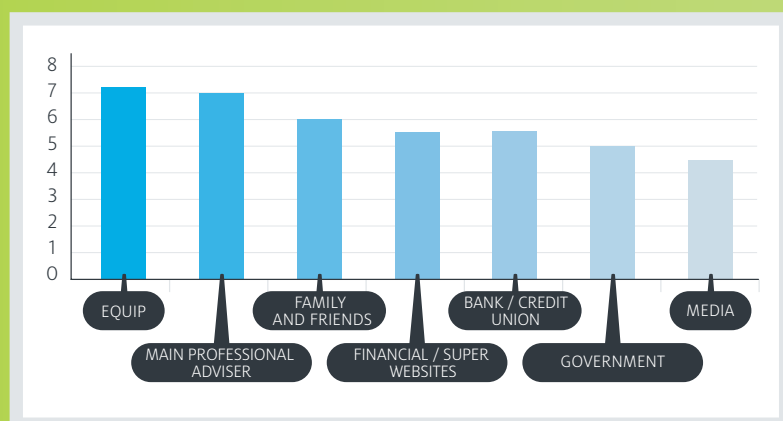
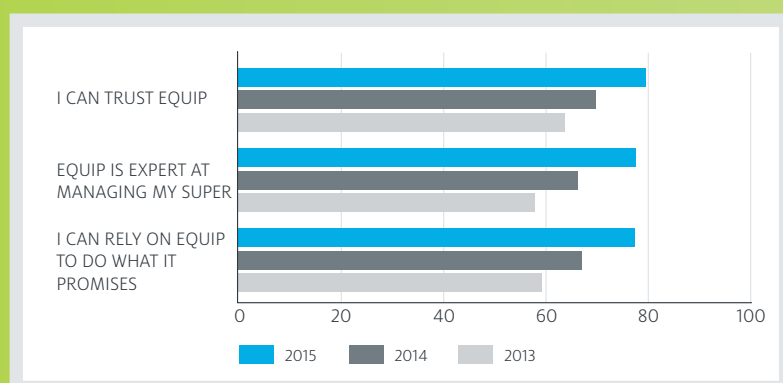
-  Growing wealth outside of super
-  Protecting wealth in the event of illness, injury, or death
-  Tax effective investment and income strategies prior to retirement
-  Retirement planning – maximising entitlements, including Centrelink benefits
-  Enhancing estate planning strategies

Snapshot:

Equip in numbers, financial year 2014/15



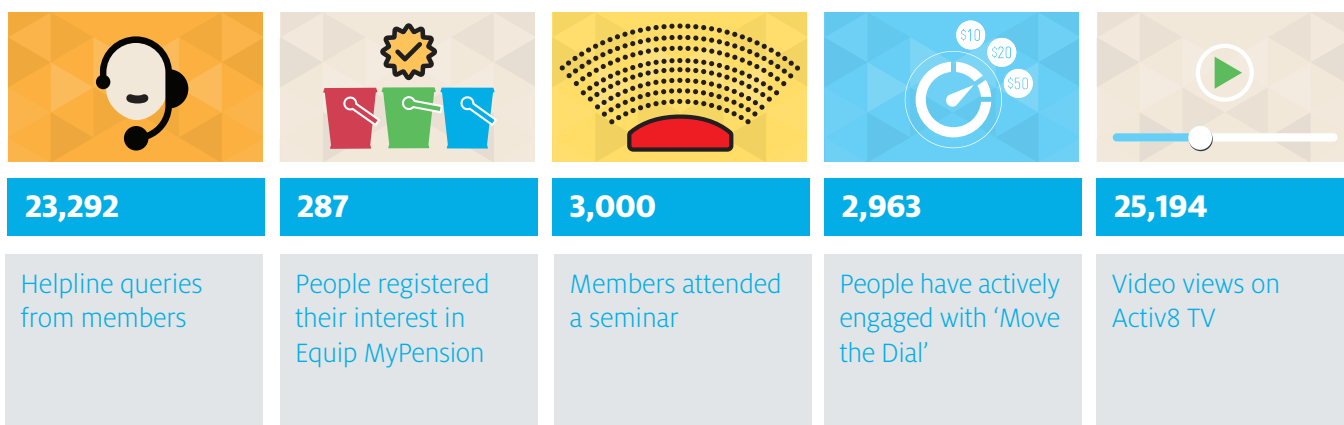
Member commitment strong, but still more to do



Equip member satisfaction has continued its upward trend, rising across the board, and remaining high in this year's member survey. Overall satisfaction with the fund was up for the third year in a row and reflected across all the member commitment measures shown in this graph.

Compared to other sources of information, members said Equip was the most trusted source of information and advice on superannuation.

The improved general member awareness of our strong investment performance relative to other funds was pleasing, with seven out of 10 members believing that our returns were better than those of other funds. This is an area in which we have focused a lot of attention, with quarterly videos as well as editorial reports on investments emailed to members and available online.



One of the new measures we are closely monitoring is whether members feel confident that we can help them achieve a better financial outcome for their retirement. This year's survey showed about half are anxious that they won't have enough money for retirement. Fortunately 61% of those surveyed believe we can help them improve their retirement, a number we aim to keep improving upon.

We expect to achieve this with increasingly targeted tools and services:

Education and advice

Education and advice are the keys to enabling better retirement outcomes, and are two areas to which we have paid particular attention since 2007 when we established Equip Financial Planning.

The development of our automated investment services tool to be launched in 2016 is an example of our continued commitment to helping members to make investment and other decisions aligned to their personal circumstances and goals.

Timely and relevant communications

Members want to be contacted more often, and with information that's more tailored to them. The vast majority prefers to be contacted via email.

Over the past year, we have been increasing our email frequency. As digital communications also allow for more content flexibility, we're in the process of moving away from a "one-size-fits-all" to a more segmented approach.

A new website is another aspect of our communications transformation. This is slated for launch in the 2016/2017 financial year. The site will be built on an adaptive platform, which means that members will have complete functionality on mobile devices.

The Equip board



ANDREW FAIRLEY, AM

LLB, FAICD, aged 66.
Chair and independent director
First appointed to the board: January 2009
Current term expires: February 2019
Fund member: No (In accordance with the Superannuation Industry (Supervision) Act, 1993, Andrew Fairley is precluded from being a member of the Fund as an Independent Director.)

Relevant skills and experience:

Andrew has a long and distinguished association with the superannuation industry in Australia. He founded Australia's first specialist superannuation law firm, IFS Fairley, in 1993, having built a reputation as a leading practitioner in superannuation law and practice since 1980. Andrew has specialised as a legal advisor to trustees of both industry and corporate superannuation funds. He also has a passion for the Australian tourism sector and nature based tourism in particular. He has served on the boards of International Ecotourism Society, and Ecotourism Australia. Andrew is a director of Tourism Australia and the chair of Parks Victoria.



BRUCE BEEREN

BSc (Hons), BComm, MBA, FCPA, FAICD aged 66. Employer director first appointed to the board: August 2002
Current term expires: March 2016
Fund member: No

Relevant skills and experience:

Bruce has over 40 years' experience in the energy industry. He is currently a director of Veda Group Ltd. His previous executive roles have included chief financial officer of Origin Energy, chief executive officer of VENCORP, general manager of AGL Pipelines and chief financial officer of AGL. Bruce is also a former director of ConnectEast Group, Coal and Allied Industries Ltd, Envestra Ltd and Origin Energy.



GREG HADE

BBus, CPA, GAICD, aged 57.
Employer director first appointed to the board: June 2010
Current term expires: March 2016
Fund member: Yes

Relevant skills and experience:

Greg has extensive experience in the electricity sector and is currently a director of Gippsland Water. His most recent executive role was as head of finance, merchant energy at AGL. Prior to that, Greg was executive general manager finance at Loy Yang Power, an alternate director and member of the risk management and governance committee of Loy Yang Marketing Management Company, and a director of the Latrobe Regional Hospital and of Powerworks Pty Ltd.



ANDREW PICKERING

BA (Hons), LLB (Hons), GAICD aged 55. Employer director first appointed to the board: November 2005
Current term expires: March 2016
Fund member: Yes

Relevant skills and experience:

Andrew has over 25 years' experience as a lawyer and project developer in the energy industry in Australia and Asia. For the last 8 years he has been an infrastructure fund manager with Infrastructure Capital Group Ltd (ICG), specialising in origination and investment management of equity investments in the utility and infrastructure sectors. He is currently CIO and chairman of ICG. He has extensive commercial, business and legal experience, and, in his role with ICG, is a director of a number of companies including the owners of Wattle Point and Hallett Hill wind farms, the Neerabup and Kwinana Power Stations and Gas Pipelines Victoria Pty Ltd.



TERRY SWINGLER

Dip.Bus (Acc), FCPA, FAICD, FGIA, FCIS aged 68. Employer director first appointed to the board: November 2012
Current term expires: March 2016
Fund member: Yes

Relevant skills and experience:

Terry brings executive management experience to the board after a career of over 40 years in the water industry. Most recently, he was with Yarra Valley Water, where he held senior positions including CFO and company secretary. Terry was a director of the Water Industry Superannuation Fund for seven years prior to its merger with Equip. Terry is also a director of Southern Rural Water.



JOHN AZARIS

BEng (Elec), MBA, General Management Program, Harvard Business School, aged 53. Member director first appointed to the Board: June 2007 as an employer director. Since September 2012 as a member director. Current term expires: March 2016
Fund Member: Yes

Relevant skills and experience:

John has had an extensive career in the power industry. He is currently general manager, service delivery for AusNet Services (formerly, SP AusNet) where he is responsible for all maintenance operations functions and capital replacement programs for AusNet Services' transmission, electricity distribution and gas distribution businesses.



ROBIN JERVIS-READ

FAICD, GAICD, aged 72. Member director first appointed to the Board: February 2007
Current term expires: March 2016
Fund member: Yes

Relevant skills and experience:

Robin has 16 years' experience as a non-executive director, including nine years as chairman of the Victorian Government Purchasing Board. He also has 10 years' divisional CEO / GM experience within public companies including Brambles, James Hardie and Hendersons Industries and 21 years in strategic procurement including nine with Ford Motor Company (UK and Australia) and eight with Goodyear, Australia. He was a member for five years of the Appeals Panel Pool, Essential Services Commission in the Victorian Government - Department of Treasury and Finance.



PHILLIPA (PIPPA) LEARY

BA (Hons) aged 48. Member director first appointed to the board: July 2015
Current term expires: March 2018.
Fund Member: Yes

Relevant skills and experience:

Pippa has had an extensive career in communications, including digital strategy, marketing, and social media. She is the chief executive officer of Apex Premium Exchange, a joint venture between Fairfax and NEC, and a non-executive director of Solstice Media. Previously, she has led award-winning teams and projects in executive positions with Fairfax Digital and Ninemsn.



JANE SIMON

BA (Hons Psych), GAICD, aged 55. Member director first appointed to the board: January 2015
Current term expires: March 2018
Fund member: Yes

Relevant skills and experience:

Jane has worked in and consulted to the investment and wealth management industries for over 30 years. She held many senior roles with Goldman Sachs/ JB Were, where she was a partner and executive director, Private Wealth Management and retains a role as a consultant.

Jane is a credentialed and respected director and holds a number of board and committee positions, including board chair of Carey Baptist Grammar School and investment committee roles for Deakin University and the Lord Mayor's Charitable Fund (Melbourne).

RETIRED BOARD MEMBERS

TREVOR BIRKBECK, member director resigned 14 July 2014.

JOHN O'NEILL, member director resigned 13 January 2015.



Board committees

Equip has five board committees:

- 1) the Appeals and Review Committee;
- 2) the Audit, Risk and Compliance Committee;
- 3) the Finance Committee;
- 4) the Governance and Rewards Committee; and
- 5) the Investment Committee.

The board may establish other committees or working groups comprising representatives of the board and management as needed from time to time. Each board committee has a charter that sets out the committee's powers, functions and, if relevant, specific delegated authority from the board. The full text of the committee charters can be found on the Equip website.

The composition of board committees is reviewed at least annually. Each committee is structured so that it comprises an equal number of member and employer directors, which mirrors the ratio of member and employer directors on the board. The independent director and management representatives are also members of some committees.

The following outlines the role of each board committees as at 30 June 2015:

Appeals and Review Committee:

The role of the Appeals and Review Committee is to exercise the board's discretion on the payment of certain death, total and permanent disablement or total and temporary disablement benefits. The committee reviews cases where, for example, claims for death or disablement benefits have been denied by the trustee or the fund's insurer, or where there is a dispute about the payment of these benefits. The committee also considers certain complaints made by members or employers.

Audit, Risk and Compliance Committee:

The role of the Audit, Risk and Compliance Committee is to oversee the audit, financial, compliance and risk management activities of the company and the fund. In line with the requirements for ASX listed companies and APRA regulated trustees, this committee is comprised only of non-executive directors, all of whom are independent of management of the company and is chaired by a director who is not the chairman of the board.

Finance Committee

The role of the Finance Committee is to review the draft annual budget, test the assumptions in the draft budget and review the financial assumptions of the business plan. When satisfied, the committee then endorses the draft budget for submission to the board for approval. The committee also has an ongoing role in monitoring financial performance against the budget and business plan throughout the year.

Governance and Rewards Committee

The role of the Governance and Rewards Committee is to advise the board on, and oversee, the governance functions of Equip, and to recommend the remuneration and key performance indicators of the CEO to the board for approval. The committee also reviews the remuneration of Equip's "responsible persons" for the purposes of its responsible superannuation entity licence, and may act as a nomination committee for the appointment of the independent chairman or other board appointments.

Investment Committee

The role of the Investment Committee is to oversee the investment of the fund's assets, with delegated authority from the board to make decisions in relation to a range of investment-related matters.

“While great products and great services afford a competitive advantage, the key to our success is in our people. We hire for attitude and train for skill. We look to people who can bring a broad future thinking perspective to all that we do. Our employee value proposition supports a flexible workplace balanced with a culture that encourages achievement, motivation, and delivery for our members and employers.”

Sarah Guthleben, Executive Officer, People, Culture and Process.



Staff

Ensuring members approach retirement with confidence is our number one priority at Equip. This requires a skilled and motivated staff that share core values, and can successfully align our strategies, expectations, and aspirations with those of our members and employers.

Appointment and development

Equip is an equal opportunity employer which recognises the benefits of an engaged and harmonious workplace. Staff are employed under individual workplace agreements. We aim to be an employer of choice and to provide a fair and flexible workplace for all our staff. At 30 June 2015, Equip employed 50 people.

We have adopted flexible work practices which enable our staff to balance work with their personal lives while still providing high levels of service to our employers and members. Around 10% of our staff take advantage of these flexible arrangements.

We provide eligible staff with parental leave benefits. These are designed to support new parents and encourage them to return to work, enabling us to retain the skills and relationships that help elevate our members' experience.

We also offer staff the opportunity to purchase additional annual leave to suit their personal circumstances.

Learning and development

People are our greatest asset, and we want to ensure our staff maintain the high levels of training and development required to support members and employers in a compliant, professional, and ethical manner.

Senior staff (including directors, senior executives, and relevant managers) undertake mandated professional education and training. This is supported by online learning tools, used to deliver compliance programs and tailored short courses to develop staff skills.

We provide staff with access to a wide range of information and activities through a health and well-being program including nutrition and weight management seminars, the provision of annual flu injections, stress management strategies and workplace ergonomics. In addition to the health and wellbeing program, staff may access a confidential counselling service for any personal or work-related issues.

Delivering exceptional retirement outcomes

To deliver optimal retirement outcomes for members, we need to employ high calibre people who recognise the importance of aligning our strategies with the expectations and aspirations of our members and employers. This means employing people who strongly believe in our values, as well as having the necessary qualifications, experience and technical skills.

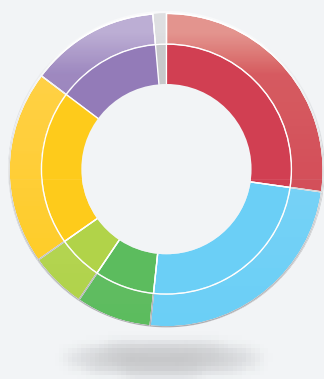
At 30 June 2015, the composition of Equip staff by gender was:

| ROLE | % MALE | % FEMALE |
|-----------------------------|--------|----------|
| DIRECTORS | 89% | 11% |
| CEO | 0% | 100% |
| SENIOR EXECUTIVE MANAGEMENT | 75% | 25% |
| MANAGEMENT | 71% | 29% |
| SALARIED STAFF | 55% | 45% |

Equip's assets

Equip had \$7.1 billion in funds under management at 30 June 2015. There were no single investments (or groups of related investments) that represented more than 5% of total fund assets.

Funds under management were invested across various asset classes as at 30 June 2014 and 30 June 2015 as shown below:



| FUND ASSETS | 2014/15 | 2013/14 |
|--|---------|---------|
| ■ Australian Shares | 27.39% | 28.93% |
| ■ Overseas Shares | 24.28% | 24.44% |
| ■ Property | 8.01% | 7.96% |
| ■ Infrastructure | 5.61% | N/A |
| ■ Fixed Interest | 20.07% | 19.06% |
| ■ Cash | 13.27% | 12.91% |
| ■ Other | 1.37% | 6.70%* |
| TOTAL | 100% | 100% |

*Includes infrastructure, which was separated into its own asset class in 2014/15 to align with reporting standards .

Managing your investments

The trustee has delegated responsibility for reviewing and managing Equip's investment options to the Investment Committee. The Investment Committee sets the strategy and manages our investments.

Approximately 30% of Equip's assets are managed in-house, with the balance outsourced to external managers specialising in areas such as international shares, infrastructure and property.

External investment managers are also used to provide members with the advantages of different investment management styles. Different styles enable us to identify and take advantage of diverse opportunities with the potential to enhance returns to members and to manage risk.

Our external investment managers* include:

| | |
|--|-----------------------------------|
| AEW Capital Management** | Property |
| AMP Capital Investors Limited | Property, infrastructure |
| Antares Capital | Cash |
| Avoca Investment Management | Australian equities |
| Baillie Gifford Overseas Limited | Overseas equities |
| Brandywine Global Investment Management | Diversified fixed interest |
| Bridgewater Associates Incorporated | Growth alternatives |
| Campus Living Funds Management | Infrastructure |
| CBRE Clarion Securities | Property |
| Charter Hall Funds Management Limited | Property |
| Colonial First State Investment Limited | Overseas equities, infrastructure |
| Concise Asset Management Limited | Australian equities |
| Dundas Global Investors | Overseas equities |
| Ellerston Capital Limited | Australian equities |
| Goodman Funds Management Australia Limited | Property |
| GPT Group | Property |
| Hastings Funds Management Limited | Defensive alternatives |
| Haymarket Financial LLP | Growth alternatives |
| Janus Capital Management LLC | Overseas equities |
| Karara Capital** | Australian equities |
| Lend Lease Real Estate Investments Limited | Property |

| | |
|---|--|
| Loomis, Sayles & Company, LP | Defensive alternative |
| Macquarie Specialised Asset Management Limited | Infrastructure |
| Martin Currie Investment Management Ltd | Overseas equities |
| ME Portfolio Management Limited | Defensive alternatives |
| Metrics Credit Partners Pty Ltd | Defensive alternatives |
| MLC Investments Limited | Growth alternatives |
| National Australia Bank | Defensive alternatives (currency) / Growth alternatives (currency) |
| Northcape Capital Pty Ltd | Australian equities |
| Pantheon Ventures Limited | Growth alternatives |
| Paradice Investment Management Pty Ltd | Australian equities |
| Principal Global Investors Limited | Overseas equities (currency) |
| Retirement Villages Group | Infrastructure |
| Schroders Investment Management Aust Limited | Australian equities |
| Shenkman Capital Management, Inc | Defensive alternatives |
| Siguler Guff & Company, LLC | Growth alternatives |
| Stafford Private Equi | Growth alternatives |
| Standish Mellon Asset Management Co | Diversified fixed interest |
| UBS Securities Australia Limited | Overseas equities |
| Wellington International Management Company PTE LTD | Overseas equities |

*Equip may review and occasionally change investment managers employed on a long-term basis. Also, investment managers may be employed on a temporary basis when another fund transfers into Equip. ** Manager appointed in FY 2015.

Investment report

“Strong investment returns

are vital to support the retirement goals of our members. Despite recent volatility in the market, we are still positive about the long term outlook.”

Michael Strachan, Chief Investment Officer.

Strong super returns boost member balances in 2014/15

Equip provided strong returns for members during the 2014/15 financial year. Equip MySuper, the default investment option for accumulation members, delivered 9.8% after investment fees and tax. All our diversified options beat their SuperRatings medians to 30 June 2015 by substantial margins over 1, 3, 5 and 10 year periods.

Options with higher allocations to shares posted returns well into the double digits, led by Growth Plus with a 13.9% return; the Conservative option, the default for our pensioners, with the lowest allocation to equities of the Diversified options, still posted a 6.2% return.

Overseas shares were the strongest contributor to the good results. Our overseas shares portfolio returned almost 22% for the year. Our Australian shares option produced moderate growth of around 5.4%, while property had a reasonably strong year at 7.6%.

While these strong results are pleasing, they hide the fact that there was quite a bit of movement throughout the year, with plenty of noise rattling investors' nerves. These fluctuations reflected patchy economic growth and recovery around the globe.

In Australia, major concerns were the intense pressure on commodities companies, as they fell out of favour with investors against a backdrop of sliding commodity prices, as well as worries about the strength of the Chinese economy and its demand for Australian coal and iron ore. Majors like BHP Billiton and Rio Tinto were noticeable strugglers through the year.

Low interest rates continued to fuel house prices, particularly in Sydney and Melbourne, which had the downstream effect of lifting the level of household debt. Coupled with fragile consumer confidence, this affected

consumer goods and services sectors, putting pressure on the value of prominent ASX stocks like Woolworths and Wesfarmers. Financial stocks were also more volatile than normal due to global uncertainty, although they still attracted investors looking for yield in the form of dividends.

Globally, the collapse of the oil price and of Chinese property and share prices received saturated media coverage. Other dominant issues included a softer US economy; when and by how much central banks, in particular the US Federal Reserve, would start to increase interest rates; worries about the health of the euro zone; the "Grexit", shorthand for Greece exiting the euro, and the possible contagion it could trigger; to name but a few.

Despite all of this, asset classes posted respectable returns across the board at the end of the financial year (see page 29). Equity markets performed solidly; in particular, global shares provided members with exceptional returns. The asset class profited from the falling Australian dollar, which through the course of the year dropped from 94 US cents to just 77 US cents. We only partially protect global shares from currency fluctuations, which in turn boosted the returns of these assets. Health care, IT and consumer stocks outperformed; energy stocks were dragged down by the slump in oil prices, the only negative sector return for global shares.

Australian shares underperformed global shares. The June quarter was particularly testing, as the Australian market sold off sharply. Health and telecommunications outperformed for the year; energy, consumer staples and resource stocks were the laggards.

Property and some of the alternative investments also posted strong results. Fixed interest indices held up well both in Australia and overseas. Finally, cash returns continued to be poor, as short-term interest rates remained at historical lows.

Outlook – lower returns ahead?

Members investing in Diversified options have just enjoyed another bumper year. We have been spoiled by investment markets for the better part of the last decade. While the global financial crisis still looms large in the minds of some, we should not forget that super has provided members with strong returns – often in the double digits – for much of the last 10 years.

However, looking out, we believe that returns are likely to slow down a bit. Why?

Interest rates are set to be the core theme of this financial year, as investors anticipate and react to the next moves by central banks.

In recent times, central banks around the globe have been holding rates at very low levels to stimulate economic growth; official rates are close to zero in the US, Japan, Europe and the UK, and at a 50-year low in Australia.

In an effort to prime their economies, governments have also spent liberally and continue running budget deficits.

The jury on some of these actions is still out. While growth in the US has been respectable, it remains weak in Japan and Europe. Australia has been muddling through, as consumer and business confidence remain subdued and unemployment well above 5%, with housing the one bright spot.

Overall, we don't expect interest rates to go up in a hurry, and we also believe that they will not increase dramatically. But there is no doubt that interest rates will start to rise again. Where growth has been more solid, such as the US, this could happen by the end of this calendar year; but where

the growth outlook remains mixed, rates will likely rise later. In Australia, the Reserve Bank may not increase rates this financial year, but certainly will over the medium term.

Low interest rates have meant that returns from cash and term deposits have been poor for a while. In Australia, term deposits were returning 7% in 2007; they now provide less than 3% for investors, and cash returns are even lower. We don't anticipate strong returns from cash any time soon.

Returns from bonds have been solid, even though interest rates have come down. Over the past few years, investors have paid extra for bonds, as they have placed a higher priority on preserving what they have rather than on pursuing high rates of return, which has boosted the returns of this asset class.

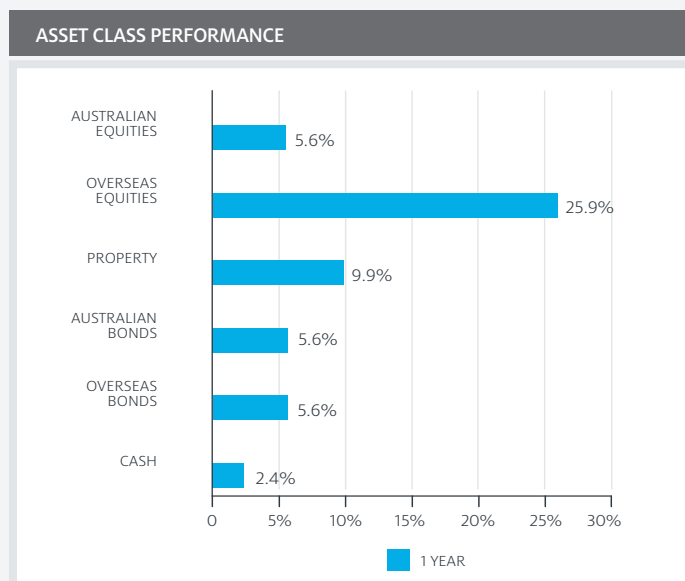
In summary, for "safe" assets such as cash and bonds, the key issue is that we expect returns to be subdued for several years.

Returns to members from shares, property and infrastructure have been quite strong for an extended period. Stocks that pay regular, franked dividends have been hotly pursued for their yield. This is unlikely to continue at this rate over the next year, but we still expect shares, property and infrastructure to outperform cash and bonds.

Diversifying across multiple asset classes remains an effective way to manage your investment risk. While putting all your money into more stable assets may make you feel safer in the short term, this can be risky in the very long term, as your super may not grow enough to provide you with an income once you are no longer working. As always, a financial planner can help you to customise your portfolio in line with your personal situation.

2014/15 performance snapshot

Top 10 holdings



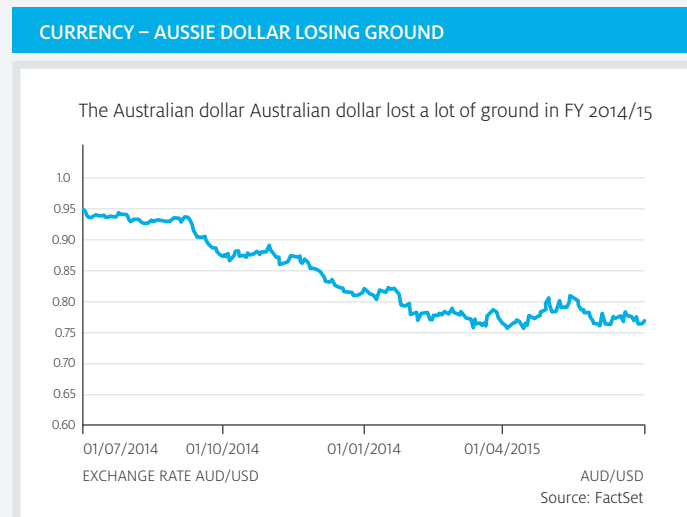
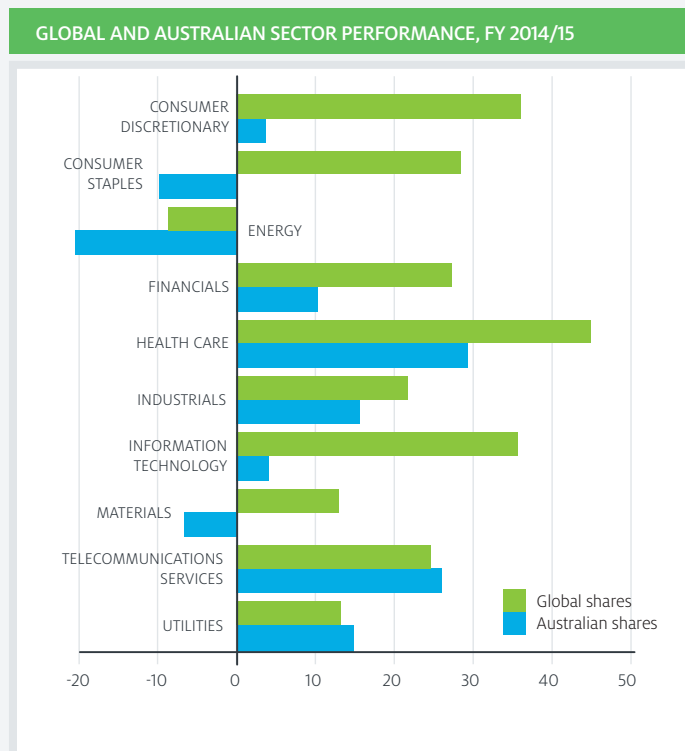
(leading benchmarks) at 30 June 2015

The asset class returns are represented by the following benchmarks: Australian equity: S&P ASX 300; overseas equities: MSCI (World) ex-Australia Gross Div AUD Index (unhedged); Property: Equipsuper property benchmark; Australian bonds: UBS Composite Bond Index; Overseas bonds: Barclays Capital Global Aggregate (hedged, in AUD); cash: RBA 11 AM Cash Rate Return.

| AUSTRALIAN SHARES* AT 30 JUNE 2015 | % |
|------------------------------------|-----|
| COMMONWEALTH BANK | 6.4 |
| WESTPAC | 5.6 |
| ANZ | 5.4 |
| BHP BILLITON | 5.3 |
| NATIONAL AUSTRALIA BANK | 5.3 |
| TELSTRA | 4.2 |
| RIO TINTO | 3.1 |
| WOOLWORTHS | 2.4 |
| WESFARMERS | 2.1 |
| CSL | 2.0 |

| OVERSEAS SHARES* AT 30 JUNE 2015 | % |
|----------------------------------|-----|
| AMAZON.COM | 2.5 |
| TENCENT | 2.2 |
| ILLUMINA | 2.1 |
| FACEBOOK | 1.7 |
| BAIDU | 1.7 |
| AIA GROUP | 1.5 |
| APPLE | 1.5 |
| GOOGLE | 1.5 |
| TESLA MOTORS | 1.2 |
| INDUSTRIA DE DISEÑO TEXTIL | 1.1 |

* On the asset class level across all investment options that hold shares.



Source: FactSet; sector performance, Australian equity - S&P ASX 300; overseas equities - MSCI (World) ex-Australia Gross Div AUD Index

Investment returns to 30/6/2015

SUPERANNUATION RETURNS, IN %.*

| ACCUMULATION | 1 YR | 3 YRS p.a. | 5 YRS p.a. | 10YRS p.a. |
|----------------------|-------|------------|------------|------------|
| GROWTH PLUS | 13.86 | 18.04 | 12.30 | 7.11 |
| SURVEY | 11.47 | 16.16 | 10.61 | 6.30 |
| GROWTH** | 11.39 | 15.12 | 10.66 | N/A |
| SURVEY | 10.04 | 14.16 | 9.69 | 6.23 |
| BALANCED GROWTH | 10.52 | 13.28 | 10.11 | 7.07 |
| SURVEY | 9.33 | 12.26 | 9.02 | 6.40 |
| MYSUPER | 9.76 | N/A | N/A | N/A |
| BALANCED** | 8.19 | 10.17 | 8.34 | N/A |
| SURVEY | 7.26 | 9.54 | 7.72 | 5.38 |
| CONSERVATIVE | 6.19 | 7.57 | 7.12 | 6.03 |
| SURVEY | 5.63 | 7.02 | 6.35 | 5.37 |
| AUSTRALIAN SHARES | 5.42 | 14.25 | 9.69 | 7.08 |
| OVERSEAS SHARES | 21.95 | 22.25 | 14.38 | 6.60 |
| PROPERTY | 7.57 | 9.36 | 9.15 | 7.60 |
| FIXED INTEREST | 4.14 | 4.68 | 6.05 | 5.56 |
| CASH | 2.20 | 2.46 | 3.15 | 4.07 |
| SOCIALLY RESPONSIBLE | 4.75 | 14.37 | 9.03 | 7.37 |

FYTD = Financial year to date starting from 1 July

Surveys: SuperRatings Pty Ltd survey published on 21/7/2015, www.superrating.com.au. The surveys we use for our Diversified investment options are: Growth Plus - SuperRatings (High Growth - All Fund Median); Growth - SuperRatings (Growth - All Fund Median); Balanced Growth - SuperRatings (Balanced - All Fund Median); Balanced - SuperRatings (Conservative Balanced - All Fund Median); Conservative - SuperRatings (Capital Stable - All Fund Median).

Allocated Pension returns are generally higher than for superannuation, as no tax is paid on earnings before unit prices are calculated.

The Sustainable Responsible Investment (SRI) option is invested 100% in Australian equities.

For more information on the investment objectives and strategies for our investment options, please refer to the Equip website or an Equip PDS.

PENSION RETURNS, IN %.^

| PENSIONS | 1 YR | 3 YRS p.a. | 5 YRS p.a. | 10YRS p.a. |
|----------------------|-------|------------|------------|------------|
| GROWTH PLUS | 15.14 | 19.87 | 13.34 | 8.10 |
| GROWTH** | 12.22 | 16.49 | 11.84 | N/A |
| BALANCED GROWTH | 11.36 | 14.56 | 11.05 | 7.97 |
| BALANCED** | 9.19 | 11.27 | 9.39 | N/A |
| CONSERVATIVE | 6.96 | 8.38 | 7.93 | 6.84 |
| AUSTRALIAN SHARES | 5.84 | 15.76 | 10.34 | 8.03 |
| OVERSEAS SHARES | 24.05 | 24.70 | 16.08 | 7.38 |
| PROPERTY | 8.08 | 10.04 | 10.18 | 8.64 |
| FIXED INTEREST | 5.43 | 5.67 | 7.19 | 6.54 |
| CASH | 2.55 | 2.88 | 3.70 | 4.76 |
| SOCIALLY RESPONSIBLE | 5.00 | 16.59 | 10.68 | N/A |

* For periods greater than 1 year, returns are compound annualized returns. Returns are net of tax and investment fees.

** The Growth and Balanced investment options were introduced on 2 October 2006. Therefore, 10-year returns are not yet available for these options. We have, however, provided the benchmark returns for these options.

Equip MySuper was introduced on 1 August 2013.

^ For periods greater than 1 year, returns are compound annualized returns. Returns are net of investment fees.

Past performance is not an indicator of future performance.

DERIVATIVES

Derivatives are investments where investment values are based on those of an underlying physical security.

For instance, the value of a share option is based on the price of the underlying share. Equip permits the selective use of derivatives as part of its investment strategy in any of its investment options. Derivatives enable us to hedge against risk by increasing or decreasing exposure to individual securities and markets without having to buy or sell underlying physical securities.

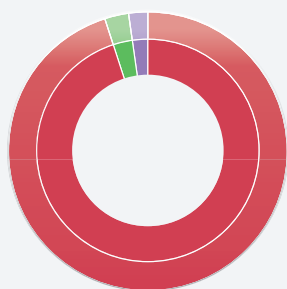
Diversified options

GROWTH PLUS

Investment objective

Achieve a net return of at least 5% p.a. above inflation (measured by CPI) over a rolling 10 year period.

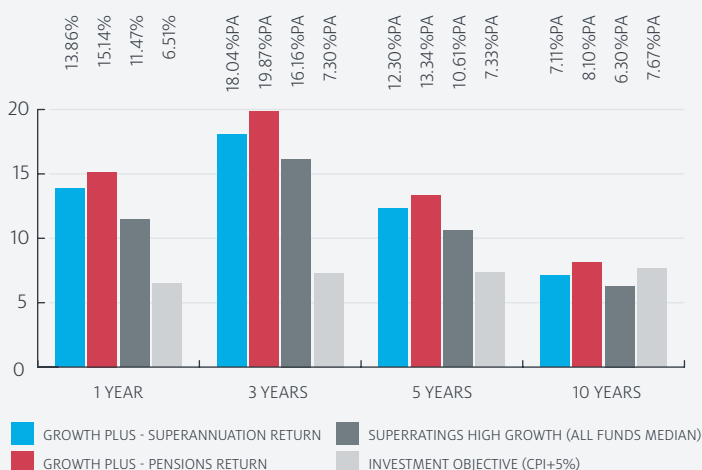
The investment objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.



| ASSET CLASS | ALLOCATION |
|----------------|------------|
| Equities* | 95% |
| Property | 0% |
| Infrastructure | 3% |
| Fixed Income | 0% |
| Commodities | 0% |
| Cash | 0% |
| Other | 2% |

*48% Australian equities and 47% overseas equities (superannuation and pensions)

This is how Growth Plus performed against its objectives and other funds over the past 10 years.



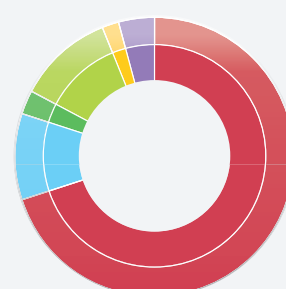
Note that past performance is no indication of future performance.

GROWTH

Investment objective

Achieve a net return of at least 4.5% p.a. above inflation (measured by CPI) over a rolling 10 year period.

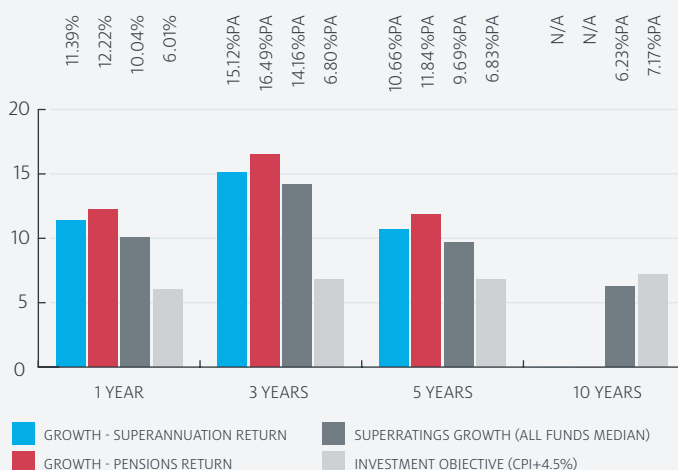
The investment objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.



| ASSET CLASS | ALLOCATION |
|----------------|------------|
| Equities* | 70% |
| Property | 10% |
| Infrastructure | 3% |
| Fixed Income | 11% |
| Commodities | 0% |
| Cash | 2% |
| Other | 4% |

*40% Australian equities / 30% overseas equities (superannuation); 45% Australian equities / 25% overseas equities (pensions).

This is how Growth performed against its objectives and other funds over the past 10 years.



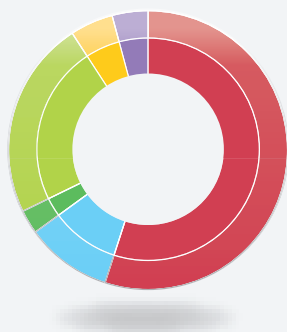
Note that past performance is no indication of future performance.

BALANCED GROWTH

Investment objective

Achieve a net return of at least 4% p.a. above inflation (measured by CPI) over a rolling 10 year period.

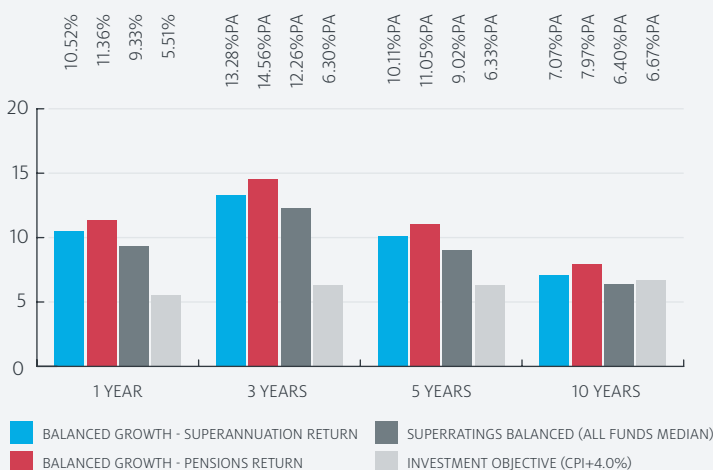
The investment objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.



| ASSET CLASS | ALLOCATION |
|----------------|------------|
| Equities* | 55% |
| Property | 10% |
| Infrastructure | 3% |
| Fixed Income | 23% |
| Commodities | 0% |
| Cash | 5% |
| Other | 4% |

*30% Australian equities / 25% overseas equities (superannuation); 35% Australian equities / 20% overseas equities (pensions)

This is how Balanced Growth performed against its objectives and other funds over the past 10 years.



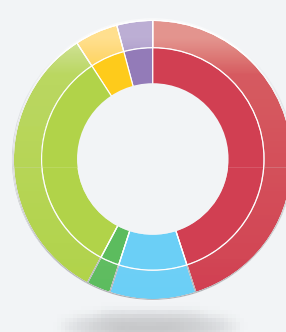
Note that past performance is no indication of future performance.

EQUIP MYSUPER

Investment objective

Achieve a net return of at least 3% p.a. above inflation (measured by CPI) over a rolling 10 year period.

The investment objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.



| ASSET CLASS | ALLOCATION |
|----------------|------------|
| Equities* | 45% |
| Property | 10% |
| Infrastructure | 3% |
| Fixed Income | 33% |
| Commodities | 0% |
| Cash | 5% |
| Other | 4% |

*25% Australian equities / 20% overseas equities (superannuation)

This is how Equip MySuper performed against its objectives and other funds over the past 10 years.



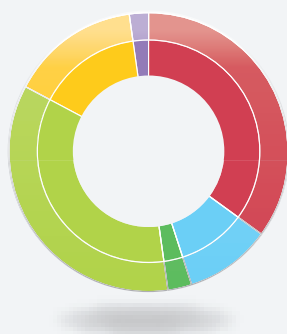
Note that past performance is no indication of future performance.

BALANCED

Investment objective

Achieve a net return of at least 3% p.a. above inflation (measured by CPI) over a rolling 5 year period.

The investment objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.



| ASSET CLASS | ALLOCATION |
|----------------|------------|
| Equities* | 35% |
| Property | 10% |
| Infrastructure | 3% |
| Fixed Income | 35% |
| Commodities | 0% |
| Cash | 15% |
| Other | 2% |

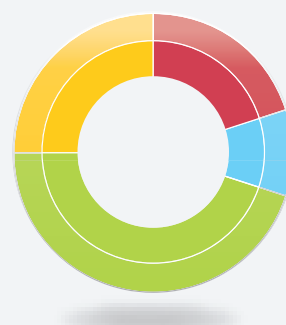
*20% Australian equities / 15% overseas equities (superannuation); 25% Australian equities / 10% overseas equities (pensions)

CONSERVATIVE

Investment objective

Achieve a net return of at least 2% p.a. above inflation (measured by CPI) over a rolling 5 year period.

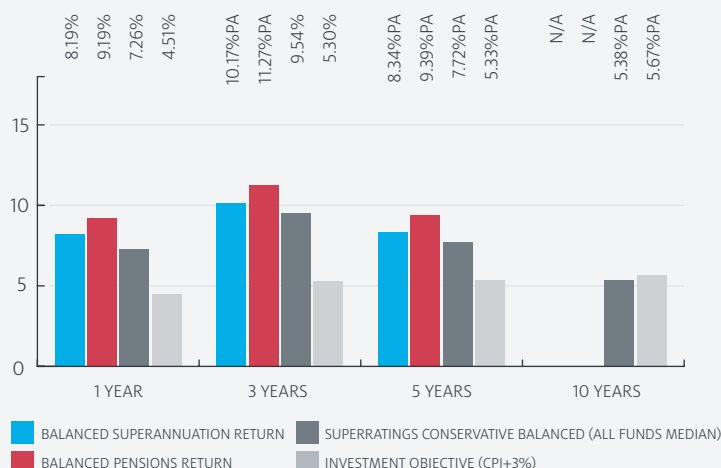
The investment objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.



| ASSET CLASS | ALLOCATION |
|----------------|------------|
| Equities* | 20% |
| Property | 10% |
| Infrastructure | 0% |
| Fixed Income | 45% |
| Commodities | 0% |
| Cash | 25% |
| Other | 0% |

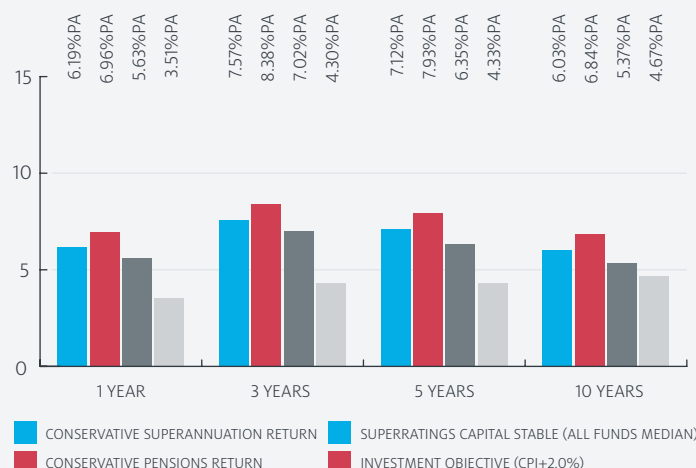
*10% Australian equities / 10% overseas equities (superannuation); 15% Australian equities / 5% overseas equities (pensions)

This is how Balanced performed against its objectives and other funds over the past 10 years.



Note that past performance is no indication of future performance.

This is how Conservative performed against its objectives and other funds over the past 10 years.



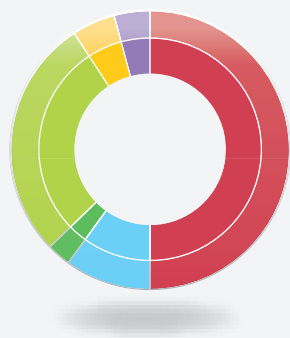
Note that past performance is no indication of future performance.

DEFINED BENEFIT

Investment objective

We aim to achieve a long-term net return of at least 4% per annum above inflation (measured by CPI). In addition, we seek to outperform the SuperRatings median manager.

The investment objectives are not forecasts or predictions. They simply represent a benchmark against which the Trustee monitors performance.



| ASSET CLASS | ALLOCATION |
|----------------|------------|
| Equities* | 50% |
| Property | 10% |
| Infrastructure | 3% |
| Fixed Income | 28% |
| Commodities | 0% |
| Cash | 5% |
| Other | 4% |

*30% Australian equities / 20% overseas equities

This is how Defined Benefit performed against its objectives and other funds over the past 10 years.



Note that past performance is no indication of future performance.

Allocation of net earnings to member accounts

We allocate net earnings to member accounts through changes to the unit price. A member’s investments buy a number of units in their investment option(s). The account balance is always shown based on the unit sell price.

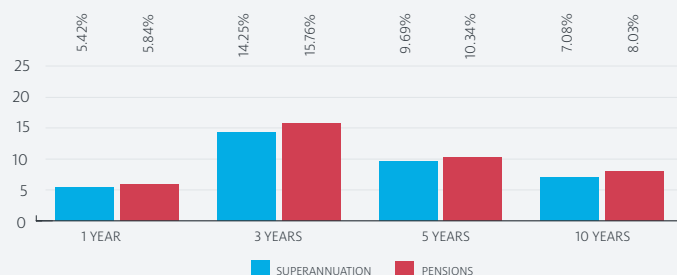
Unit prices fluctuate to reflect investment fees, costs and taxes. These movements are ultimately reflected in the member’s account balance. For further information, please refer to the product disclosure statement.

Sector specific options

AUSTRALIAN SHARES

Investment objective*

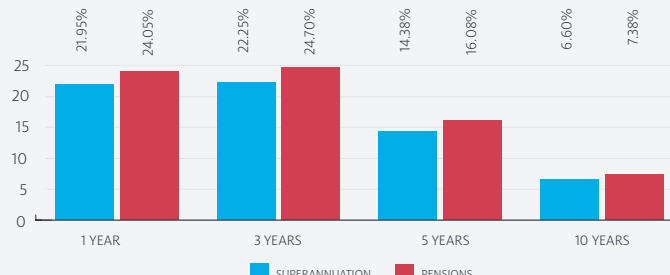
This option aims to outperform its benchmark, the S&P/ASX Accumulation 300 Index, over a rolling 5 year period.



OVERSEAS SHARES

Investment objective*

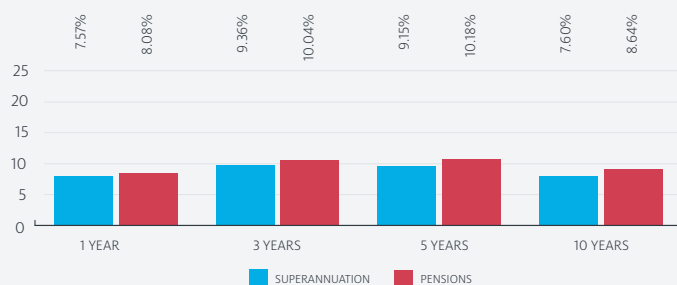
This option aims to outperform its benchmark, the MSCI World ex Australia Index (70% unhedged / 30% hedged), over a rolling 5 year period.



PROPERTY

Investment objective*

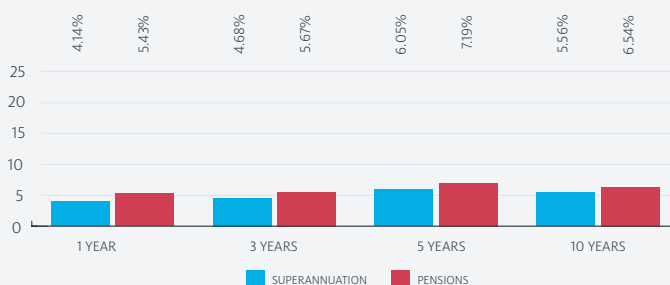
This option aims to outperform its benchmark, a blend of the Mercer Australia Unlisted Property Index (70%) and the FTSE EPRA/NAREIT Global Index (30%, hedged), over a rolling 5 year period.



FIXED INTEREST

Investment objective*

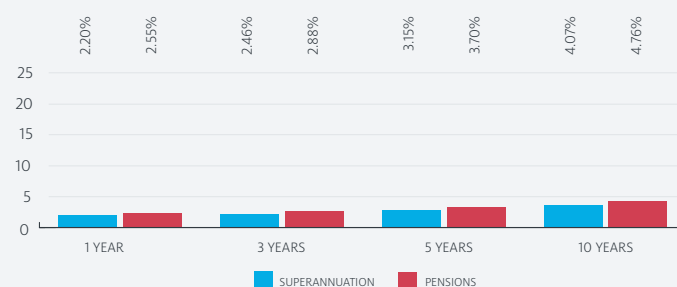
This option aims to outperform its benchmark, a mix of the UBS All Maturities Composite Bond Index (50%) and the Barclays Capital Global Aggregate Index (50%), hedged to Australian dollars, over a rolling 5 year period.



CASH

Investment objective*

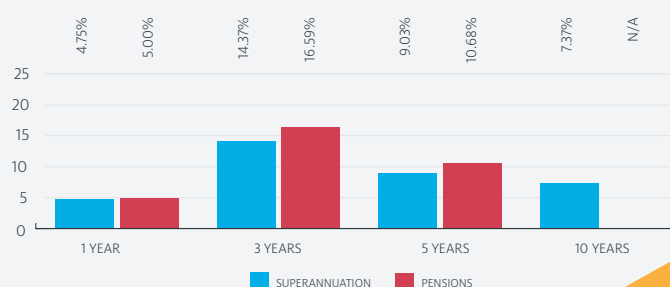
This option aims to outperform its benchmark, the RBA cash rate, over a 1 year period.



SUSTAINABLE RESPONSIBLE INVESTMENTS

Investment objective*

This option aims to outperform its benchmark, the Sustainable Asset Management's Dow Jones Sustainability Index Australia, over a rolling 5 year period.



Financial report



These highlights from 2014/15 demonstrate Equip's financial position.

RESERVES

In line with APRA standard SPS 114 Equip determined a target amount for the operational risk reserve of 0.25% of all funds under management. This reserve is only for the purposes of supporting the financial requirements of Equip in the case of loss arising from an operational risk event.

The administration and general purpose reserve is used to meet ongoing and long term expenses in line with Equip's strategic and business plans. We target an amount of 0.15% of funds under management for this reserve.

The reserves were invested in cash.

SELF-INSURANCE RESERVES

Self-insurance reserves for death and disablement cover are maintained for certain defined benefit members. These reserves are managed in accordance with the defined benefit investment strategy.

TRUSTEE EXPENSES AND LIABILITIES

As a trustee, Equip is entitled to be reimbursed from the fund for the costs and expenses incurred in operating the fund. This includes reimbursement for fees paid to directors.

Equip also has trustee indemnity insurance to cover the directors, other officers and the fund in the event of claims.

However, this does not include:

- liabilities arising from fraud or dishonesty; or
- amounts, such as penalties, for which indemnification is not permitted under legislation.

HOW WE PAY SURCHARGE ASSESSMENTS FROM THE ATO

Even though the surcharge on superannuation contributions for high income earners was abolished from 1 July

2005, we may still receive a surcharge assessment from the ATO for surcharge liabilities a member accrued before that date. How we pay the surcharge depends on whether a member is an accumulation or defined benefit member:

- if the member is an accumulation member we deduct the value of the surcharge assessment from their account; or
- if the member is a defined benefit member we charge the value of the surcharge assessment to their employer's employer benefit account. The surcharge will then build up with interest and the final amount will be deducted from the member's account when they leave their employer; or
- for a defined benefit member with an additional accumulation account, any surcharge assessment can be applied to the member's accumulation account.

THE BALANCE IN EACH OF THESE RESERVE ACCOUNTS WAS:

| | 2015 \$ MILLION | 2014 \$ MILLION | 2013 \$ MILLION |
|--|--------------------|--------------------|--------------------|
| Operational risk reserve | 11.3 | 7.2 | 3.8 |
| Administration and general purpose reserve | 17.7 | 11.1 | 2.7 |
| Self insurance reserve | 16.5 | 15.7 | 14.3 |

THE COMPLETE FINANCIAL REPORT IS AVAILABLE ON THE WEBSITE OR VIA THE HELPLINE 1800 682 626.

“The fund had a strong year with solid investment performance and an ongoing improvement in financial reserves.

As we head into a more challenging period for financial markets, a continued focus on fees will be required to provide members with the best possible benefits at retirement.”

Nick Vamvakas, Executive Officer, Risk.

STATEMENT OF CHANGES IN NET ASSETS FOR YEAR TO 30 JUNE

| | 2015 \$ MILLION | 2014 \$ MILLION |
|---|--------------------|--------------------|
| Net assets available to pay benefits at the beginning of the financial year | 6,435 | 5,667 |
| PLUS | | |
| Member contributions | 91 | 56 |
| Employer contributions | 334 | 334 |
| Accumulation division – transfers in | 143 | 108 |
| Investment revenue | 688 | 795 |
| Insurance proceeds | 9 | 11 |
| Other non-investment interest | 1 | 1 |
| Total income | 1,266 | 1,305 |
| LESS | | |
| Investment expenses | 29 | 25 |
| Administration expenses | 21 | 23 |
| Insurance premiums | 12 | 12 |
| Pensions paid | 50 | 39 |
| Member withdrawals and deductions | 482 | 334 |
| Income tax expense | 82 | 104 |
| Total expenses | 676 | 537 |
| Net change for the year | 590 | 768 |
| Net assets available to pay benefits - end of financial year | 7,025 | 6,435 |

STATEMENT OF NET ASSETS FOR YEAR TO 30 JUNE

| INVESTMENTS | 2015 \$ MILLION | 2014 \$ MILLION |
|---|--------------------|--------------------|
| Cash | 949 | 844 |
| Fixed interest | 943 | 821 |
| Property | 568 | 515 |
| Australian equities | 1,940 | 1,874 |
| International equities | 1,731 | 1,589 |
| Defensive alternatives | 489 | 426 |
| Annuity | 2 | 2 |
| Growth alternatives | 97 | 76 |
| Infrastructure | 399 | 358 |
| Total investment assets | 7,118 | 6,505 |
| OTHER ASSETS | | |
| Cash at bank | 33 | 29 |
| Receivables | 53 | 58 |
| Other | 2 | 2 |
| Total assets | 7,206 | 6,594 |
| LESS | | |
| Payables | 41 | 47 |
| Income tax payable | 15 | 10 |
| Deferred tax liabilities | 125 | 102 |
| Total liabilities | 181 | 159 |
| Net assets available to pay benefits - end of financial year | 7,025 | 6,435 |
| REPRESENTED BY | | |
| Liability for accrued benefits | 6,979 | 6,401 |
| Reserves | 46 | 34 |
| Total | 7,025 | 6,435 |

Risk and compliance

Equip has established a robust risk management framework to appropriately manage the risks associated with its business operations. The framework includes the systems, structures, policies, processes and people that manage the internal and external sources of material risk and compliance with all applicable legislative and regulatory requirements.

The framework covers:

- Governance risk
- Liquidity risk
- Operational risk
- Insurance risk; and
- Strategic and tactical risks arising from the strategic and business plans

Equip aims to protect the assets entrusted to it including:

- the assets managed on behalf of members
- the wellbeing of staff, their jobs and entitlements owing to them; and
- intangible assets such as the fund’s brand and reputation.

The fund’s framework is designed to ensure compliance with all applicable legislative and regulatory requirements that arise from either the business operations or applicable licences.

Equip’s insurance program

Equip maintains a suite of insurance products that includes professional indemnity, directors’ and officers’ insurance and crime insurance cover.

Complaints

Equip has mechanisms in place to address members’ concerns, which we believe are extremely important in helping to determine whether we are meeting the needs of members and providing the high level of service that members expect. The complaints process is one method for capturing member feedback and assists in the development and revision of existing processes and services. Equip aims to provide a fair and transparent complaints process that is easily accessible to members.

Members who are not satisfied with the outcome from a complaint are able to contact the Superannuation Complaints Tribunal (SCT) which is an independent dispute resolution body that can deal with most superannuation complaints.

The SCT can be contacted by phoning 1300 884 114 or by mail at:

Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001

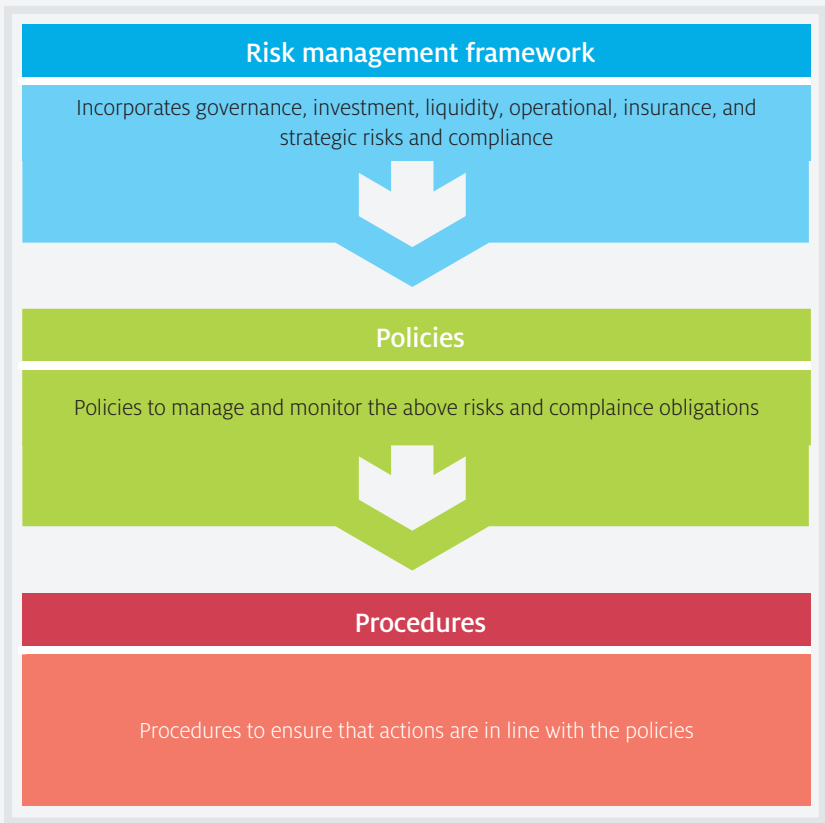
For the 2014/2015 financial year, the number of complaints received was:

Number of complaints to the Fund: 56
(2013/14: 65)

Number of complaints to the SCT: 2 (2013/14: 5)

Number of complaints unresolved at 30 June 2015: 8 (2013/14: 9)

Further information regarding Equip’s enquiries and complaints procedures can be found under “General information” on the next page.



General information

THE ROLE OF THE ELIGIBLE ROLLOVER FUND (ERF)

An ERF is a fund approved by APRA, which can receive benefits payable to members who cannot be contacted or who do not respond to letters regarding payment of their benefits. ERFs are designed to hold lost members' money and generally have more conservative investments than other superannuation funds, which may result in lower returns.

Equip may pay a member's benefit into an ERF if the relevant benefit:

- is less than \$1,500; and
- no member or employer contribution transactions have occurred on the account in the previous 12 months; or
- Equip has lost contact with the member.

Where a member's balance falls to below \$1,500, we will write to the member to provide them with the opportunity to increase the balance to above \$1,500 within 30 days, before the benefit is transferred to the ERF.

We will also transfer a member's benefit to an ERF when they leave employment if the benefit is less than \$1,500 and the member does not give us instructions on where to pay the benefit within 35 days of us requesting instructions.

If a member's benefit is paid to an ERF, it will no longer be with Equip and can only be claimed by contacting the ERF it was paid to. Any insurance cover the member had with Equip will cease. The member will not have any claim against the Fund once the benefit has been transferred to an ERF because the membership will have ceased.

We have selected AUSfund as the Equip ERF. Contact details are:

AUSfund

Level 31, 2 Lonsdale Street
Melbourne, Vic, 3000
Phone: 1300 361 798

Subject to the conditions above, Equip may make annual transfers to the AUSfund Eligible Rollover Fund. Being transferred to an ERF may affect a member's benefits because they will become a member of the AUSfund ERF. If Equip can provide AUSfund with a member's current contact details, AUSfund will provide them with its current Product Disclosure Statement (PDS), which outlines all the operational details of its fund. Members can contact AUSfund for a copy of its PDS.

LOST MEMBERS AND UNCLAIMED MONEY

A member becomes a lost member if mail sent to the member's last-known address is returned at least twice or if we have never had an address for the member. When that happens, we notify the ATO and the member's name is added to the Lost Members Register, where they can obtain information about any superannuation benefits retained by funds that have lost contact with them.

If the amounts payable to the member become 'unclaimed money' (as defined in superannuation legislation) the benefit may be transferred to the ATO where it is held on the member's behalf until they claim it.

In general, a member's benefit becomes unclaimed money if:

- they are a temporary resident and have not claimed their benefit within six months of leaving Australia; or
- they have reached age 65 and not instructed us about their benefit and we have not been able to contact them for five years; or
- we have not received any amounts into the fund for them for at least two years; or
- they meet the definition of being a lost member who is uncontactable or has had an inactive account for more than 12 months and their account does not include a defined benefit interest and;
- the benefit is less than \$2,000 (this threshold is proposed to increase in future years); or
- we don't believe it will be possible to pay their benefit to them in the future; or

- they have died and their account has been inactive for at least two years and we are unable to ensure that their benefit is received by the person/s entitled to receive it.

Since 1 July 2013, when a member claims their 'unclaimed money', interest has been added to the payment.

TEMPORARY RESIDENTS PERMANENTLY DEPARTING AUSTRALIA

If a member entered Australia on any temporary visa which has expired or has been cancelled, the member is eligible to access their benefit from their super fund under the Departing Australia Superannuation Payment (DASP) condition of release within six months of leaving Australia. The member will receive an exit statement providing details about the payment.

Generally, any benefits not claimed within six months of departure will be transferred to the ATO as unclaimed monies. Equip is not required to provide an exit statement to the member when their benefit is transferred to the ATO (and it relies on regulatory relief from the Australian Securities and Investments Commission for this purpose). We will, however, provide information about the benefit if the member enquires about it in the future. The member can then apply to the ATO for the benefit, less DASP tax. Interest has been added to any amounts paid since 1 July 2013. A member's benefit will not be sent to the ATO if they have not claimed it after six months if a member is:

- a current or previous holder of a retirement visa subclass 405 or 410;
- a permanent Australian resident;
- an Australian and New Zealand citizen; or
- a holder of a permanent visa.

GOVERNANCE DISCLOSURES

During the 2014/15 financial year, new regulations became effective, with the goal to provide more transparency on superannuation funds. Disclosure for these purposes includes details of remuneration for directors and executives, as well as certain governing documents, policies and reports.

In the past, we published some of this information in our annual report. From this

annual report onward, we will no longer include this information.

You can find complete, up to date disclosures relating to the Superannuation Industry (Supervision) Act (SIS) (section 29QB, as well as regulations 2.37 and 2.38) on our website www.equipsuper.com.au/ disclosures.

IMPORTANT INFORMATION

Changes in legislation allow super funds to publish their fund information online. In the interest of reducing the cost to members of producing and distributing the annual report, we now publish our annual reports as a PDF for download from our website www.equipsuper.com.au.

If you wish to receive a printed copy of the annual report by mail free of charge, you can call our Helpline **1800 682 626** or email www.equipsuper.com.au/contact and request a copy.

This annual report is issued by Equipsuper Pty Ltd ABN 64 006 964 049 ("the trustee" or "we" or "us"), the trustee of the Equipsuper Superannuation Fund ABN 33 813 823 017 ("the fund"). "Equip" is used interchangeably in this report to refer to both the fund and the trustee.

It has been prepared without taking into account your personal objectives, 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 also seek professional financial advice. Where tax information is included you should consider obtaining personal taxation advice. If you are considering investing in the Fund, you should read the appropriate PDS before making an investment decision.

Neither the trustee, nor any employees or directors of the trustee, guarantee the repayment of capital or the performance of the Fund. Past performance is not an indication of future performance.

Equipsuper Financial Planning Pty Ltd

Equipsuper Financial Planning Pty Ltd (ABN 84 124 491 078, AFSL 455010) is licensed to provide financial planning services to retail and wholesale clients. Equipsuper Financial Planning is owned on behalf of Equipsuper Pty Ltd (ABN 64 006 964 049, AFSL 246383) as the Trustee of the Equipsuper Superannuation Fund (ABN 33 813 823 017).

Equipsuper Superannuation Fund

ABN 33 813 823 017
USI 33 813 823 017 000
SPIN EPL0100AU

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