



Annual Report 2021-2022

Important information

Changes in legislation allow super funds to publish their Fund information online. To reduce production and distribution costs to members, we publish our annual reports as a PDF for download from our website at 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 on 1800 682 626 or contact us via the website at equipsuper.com.au/contact to request one.

This information is published by Togethr Trustees Pty Ltd ABN 64 006 964 049, AFSL 246383 ('the Trustee'), the Trustee of the Equipsuper Superannuation Fund ABN 33 813 823 017 ('Equip'). It is provided for general information only and does not take into account your personal objectives, financial situation or needs and should therefore not be taken as personal advice.

You should consider whether it is appropriate for you before acting on it and, if necessary, you should seek professional financial advice. Before making a decision to invest in the Equipsuper Superannuation Fund, you should read the appropriate Equip Product Disclosure Statement (PDS) and Target Market Determination (TMD).

Past performance is not a reliable indicator of future performance.

Togethr Financial Planning Pty Ltd (TFP) (ABN 84 124 491 078, AFSL 455010), trading as Equip Financial Planning, is licensed to provide financial planning services to retail and wholesale clients. TFP is owned by Togethr Holdings Pty Ltd (ABN 11 604 515 791).

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Who we are

Equip is an award-winning industry super fund offering super, financial advice* and pensions to more than 140,000 members Australia-wide. Since 1931 we've been helping our members to build their wealth and plan for their retirement, so they can achieve the best possible financial outcomes.

Equip has grown substantially in recent years. Today, the Trustee manages several leading brands and close to \$30 billion in funds under management.

Every day we strive to provide excellence in super and deliver it with care for our members, supporting them as they prepare for, and enjoy, financial freedom in retirement.

* Personal financial advice is provided by Togethr Financial Planning Pty Ltd, a related entity of Togethr Trustees Pty Ltd, the Trustee of Equip.

Our vision

**Excellence in super,
delivered with care.**

Our purpose

**Support our members to prepare
for and enjoy financial freedom
in retirement.**

Message from our Chair



People are at the heart of everything we do at Equip. The past financial year demonstrated that above all else, if we take care of our people we will progress and achieve our goals. While the challenges of recent years have not yet disappeared, our people continue to focus on providing our members with excellence in super, delivered with care. Looking back over the last 12 months I am pleased to say we have many reasons to celebrate, and we'll continue to simplify and consolidate to ultimately improve retirement outcomes for all our members.

This past year, Australians experienced continued disruption and volatility due to COVID-19, uncertain investment markets, high inflation and geopolitical events. Ways of working also continued to change significantly, technology flourished, and our members' and employers' expectations shifted – in 2022 our stakeholders expect to be connected and supported regardless of where they are. Equip is using the latest technology to create safe, flexible and effective working environments that meet the needs of everyone. We've introduced a hybrid working model so our people can support our members effectively from anywhere in the country, but we are pleased to see that our people still enjoy coming into the office, sharing the energy collaboration brings. The flexibility we embraced allows us to routinely host hundreds of online events and meetings with our members, employers and other stakeholders all around the country and the world.

Placing people at the heart of everything we do is one of the reasons we continue to attract industry-leading professionals to our Fund. This year we welcomed three new executives to Equip. Andrew Howard has been appointed as Chief Investment Officer (CIO), coming to us after many years of experience in the superannuation industry, including recent senior investment roles at Hostplus and VicSuper. We also welcomed Chief Member Officer (CMO), Alexis Harrison, who has 20 years' experience driving exceptional member outcomes, most recently in senior roles at VicSuper. Finally, I am excited to announce that, in order to deliver significant transformational change here at Equip, Brent Retallick has been appointed Executive Officer, Transformation and Technology to deliver the innovation and experiences our stakeholders expect.

Another reason to celebrate this year is the successful completion of both the Catholic Super and BOC successor fund transfers into Equip. These coalitions support our continued growth and position us as a leading Australian superannuation fund.

Our relationships with the utilities, mining and transportation industries are incredibly important. One way we ensure our members receive the best possible outcomes for their retirement is by working closely with our employers. This year was no different – we embraced the freedom to travel around the country visiting many of Australia's furthest regions including Paraburdoo (WA), Weipa (QLD) and Gippsland (VIC), as well as all capital cities.

Equip continues to focus on what we've always done well – excellent governance, strong long-term investment performance and the best possible service and financial advice for our members. We look forward to continuing to support our members with improvements in the year ahead. I invite you to hear from myself and the members of the Board and Executive team at our next Annual Member Meeting on 8 March 2023.

Thank you for being a member of Equip.



Danny Casey
Chair

Message from our CEO



This year many of us embraced the partial return to 'COVID normal' that we've been eager to achieve. While the media focused on significant changes, like the recommencement of international travel, for most of us – it's the little things that have made the biggest difference. I'm pleased to say that it's these little things that we have appreciated here at Equip too. Our people are returning to the office, and the energy of in-person collaboration has powered them to further support our members through innovative products and services. This year has been one of simplification, consolidation and celebration. I'm proud of what we've achieved.

While there were positive changes in 2021–22, Australian super funds continued to experience the negative impacts of COVID, higher inflation and the impact of geopolitical volatility on investment markets. This influenced one-year investment returns for Equip members, and the members of most other super funds across Australia. We saw our first negative financial year return for our Balanced Growth investment options in many years. However, because of the dedication and expertise of our investment team, we still delivered strong long-term performance for our members. We should remember that, while returns were negative in 2021–22, they followed very strong returns the financial year before. Actually, returns have been mostly quite robust since the financial crisis of 2008–09. Our Balanced Growth investment option achieved an average return of 8.4% p.a. over the 10 years to 30 June 2022.

Over the course of the year, we prioritised simplifying our products and services for members. This included the sale of Catholic Super's bank, MyLife MyFinance, to Challenger which has allowed us to focus on what we do best – providing industry-leading super and financial advice to our members.

We also finalised the successor fund transfer (SFT) of Catholic Super and Equip and completed the SFT of BOC Super, welcoming new members to Equip. Consolidating brings economies of scale, drives efficiencies and allows us to remain competitive with fees. It also means we can improve the products and services we offer members and employers, with the aim of improving retirement outcomes for all our members. Some of those innovations are outlined in this report. Thank you for your support over the last financial year. I look forward to updating you on our progress again soon.

Scott Cameron
Chief Executive Officer

Recognition and awards

Outstanding value for money

We've consistently been recognised for our outstanding value as a super fund, and the true beneficiaries of that are our members.

Independent ratings agency SuperRatings* has awarded Equip their highest platinum performance rating as a 'Best value for money' fund 15 years in a row – for both our super and pension products.

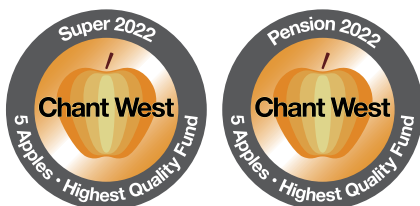
SuperRatings* also named Equip as a finalist in its MySuper of the Year, MyChoice Super of the Year (Choice product) and Momentum awards in 2022, as a fund that has demonstrated significant progress in executing key projects that will enhance its strategic positioning in coming years.

* SuperRatings does not issue, sell, guarantee or underwrite this product. Go to superratings.com.au for details of its ratings criteria.



A 5 Apple fund

Our super and pension products received a 5 Apples rating from Chant West for 2022 – the highest quality rating a fund can get.



Helping to lead the way

We've been recognised as a leader in our industry in the following Chant West Awards for 2022:

Finalist: Corporate Solutions Fund of the Year

Finalist: Best Fund: Member Services

Finalist: Best Fund: Insurance

Celebrating our people



Debbie Gamble

Office and Facilities Management

Debbie has served our staff and members for over five years.

A highly skilled administrator with extensive experience in a professional corporate environment, Debbie's expertise encompasses administration, facilities and office management, reception and executive secretarial. Prior to working in superannuation, Debbie worked in various industries – most recently in different roles at Rio Tinto's Australian corporate head office in Melbourne. Rio Tinto is one of our primary employers and many of our Rio members are pleased to see Debbie's familiar face when they visit.

Throughout the pandemic, Debbie's commitment and dedication was exceptional. Her presence in our Melbourne Head Office provided much-needed continuity and reassurance, not just when it came to supporting our members, but also for our employers and our own staff. We're grateful for her ongoing office management.

Fund snapshot

(for the year ended 30 June 2022)



Funds under management
\$29.8 billion



Total members
143,888



Contributing employers
7,774



Member contributions
\$1.37 billion



Salary sacrifice contributions
\$136.5 million

Performance snapshot

(for the year ended 30 June 2022)

With low fees and a history of strong returns, Equip members can be confident that their super is delivering solid results over the long term.

In the 15 years to 30 June 2022, and after fees, Equip's Balanced Growth investment option* returned \$603 more per year than the average super fund, and \$846 more than the average retail super fund (for a member with a starting balance of \$200,000).

Equip Balanced Growth option

Investment return

-3.71%

(70% in growth style assets)

*Equip's Balanced Growth investment option is used for this comparison given its similarity to our MySuper investment option in asset allocation and investment objectives. Balanced Growth has a longer-term performance history.



equip

Balanced Growth*
investment option

\$11,131 p.a.[^]

Average retail super fund

\$10,285 p.a.[^]

Average super fund

10,528 p.a.[^]

[^] Source: Chant West (chantwest.com.au) Past performance is not a reliable indicator of future performance. Net returns are compared for a member balance of \$200,000 and calculated based on the annualised investment return (after tax and investment fees) over the 15 years to 30 June 2022, and the latest administration fees at August 2022. The retail super category includes balanced options of corporate funds, corporate master trusts and retail master trusts. Important information about the data provided by Chant West can be found on page 33.

How we invest

Our aim is to grow our members' wealth over time so they're prepared for financial freedom in and through retirement. We take an active approach to managing investments applying both patience and discipline. And while financial markets present opportunities and risks that we manage over shorter timeframes, our main focus is on delivering strong returns over the longer term.

We're mindful of costs and we strive to deliver the best service possible, while also keeping our fees as low as we can. We invest responsibly not only because it's a fundamental part of our fiduciary obligation, but because we're committed to delivering the best financial outcomes possible for our members.

It's our job to:

- deliver the best possible retirement income for the most members by aiming to maximise net benefits
- focus on long-term goals, aiming for consistent outcomes through different market conditions
- make proactive investment choices based on market conditions
- access global opportunities that may be unavailable to individual investors
- strike an appropriate balance between risk and return in members' long-term interest.
- retain a team of high-calibre investment professionals.

Difficult conditions after a strong run

The 2021–22 financial year produced negative returns across a range of investments as markets faced difficult conditions on many fronts. These included the highest inflationary pressures seen in around forty years, rapidly rising interest rates, the war in Ukraine, and continued uncertainties about the COVID pandemic and its longer-term impacts.

The Australian share market (S&P/ASX 200 index) returned -10.2% for the year, with most other global share indices producing double-digit negative returns. There was little shelter in bond markets, which also produced negative returns.

Equip's MySuper and Balanced Growth options both returned -3.7% for the year. While this result is disappointing, it follows years of stronger returns and represents the only year of negative returns in the past 10 years. When investing over a long time frame, a period of lower performance every now and then is to be expected.

Despite this number being lower than we would like for our members, it does highlight the important role that

diversification can play during periods of market stress. Our investments outside the share market – for example in property and infrastructure – helped counterbalance market volatility.

We passed the super test

We're pleased to announce that Equip passed the 2022 Performance Test of the Australian Prudential Regulation Authority (APRA). This annual review benchmarks superannuation funds' MySuper products and publicly names underperformers.

The initiative is part of the Federal Government's Your Future Your Super reforms. It assesses MySuper products with at least five years of performance history against an objective benchmark.

As APRA explained when announcing its latest results: "The annual performance test was introduced last year to protect members from poor outcomes and hold trustees accountable for the implementation of their investment strategy. The test assesses products' long-term performance against a clear and objective benchmark tailored to each product's asset allocation". This is great news for members and emphasises our commitment to long-term results.

Our ESG approach

Responsible investment continues to be an important part of our long-term strategy. We believe that by integrating environmental, social and governance (ESG) factors into how we manage our investment portfolios, and applying responsible investment practices, we can enhance risk-adjusted returns for members over the long term.

Climate change

The Trustee recognises climate change as a material investment risk and will continue to consider its approach to addressing any potential impacts on the portfolio. This includes a commitment to acting in the best financial interest of members as we seek new opportunities and investments that are part of the solutions to achieve a Net Zero (carbon dioxide equivalent emissions) by 2050 outcome. We will continue to expand on these commitments and expect to provide more information on the Trustee's approach throughout 2023.

Investment fees and costs

For details of our investment fees and costs, refer to the Product Disclosure Statement and Fees and Costs Guide for your Equip product equipsuper.com.au/pds

Names of domestic and international managers

We outsource most of our investment management to external providers, which means we can choose the best managers and strategies. The investment managers in the table below were appointed by the Fund for each asset class, as at 30 June 2022. Managers may change from time to time.

Managers	Asset Class	Managers	Asset Class
Acadian Asset Management (Australia) Ltd	Overseas Shares	Invesco Commercial Mortgage Income Fund, L.P.	Fixed Interest
Allan Gray Australia Pty Ltd	Australian Shares	Janus Henderson Investors (Australia) Ltd	Overseas Shares
AllianceBernstein Australia Ltd	Australian Shares	Lend Lease Real Estate Investments Ltd	Property
AMP Capital Investors Ltd	Infrastructure	LGT Fund Managers (Ireland) Ltd	Alternatives
Antares Capital Partners Ltd	Cash	Lighthouse Infrastructure Management Ltd	Infrastructure
Apollo Global Management, Inc.	Alternatives	Macquarie Agricultural Funds Management Ltd	Alternatives
Ardea Investment Management Pty Ltd	Fixed Interest	Macquarie Investment Management Global Ltd	Fixed Interest
Baillie Gifford & Co.	Overseas Shares	Macquarie Specialised Asset Management Ltd	Infrastructure
Barwon Investment Partners Pty Ltd	Property	Martin Currie Investment Management Ltd	Overseas Shares
BlackRock Investment Management (Australia) Ltd	Overseas Shares, Fixed Interest	Metrics Credit Partners Pty Ltd	Fixed Interest
Brandywine Global Investment Management LLC	Fixed Interest	Monroe Capital Management LLC	Fixed Interest
BroadRiver Asset Management, L.P.	Alternatives	National Australia Bank Ltd	Currency Overlay
Campus Living Funds Management Pty Ltd	Alternatives	Northcape Capital Pty Ltd	Overseas Shares
Charter Hall Investment Management Ltd	Property	Oaktree Capital Management, L.P.	Alternatives
Cooper Investors Pty Ltd	Australian Shares	Orbis Investment Management Ltd	Overseas Shares
Copenhagen Infrastructure Partners, LP	Infrastructure	Paradise Investment Management Pty Ltd	Australian Shares
Dexus Funds Management Ltd	Property	Partners Group AG	Alternatives
Edelweiss Alternative Asset Advisors Pte Ltd	Alternatives	Plato Investment Management Ltd	Australian Shares
Firetrail Investments Pty Ltd	Australian Shares, Overseas Shares	Qualitas Partners Pty Ltd	Fixed Interest
First Sentier Investors (Australia) IM Ltd	Australian Shares, Overseas Shares	QIC Ltd	Asset Allocation Overlay
Flinders Port Holdings Pty Ltd	Infrastructure	Quinbrook Infrastructure Partners	Infrastructure
Fulcrum Asset Management LLP	Alternatives	Renaissance Smaller Companies Pty Ltd	Australian Shares
Generation Investment Management LLP	Overseas Shares	Resolution Capital Pty Ltd	Property
Global Energy Efficiency and Renewable Energy Fund, SIF	Alternatives	Resolution Life Group Holdings Ltd	Alternatives
Goodman Funds Management Ltd	Property	Revolution Asset Management Pty Ltd	Fixed Interest
GPT Funds Management Ltd	Property	Ruffer LLP	Alternatives
Hayfin Capital Management LLP	Alternatives, Fixed Interest	Schroders Investment Management Australia Ltd	Overseas Shares
Morrison & Co Utilities Management (Australia) Pty Ltd	Infrastructure	Shenkman Capital Management, Inc	Fixed Interest
IFM Investors Pty Ltd	Australian Shares, Infrastructure, Fixed Interest	Siguler Guff & Company, LP	Alternatives
Igneo Infrastructure Partners	Infrastructure	Stewart Investors	Overseas Shares
Infrastructure Capital Group Ltd	Infrastructure	T. Rowe Price International Ltd	Overseas Shares
Intermede Investment Partners Ltd	Overseas Shares	Tangency Capital Ltd	Alternatives
		UBS Securities Australia Ltd	Asset Transition

Growing our Fund

Our goal as a Fund is to grow our funds under management. That's because we believe greater size will allow us to offer members the benefits that come with economies of scale, greater value for money, broader investment expertise, and improved services. Our growth aspiration goes to the very heart of why we exist as a Fund – to maximise retirement outcomes for our members.

We're working to achieve growth both organically (ie by growing our member numbers) and inorganically (for example, as appropriate fund acquisition opportunities arise).

Over the past year we finalised the successor fund transfer of Catholic Super and Equip, and we completed the transition of BOC Super to Equip. The BOC transition resulted in a \$774 million increase in funds under management, and we welcomed 2,800 new members to the Fund. Whenever we assess growth opportunities such as these, it's always through that fundamental lens of maximising retirement outcomes for our members.

Corporate super and managing large corporate plans (including complex defined benefits) for employers is ingrained in our DNA. Over the past year we've continued to partner closely with our employers so we can continue to enhance their overall employee value proposition. This helps the employer to retain and attract employees, which in turn helps Equip to attract more members. (You can find out more about how we're working with employers on page 13.)

Our growth aspiration goes to the very heart of why we exist as a Fund – to maximise retirement outcomes for our members.

Member services snapshot

(for the year ended 30 June 2022)



**Inbound calls to
Call Centre**

52,008

**Mobile app
downloads**

7,664



**Total mobile
app log-ins**

40,172

Improving our member experience

We seek to know and understand our members in order to provide excellence in super, delivered with care. Our member-led philosophy enables us to tailor experiences so that each member receives information and services that meet their specific needs.

This year we introduced phone-based payment transactions to better service our pension members and ensure more timely processing.

A new knowledge base system provided greater support to the Equip team, allowing us to access resources more efficiently. As a result, enquiries were answered more promptly and member experiences improved.

Some of the many other changes we made this year to improve the experience of members included:

- switching to a new insurance provider
- improvements to our retirement program
- beginning a digital upgrade so members' online experience with Equip is smoother and easier.

What do our members think?

We regularly ask our members and employers for feedback, using this to help us develop and measure Fund initiatives so they deliver the best possible results. This year we received a Net Promoter Score (NPS)¹ of +58.2 from callers. It's a good reflection on our service that 23.3% of callers made time to participate in this survey at the end of their conversation.

¹ NPS is a market research tool aimed at rating the likelihood that a customer will recommend a company, product, or a service to a friend or colleague. NPS Scores range from -100 to +100. A score over +1 is considered positive.

Employing industry-leading professionals



Dileepa Diyagama
(Business Intelligence Manager)

Dileepa joined the Fund as part of our increasing focus on how to use data to achieve better outcomes for members and employers.

Dileepa's Business Intelligence team analyses data to improve member service and support – their insights tell us things that even our members don't know about themselves! His work with us during the past year has already delivered substantial improvements to the Fund and its stakeholders.

Dileepa has a Master of Applied Commerce and Marketing from the University of Melbourne and over 15 years' experience in a range of industries (most recently at Vanguard and Mercer). In October this year Dileepa was awarded a coveted FEAL scholarship to attend the Emerging Leaders Program at Melbourne Business School.

Members logging in to member online

58%



Pension members using member online

50%

Member online average session time

234 seconds



Strengthening our offer

Appointment of new insurer – enhanced offering, more efficiencies

This year we were delighted to announce that MetLife became our new insurer on 1 July 2022. The appointment came after an extensive, in-depth search over a period of some 18 months, during which time we assessed Australia's leading group life insurers.

MetLife is a partner to 13 major super funds – and with good reason. They have a proven track record and provide quality insurance to over 1.5 million Australians. Our partnership with MetLife means Equip members can benefit from a broad range of insurance products and services.

Members now have access to enhanced online functionality, including an integrated process for insurance applications and cover changes. They can also use MetLife's 360Health, which includes comprehensive early intervention programs, as well as preventative health and wellbeing initiatives. Future enhancements will include the lodgement and tracking of claims online.

Prior to the appointment of MetLife, the Fund had three separate insurers. This move has allowed us to simplify and harmonise operations, and we're confident it will continue to deliver improvements for our members over time.

Administration fees lowered for pension members

As an industry fund, we're always looking for ways to improve what we offer, and pass back savings to our members. From 1 July 2022, we lowered both the weekly and the asset-based administration fees for members with an account based or transition to retirement pension.

- ➔ The weekly fee went from \$2.50, down to \$1.95 a week.
- ➔ The asset-based administration fee decreased from 0.25% to 0.20% a year. As a result, the most a member will pay now is \$1,000 a year – down from the previous maximum of \$1,250.
- ➔ On a pension account balance of \$400,000, the annual saving is \$228.60 – the total administration fee cost dropping from \$1,130 to \$901.40.

This fee reduction makes our pension products even more competitive. Not surprisingly, we're placed in the top 33% of funds for lowest overall costs for pension balances under \$500,000, and in the top 25% for balances of \$1 million or more (SuperRatings SMART, August 2022).

Reduced fees for pension members

- ➔ Weekly fee down from \$2.50 to \$1.95.
- ➔ Asset-based administration fee down from 0.25% to 0.20% a year.

Celebrating our people



Patrick Hosken
Head of Product

Patrick has been an expert in our Product team for over seven years and was recently promoted to Head of Product.

Leading up to his new role, Patrick's career in superannuation spanned 16 years at leading Australian brands – the depth of experience he gained during that time positioned him as an exceptional product expert. Recently, Patrick led the implementation of our new insurer, MetLife, and introduced reduced fees for pension members. He is dedicated to ensuring our members have access to top quality super and pension products that support them for the best possible outcomes during their career and also in retirement. Patrick's ability to consider the entire member experience, always seeking to add value, is what sets him apart as an industry leader.



Partnering with our employers

At Equip, we're a true partner to our employers, equipping them with specialist skills and customised solutions to support and improve their employees' retirement outcomes.

We believe in helping employers demonstrate that they care about their employees, and in doing so, aiding workforce retention. Supporting employee retention is more important than ever at present, especially in view of current trends such as 'the great resignation' following lockdowns and other pandemic experiences.

Of course, these employees are also Equip members, so by working with employers to benefit their employees in this way, we're also helping to support better retirement outcomes for our members.

Equip has a proud history of supporting defined benefits, tailored corporate insurance arrangements, generous employer-provided super entitlements and other benefits for employers and their employees. This personalised, employer-specific approach is one of the things that sets us apart from many of our peers in the industry super fund sector.

Supporting stapling obligations

When new stapling obligations were applied to employers this year, requiring them to look up and contribute to the existing super fund of any new employees who hadn't chosen a fund, we were ready to assist with information. This meant that employers could adapt their processes and get great outcomes for their new starters.

Welcoming BOC Limited and their employees

During the year, Equip welcomed BOC Limited as a new employer, providing transfer information sessions, welcome calls and emails to help our newest employer and members. It's all part of what we do to help ensure that the transition to Equip – both for the new employer and their employees – is as seamless as possible.

Flexible delivery of workplace information sessions

We visited sites as far and wide as Paraburdoo (WA) and Weipa (QLD), as well as capital cities and major regional centres across the country to assist members in person, conveniently, at their workplace.

The challenges of running workplace information sessions during the pandemic have led to an expansion of our online seminar (webinar) offerings. Digital services will remain an important part of how we assist employers and members. They can choose the most convenient means for them, whether that be face-to-face, on the phone or online.

Keeping our employers informed

Employers continue to receive regular tailored communications via email. These updates help employers stay up to date with, and meet, their super obligations; while also providing information they can pass on to staff. Topics include legislative changes, benefit improvements, investment returns and outlooks, insights from research, and more.

Driving better retirement outcomes

Retirement Income Strategy

The Federal Government recently introduced the Retirement Income Covenant, an important measure designed to focus the superannuation industry on improving outcomes for members who are approaching, or already in, retirement.

Under the covenant, super funds are required to create a Retirement Income Strategy (RIS) setting out how members can achieve and balance three key objectives:

- ➔ maximising expected retirement income
- ➔ managing expected risks to retirement income
- ➔ having flexible access to funds over the course of retirement.

In creating an RIS for Equip, we've aimed to achieve a balance between the legislative objectives, and the different needs of our soon-to-be-retiring, and retired, members. Indeed, developing our RIS has been an opportunity to build on what we do every day as a Fund to help our members achieve the best possible retirement outcomes.

You can access a summary of our RIS at equipsuper.com.au/retirement-income-strategy. We'll review this RIS regularly and update the summary whenever changes are made.

Engaging members at the right time

We know that engaging members with their super is critical when it comes to helping them achieve the best retirement outcome possible. And our members told us they want us to contact them directly to help explain and demystify super and retirement. That's why we developed a life stage campaign strategy to help us provide specific support for specific members at pivotal times and stages in life.

Over the past year, our life stage campaigns combined direct mail, email and outbound calls to proactively create awareness, provide information and assist in three key areas:

- ➔ salary sacrificing
- ➔ transition to retirement strategies
- ➔ increasing awareness of Equip's account based pension product.

We're now looking to expand this strategy to integrate Equip's Retirement Concierge service. The Concierge service supports members on their journey towards, and during, retirement,



with a targeted series of outbound phone calls before the member reaches certain life stages, so that we're better able to enhance retirement outcomes.

We know that engaging members with their super is critical when it comes to helping them achieve the best retirement outcome possible.



Supporting our people

Celebrating our amazing team

We know that by employing, training and supporting a talented workforce, we're better placed to provide superior service to our members. And through all the changes and challenges of the past year, our people have truly shone.

From executive management right through to our member-facing staff, our teams have all played a role in helping to provide the best possible outcomes for our members. We thank them for their strength and resilience, and their unwavering focus on our members.

Adapting to our changing world

Our people have worked with us on average for 4.2 years. Together we've been through some of the most significant

changes in decades. Importantly, our business model matches the realities of this new world.

Flexible home and office-based work locations, the appropriate technology to support hybrid working, plus the right management leadership and emotional support, mean we've come through the last year continuing to be motivated and focused. We believe workplace flexibility is here to stay and Equip is committed to ensuring it works well.

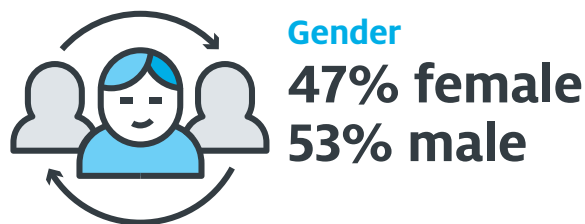
Nurturing wellbeing

Psychological and emotional support has been a major focus both within the Fund, and via our external employee assistance providers. A focus on mental health is an important part of our overall wellbeing program.

We make superannuation payments during the unpaid portion of maternity leave for up to nine months and make sure this leave is both flexible and individual needs focused.

Supporting gender balance

Our overall gender balance ratio is close to 50%, with 40% of the executive team being female. We will continue to support this balance in our employment, promotion and development processes while ensuring our industry super gender pay gap continues to reduce.



How returns are allocated

Equip uses a 'unitised' system for calculating returns



Each member receives 'units' matching the dollar value of their account



The unit price is updated daily



The unit price moves up or down with investment performance



The unit price for each investment option is reached by dividing the market value of the Fund's assets by the number of units on issue



The unit price allows for investment manager and custodian fees but not for administration fees and member specific fees



As contributions are added to a member's account, units are purchased at the going price



If a member leaves the Fund or withdraws money, units are redeemed (sold) at the going price



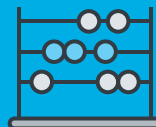
The current value of an account equals the number of units held in the member's investment options, multiplied by the going value per unit



At the end of each financial year, the Fund takes final unit prices and translates them into an annual return for each investment option



A member's statement shows the value of their investment options, and percentage returns over the financial year



A member's return is affected when they make contributions to the Fund or withdrawals, or switch between investment options

Employing industry-leading professionals



Andrew Howard
Chief Investment Officer

Andrew joined Equip as Chief Investment Officer in 2021; a highly experienced executive with over 25 years in the investments and superannuation industry and expertise across all aspects of funds management.

Andrew possesses strong investment management credentials covering investment strategy, portfolio design and manager selection across all asset classes, with extensive experience working within profit to member superannuation funds.

Prior to joining Equip, Andrew held roles as Deputy Chief Investment Officer at Hostplus and as Chief Investment Officer at VicSuper. Andrew's expertise has navigated Equip through the uncertain investment markets of the previous 12 months and he will be speaking about the Fund's investment strategy and performance at the Annual Member Meeting in early 2023.



Returns

Accumulation and Transition to Retirement

	1 Year Return (%)	3-Year Return (% p.a.)	5-Year Return (% p.a.)	7-Year Return (% p.a.)	8-Year Return (% p.a.)	10-Year Return (% p.a.)	15-Year Return (% p.a.)	20-Year Return (% p.a.)
Growth Plus	-6.37	5.88	7.93	7.80	8.54	10.77	6.03	8.05
Growth	-5.48	5.20	6.81	6.98	7.52	9.36	5.88	–
Balanced Growth	-3.71	4.51	6.03	6.38	6.89	8.40	5.82	7.30
Balanced	-3.27	3.30	4.53	4.92	5.32	6.47	5.26	–
Conservative	-2.86	2.14	3.09	3.48	3.81	4.69	4.55	5.31
Australian Shares	-3.01	4.69	6.60	7.09	6.88	9.19	5.07	8.54
Overseas Shares	-15.50	6.16	8.62	7.92	9.58	12.03	6.34	6.51
Fixed Interest	-4.62	-0.04	1.09	1.86	2.14	2.70	4.12	4.37
Property (option closed on 6 June 2022)	9.45	5.73	6.88	7.94	7.89	8.37	6.53	8.33
Sustainable Responsible Investment	-1.00	3.58	7.59	7.02	6.74	9.18	4.66	8.55
Cash (Equip)	0.12	0.37	0.90	1.15	1.28	1.54	2.54	3.10
Defined Benefit	-2.73	3.94	5.18	5.80	6.29	8.00	5.41	7.16
MySuper	-3.73	4.44	5.82	6.15	6.59	–	–	–




Property was closed on 6 June 2022 and returns are calculated to this date.

Account Based Pension




	1-Year Return (%)	3-Year Return (% p.a.)	5-Year Return (% p.a.)	7-Year Return (% p.a.)	8-Year Return (% p.a.)	10-Year Return (% p.a.)	15-Year Return (% p.a.)	20-Year Return (% p.a.)
Growth Plus	-7.28	6.15	8.70	8.42	9.24	11.74	6.50	8.77
Growth	-6.19	5.48	7.57	7.56	8.13	10.16	6.61	–
Balanced Growth	-4.22	4.53	6.51	6.64	7.22	8.96	6.21	7.89
Balanced	-4.06	3.35	4.97	5.28	5.76	7.04	5.79	–
Conservative	-3.29	2.34	3.51	3.70	4.10	5.08	5.01	5.89
Australian Shares	-3.43	5.20	7.32	7.62	7.40	10.00	5.42	9.12
Overseas Shares	-16.52	6.59	9.53	8.77	10.57	13.32	6.90	7.30
Fixed Interest	-5.38	-0.01	1.29	1.88	2.32	3.00	4.70	4.98
Property (option closed on 6 June 2022)	10.65	6.18	7.70	8.65	8.58	9.07	7.28	9.12
Sustainable Responsible Investment	-1.26	3.62	8.14	7.81	7.45	10.37	5.13	–
Cash	0.15	0.44	1.06	1.35	1.50	1.80	2.97	3.62

Property was closed on 6 June 2022 and returns are calculated to this date.




Diversified options

	Growth Plus	Growth	Balanced Growth			
Investment option	Invests primarily in Australian and overseas shares, while providing some exposure to property, infrastructure and alternative assets. These are growth investments, with the property, infrastructure and alternative allocations providing some diversification from shares.	Invests primarily in Australian and overseas shares, while providing some exposure to property, infrastructure and alternative assets. These are mostly growth investments, with small allocations to defensive assets, such as fixed interest and cash, providing some diversification.	Invests mainly in growth assets such as shares, property and infrastructure, which are expected to earn higher returns over the long term, with the balance invested in more stable assets like fixed interest securities and other defensive assets.			
Who this option is designed for	This option is designed for members who are prepared to accept an aggressive asset allocation which has the potential of providing higher returns, but also increases the risk of a negative return.	This option is designed for members who are prepared to accept an aggressive asset allocation which has the potential of providing higher returns, but also increases the risk of a negative return.	This option is designed for members who want a balance between risk and return but who are prepared to accept an asset allocation weighted towards growth assets.			
Investment objective	Achieve a net return of at least 3.75% p.a. above CPI over rolling 10-year periods.	Achieve a net return of at least 3.5% p.a. above CPI over rolling 10-year periods.	Achieve a net return of at least 3% p.a. above CPI over rolling 10-year periods.			
Minimum investment timeframe	The minimum suggested timeframe to invest is 10 years.	The minimum suggested timeframe to invest is 10 years.	The minimum suggested timeframe to invest is 10 years.			
Standard risk measure	The risk level of this option is high, with a likelihood of negative returns occurring 5.7 years in a 20-year period.	The risk level of this option is high, with a likelihood of negative returns occurring 5.4 years in a 20-year period.	The risk level of this option is high, with a likelihood of negative returns occurring 4.6 years in a 20-year period.			
Strategic asset allocation (SAA)	Asset class	SAA%	Asset class	SAA%	Asset class	SAA%
	Australian shares	38	Australian shares	33	Australian shares	25
	Overseas shares	44	Overseas shares	38	Overseas shares	30
	Property	6	Property	5	Property	7
	Infrastructure	6	Infrastructure	6	Infrastructure	9
	Alternatives	4	Alternatives	5	Alternatives	5
	Alternative fixed interest	0	Alternative fixed interest	6	Alternative fixed interest	7
	Traditional fixed interest	0	Traditional fixed interest	4	Traditional fixed interest	12
	Cash	2	Cash	3	Cash	5
	Growth / Defensive	93/7	Growth / Defensive	82/18	Growth / Defensive	70/30
						
Permitted ranges	Asset class	Permitted range %	Asset class	Permitted range %	Asset class	Permitted range %
	Australian shares	33-53	Australian shares	25-60	Australian shares	10-45
	Overseas shares	38-58	Overseas shares	25-60	Overseas shares	5-45
	Property	0-13	Property	0-15	Property	0-20
	Infrastructure	0-13	Infrastructure	0-20	Infrastructure	0-20
	Alternatives	0-15	Alternatives	0-20	Alternatives	0-20
	Alternative fixed interest	0-10	Alternative fixed interest	0-15	Alternative fixed interest	0-20
	Traditional fixed interest	0-10	Traditional fixed interest	0-15	Traditional fixed interest	0-30
	Cash	0-10	Cash	0-15	Cash	0-15



Diversified options

	Equip MySuper	Balanced	Conservative
Investment option	Invests mainly in growth assets such as shares, property and infrastructure, which are expected to earn higher returns over the long term, with the balance invested in more stable assets like fixed interest securities and other defensive assets.	Provides an even distribution between growth and defensive assets. The aim is to provide capital growth with reduced volatility.	Invests mainly in fixed interest securities and cash, which are expected to deliver stable but low returns over the long term, with the balance invested in shares and other growth assets.
Who this option is designed for	This option is designed for members who want a balance between risk and return, but who are prepared to accept an asset allocation weighted towards growth assets.	This option is designed for members who want a balance between risk and return.	This option is designed for members who wish to select a lower returning asset allocation in exchange for more stability and security.
Investment objective	Achieve a net return of at least 3% p.a. above CPI over rolling 10-year periods.	Achieve a net return of at least 2% p.a. above CPI over rolling 7-year periods.	Achieve a net return of at least 1.5% p.a. above CPI over rolling 5-year periods.
Minimum investment timeframe	The minimum suggested timeframe to invest is 10 years.	The minimum suggested timeframe to invest is 7 years.	The minimum suggested timeframe to invest is 5 years.
Standard risk measure	The risk level of this option is high, with a likelihood of negative returns occurring 4.6 years in a 20-year period.	The risk level of this option is medium to high, with a likelihood of negative returns occurring 4 years in a 20-year period.	The risk level of this option is low to medium, with a likelihood of negative returns occurring 2 years in a 20-year period.
Strategic asset allocation (SAA)	<p>Asset class SAA%</p> <ul style="list-style-type: none"> Australian shares 25 Overseas shares 30 Property 7 Infrastructure 9 Alternatives 5 Alternative fixed interest 7 Traditional fixed interest 12 Cash 5 <p>Growth / Defensive 70/30</p> 	<p>Asset class SAA%</p> <ul style="list-style-type: none"> Australian shares 19 Overseas shares 22 Property 6 Infrastructure 6 Alternatives 4 Alternative fixed interest 14 Traditional fixed interest 15 Cash 14 <p>Growth / Defensive 52/48</p> 	<p>Asset class SAA%</p> <ul style="list-style-type: none"> Australian shares 8 Overseas shares 11 Property 6 Infrastructure 6 Alternatives 4 Alternative fixed interest 15 Traditional fixed interest 31 Cash 19 <p>Growth / Defensive 30/70</p> 
Permitted ranges	<p>Asset class Permitted range %</p> <ul style="list-style-type: none"> Australian shares 10-45 Overseas shares 5-45 Property 0-20 Infrastructure 0-20 Alternatives 0-20 Alternative fixed interest 0-20 Traditional fixed interest 0-30 Cash 0-15 	<p>Asset class Permitted range %</p> <ul style="list-style-type: none"> Australian shares 10-45 Overseas shares 5-45 Property 0-20 Infrastructure 0-20 Alternatives 0-20 Alternative fixed interest 0-30 Traditional fixed interest 0-30 Cash 0-20 	<p>Asset class Permitted range %</p> <ul style="list-style-type: none"> Australian shares 0-25 Overseas shares 0-20 Property 0-25 Infrastructure 0-15 Alternatives 0-20 Alternative fixed interest 5-40 Traditional fixed interest 10-45 Cash 5-35

Sector specific options

	Australian Shares		Overseas Shares		Sustainable Responsible Investment	
Investment option	Invests in companies usually listed or expected to list on the Australian Stock Exchange (ASX). May hold small allocations to global companies from time to time.		Invests in companies listed or expected to list on one or more overseas stock exchanges. May hold small allocations to Australian companies from time to time.		Invests in Australian companies, usually listed on the Australian Stock Exchange (ASX), subject to SRI criteria.	
Who this option is designed for	This option is designed for members who are prepared to accept an aggressive asset allocation which has the potential of providing higher returns, but also increases the risk of a negative return.		This option is designed for members who are prepared to accept an aggressive asset allocation which has the potential of providing higher returns, but also increases the risk of a negative return.		This option is designed for members who are prepared to accept an aggressive asset allocation which has the potential of providing higher returns, but also increases the risk of a negative return.	
Investment objective	Outperform the S&P/ASX 300 Accumulation Index over rolling 5-year periods, net of tax.		Outperform the MSCI All Country World Index ex Australia (70% unhedged / 30%hedged) over rolling 5-year periods, net of tax.		Outperform the RobecoSAM Dow Jones Sustainability Index Australia, over rolling 5-year periods, net of tax.	
Minimum investment timeframe	The minimum suggested timeframe to invest is 5 years.		The minimum suggested timeframe to invest is 5 years.		The minimum suggested timeframe to invest is 5 years.	
Standard risk measure	The risk level of this option is very high, with a likelihood of negative returns occurring 6.5 years in a 20-year period.		The risk level of this option is very high, with a likelihood of negative returns occurring 6 years in a 20-year period.		The risk level of this option is very high, with a likelihood of negative returns occurring 6.5 years in a 20-year period.	
Strategic asset allocation (SAA)	Asset class <div> ■ Australian shares </div> <div> ■ Cash </div>	SAA% <div> 100 </div> <div> 0 </div>	Asset class <div> ■ Overseas shares </div> <div> ■ Cash </div>	SAA% <div> 100 </div> <div> 0 </div>	Asset class <div> ■ Australian shares </div> <div> ■ Cash </div>	SAA% <div> 100 </div> <div> 0 </div>
						
Permitted ranges	Asset class Australian shares Cash	Permitted range % 85-100 0-15	Asset class Overseas shares Cash	Permitted range % 85-100 0-20	Asset class Australian shares Cash	Permitted range % 85-100 0-10

Sector specific options

	Fixed Interest	Cash
Investment option	Invests in interest bearing bonds and some indexed bonds in Australia and overseas. Investments are made into government and corporate debt securities both above and below investment grade. Investments may also include lower risk alternative strategies and cash.	Invests in money market securities, such as bank term deposits, bank bills and other liquid cash securities.
Who this option is designed for	This option is designed for members who wish to select a relatively defensive asset allocation with more stability and security than more aggressive asset allocations. This option is expected to generate modest returns over time, with a small but not zero chance of negative return in any 12-month period, and is considered to be more aggressive than cash.	This option is designed for members who wish to select a very defensive asset allocation with a low, but not zero, chance of a negative return with stable but lower returns over the long term.
Investment objective	Outperform its benchmark, a mix of the Bloomberg AusBond All Maturities Composite Bond Index (50%) and the Bloomberg Barclays Global Aggregate Index (50%), hedged to Australian dollars, over rolling 5-year periods, net of tax.	Outperform the Bloomberg AusBond Bank Bill Index over a year, net of tax.
Minimum investment timeframe	The minimum suggested timeframe to invest is 5 years.	There is no minimum period suggested for holding this option.
Standard risk measure	The risk level of this option is low to medium, with a likelihood of negative returns occurring 1.4 years in a 20-year period.	The risk level of this option is very low, with a likelihood of negative returns occurring 0 years in a 20-year period.
Strategic asset allocation (SAA)	<div> Asset class <div> <div>Alternative fixed interest</div> <div>30</div> </div> <div> <div>Traditional fixed interest</div> <div>70</div> </div> <div> <div>Cash</div> <div>0</div> </div> </div> 	<div> Asset class <div> <div>Cash</div> <div>100</div> </div> </div> 
Permitted ranges	<div> Asset class <div>Alternative fixed interest</div> <div>0-60</div> </div> <div> <div>Traditional fixed interest</div> <div>40-100</div> </div> <div> <div>Cash</div> <div>0-30</div> </div>	<div> Asset class <div>Cash</div> <div>0-100</div> </div>

Celebrating our people



Caroline Ngoi
Certified Financial Planner

Caroline is a Certified Financial Planner and has been one of our Financial Planners for 10 years.

One of Togethr Financial Planning Pty Ltd's leading planners, Caroline has been with us for ten years. With an academic background in banking, finance and sophisticated financial strategies, Caroline confidently provides tailored advice solutions to a wide range of clients, in line with fiduciary responsibilities. Her skills as an adviser are wonderfully complemented by a genuine interest in customer care and her commitment to providing an excellent customer experience at all times. Caroline's clients benefit from her industry-leading advice and exceptional people-skills, ensuring they are prepared for the best possible retirement.



Statement of financial position

As at 30 June 2022

	2022 \$000	2021 \$000
Assets		
Cash and cash equivalents	84,694	96,344
Receivables	892,914	706,847
Investments	29,072,542	30,364,449
Plant and equipment	2,940	3,837
Current tax assets	132,088	-
Deferred tax assets	5,330	1,565
Total assets	30,190,508	31,173,042
Liabilities		
Payables	(298,482)	(68,070)
Income tax payable	-	(120,593)
Deferred tax liabilities	(305,588)	(508,543)
Total liabilities excluding member benefits	(604,070)	(697,206)
Net assets available for member benefits	29,586,438	30,475,836
Member liabilities		
Defined contribution member liabilities	(27,425,104)	(28,076,646)
Defined benefit member liabilities	(1,659,719)	(1,742,935)
Total member liabilities	(29,084,823)	(29,819,581)
Total net assets	501,615	656,255
Equity		
Operational risk financial reserve	76,041	78,300
Administration reserve	94,091	86,988
Insurance reserve	6,901	7,926
Investment reserve	50,063	71,599
Defined benefit plans over funded	274,519	411,442
Total equity	501,615	656,255

Income statement

For the year ended 30 June 2022

	2022 \$000	2021 \$000
Superannuation activities		
Interest	37,368	26,506
Dividend and distribution revenue	925,248	434,688
Other investment income	10,501	10,743
Changes in assets measured at fair value	(2,401,476)	2,300,136
Other income	1,875	2,860
Total superannuation activities income	(1,426,484)	2,774,933
Investment expenses	(93,810)	(49,289)
Administration expenses	(84,666)	(37,556)
Total expenses	(178,476)	(86,845)
Net result from superannuation activities	(1,604,960)	2,688,088
Net change in defined benefit member liabilities	(80,123)	(69,681)
Net benefits allocated to defined contribution member accounts	1,258,378	(2,167,224)
Net profit/(loss) before income tax	(426,705)	451,183
Income tax (expense)/benefit	272,112	(246,817)
Net profit/(loss) after income tax	(154,593)	204,366

Employing industry-leading professionals



Emma McCosh
Relationship Manager

Emma has been a Relationship Manager with Equip for 10 years and loves helping our members make the most of their super and work towards achieving financial freedom in retirement.

She provides support and advice to a portfolio of employers and their employees, running member education seminars and helping employers and members alike to better navigate the world of superannuation. In fact nothing makes her happier than seeing people get excited about their super!

Emma has a Bachelor of Business majoring in Economics and Finance, and a Graduate Diploma in Education. She's been involved in financial planning and super for more than 20 years (including with Mercer and Superpartners prior to joining Equip).

Statement of changes in member benefits

For the year ended 30 June 2022

	Defined Contribution Members' Benefits*	Defined Benefit Members' Benefits*	Total
	\$000	\$000	\$000
Opening balance as at 1 July 2021	28,076,646	1,742,935	29,819,581
Member contributions	340,006	1,666	341,672
Spouse contributions	2,473	-	2,473
Employer contributions	1,004,262	36,244	1,040,506
Transfers from other superannuation plans	395,626	1,341	396,967
Transfer – Successor Fund Transfer	704,471	50,975	755,446
Income tax on contributions	(150,519)	(4,564)	(155,083)
Net after tax contributions	2,296,319	85,662	2,381,981
Benefits paid to members/beneficiaries	(978,567)	(56,419)	(1,034,986)
Transfers to other superannuation plans	(880,837)	-	(880,837)
Insurance premiums charged to members	(55,315)	(5,165)	(60,480)
Death and disability benefits credited to member accounts	37,598	221	37,819
Transfer of funds from defined benefit member benefits	-	(187,638)	(187,638)
Transfer of funds to defined contribution member benefits	187,638	-	187,638
Net benefits allocated comprising:			
Net investment income allocated	(1,185,966)	-	(1,185,966)
Administration fees**	(72,412)	-	(72,412)
Net change in defined benefit member benefits	-	80,123	80,123
Closing balance as at 30 June 2022	27,425,104	1,659,719	29,084,823

*Note that Defined Contribution balances that belong to Defined Benefit members are included in the Defined Contribution Members' Benefits column.

** Defined Benefit Administration fees are deducted from the EmployerBenefit Account (EBA) and not from the member's account.

Statement of changes in member benefits

For the year ended 30 June 2021

	Defined Contribution Members' Benefits*	Defined Benefit Members' Benefits*	Total
	\$000	\$000	\$000
Opening balance as at 1 July 2020	13,708,348	1,723,944	15,432,292
Member contributions	115,040	1,835	116,875
Spouse contributions	553	-	553
Employer contributions	549,424	37,681	587,105
Transfers from other superannuation plans	212,305	693	212,998
Transfer – Successor Fund Transfer	834,306	51,487	885,793
Transfer – MLMM Successor Fund Transfer	11,375,002	-	11,375,002
Income tax on contributions	(76,765)	(4,710)	(81,475)
Net after tax contributions	13,009,865	86,986	13,096,851
Benefits paid to members/beneficiaries	(435,915)	(31,702)	(467,617)
Transfers to other superannuation plans	(474,967)	-	(474,967)
Insurance premiums charged to members	(26,397)	(4,046)	(30,443)
Death and disability benefits credited to member accounts	25,301	1,261	26,562
Transfer of funds from defined benefit member benefits	-	(103,189)	(103,189)
Transfer of funds to defined contribution member benefits	103,189	-	103,189
Net benefits allocated comprising:			
Net investment income allocated	2,199,867	-	2,199,867
Administration fees**	(32,645)	-	(32,645)
Net change in defined benefit member benefits	-	69,681	69,681
Closing balance as at 30 June 2021	28,076,646	1,742,935	29,819,581

*Note that Defined Contribution balances that belong to Defined Benefit members are included in the Defined Contribution Members' Benefits column.

** Defined Benefit Administration fees are deducted from the Employer Benefit Account (EBA) and not from the member's account.

Statement of cash flows

For the year ended 30 June 2022

	2022 \$000	2021 \$000
Cashflows from operating activities		
Interest received	122	88
Insurance premiums paid	(60,300)	(29,845)
Other income	1,785	361
Administration expenses	(72,223)	(35,101)
Investment expenses	(67,080)	(39,077)
Other expenses	(1,362)	(993)
Death and disability benefits received	37,819	25,957
Income tax (paid)/refund	(222,199)	(48,490)
Net cash inflow/(outflow) from operating activities	(383,438)	(127,100)
Cashflows from investing activities		
Net (purchases)/sales of investments	(148,364)	(650,444)
Plant and equipment purchased	(333)	(234)
Net cash inflow/(outflow) from investing activities	(148,697)	(650,678)
Cashflows from financing activities		
Employer contributions	1,040,506	587,306
Member contributions	342,262	118,811
Spouse contributions	2,473	553
Benefit payments made to members	(1,035,485)	(466,643)
Income tax paid on contributions	(102,775)	(81,475)
Transfers from other superannuation plans	1,150,144	1,101,209
Transfers to other superannuation plans	(880,837)	(474,967)
Net cash inflow/(outflow) from financing activities	516,288	784,794
Net increase/(decrease) in cash	(15,847)	7,016
Cash at the beginning of the financial period	96,344	55,078
Transfer from Successor Fund Transfer	4,197	34,250
Cash at the end of the financial period	84,694	96,344

Statement of changes in reserves

For the year ended 30 June 2022

	Operational Risk Financial Reserve \$000	Admin Reserve \$000	Insurance Reserve \$000	Investment Reserve \$000	Defined Benefit plans over/(under) funded \$000	Total \$000
Opening balance	78,300	86,988	7,926	71,599	411,442	656,255
Transfer between reserves	-	11,541	(181)	(11,360)	-	-
Transfer to/(from) reserves	(1,117)	-	(819)	-	-	(1,936)
Successor Fund Transfer in	1,889	-	-	-	-	1,889
Operating result	(3,031)	(4,438)	(25)	(10,176)	(136,923)	(154,593)
Closing balance	76,041	94,091	6,901	50,063	274,519	501,615

For the year ended 30 June 2021

	Operational Risk Financial Reserve \$000	Admin Reserve \$000	Insurance Reserve \$000	Investment Reserve \$000	Defined Benefit plans over/(under) funded \$000	Total \$000
Opening balance	41,490	34,337	6,162	(23,039)	260,118	319,068
Transfer between reserves	(1,100)	1,100	-	-	-	-
Operating result	7,108	14,356	765	32,994	149,143	204,366
Successor Fund Transfer in	2,210	-	-	1,947	2,181	6,338
Transfer from MLMM Super	28,592	37,195	999	59,697	-	126,483
Closing balance	78,300	86,988	7,926	71,599	411,442	656,255

For the year ended 30 June 2020

	Operational Risk Financial Reserve \$000	Admin Reserve \$000	Insurance Reserve \$000	Investment Reserve \$000	Defined Benefit plans over/(under) funded \$000	Total \$000
Opening balance	41,283	30,903	6,000	85,195	492,712	656,093
Transfer between reserves	-	1,165	-	-	-	1,165
Operating result	207	2,269	162	(108,234)	(232,594)	(338,190)
Closing balance	41,490	34,337	6,162	(23,039)	260,118	319,068

Reserves

The Trustee operates the following Reserves.

Operational Risk Financial Reserve

Established to meet the requirements of Superannuation Prudential Standard 114 'Operational Risk Financial Requirement', this reserve is intended to provide financial resources to address losses that may arise from operational risks. The target funding level for this reserve is 25 basis points (or 0.25%) of total member entitlements. The reserve is monitored on an ongoing basis and replenished with additional funds in the event the balance falls below the tolerance limit.

Administration Reserve

Established to facilitate the finance of current and future operational requirements of the Fund, this reserve is available to meet both day-to-day operational costs as well as one-off approved expenditures considered to be in the long-term interests of members.

Investment Reserve

The Investment Reserve reflects the net investment earnings accumulated which have not yet been allocated to members. The daily value will represent the difference between the cumulative amount of net investment income (after fees and taxes) earned by the Fund and the cumulative returns provided to members via the unit price. The key component will represent the differences between the estimated tax rates utilised in the daily unit pricing and the actual investment tax experience of the Fund. This difference is trued up to the unit price on a regular basis.

Insurance Reserve

The Insurance Reserve is used to fund the future service component of the death and disability benefits of certain defined benefit members (historical self-insurance policies).

Derivatives

Derivatives are securities that derive their value from another security. Derivatives may be used in managing the Fund's investments. The Fund's derivative charge ratio has not exceeded 5% during the 2021–22 year.

Trustee expenses and liabilities

The Trustee 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.

As a profit-to-member fund, any profits the Fund makes flow back to members. We keep running costs as low as possible to maintain downward pressure on fees.

More information about our fees and other costs is here: equipsuper.com.au/pds

Superannuation surcharge

The superannuation contribution surcharge for high income earners was abolished from 1 July 2005.

Occasionally, we may receive a surcharge assessment from the Australian Taxation Office (ATO) for surcharge liabilities accrued before then. To pay the ATO, we deduct the value of the surcharge assessment from the member's account.

Indemnity insurance

Togethr Holdings Pty Ltd has professional indemnity insurance cover to 1 July 2022. Entities in the Togethr group, including Togethr Trustees Pty Ltd, are covered under Togethr Holdings' indemnity insurance.

Political donations

Equip does not make political donations.

Related parties

Related party disclosures are contained in the Fund's audited financial statements, along with the Report by the RSE Auditor located here: <https://www.equipsuper.com.au/resource-folder/annual-reports/equip-financial-statements-june-2022.aspx>

Employing industry-leading professionals



Natalie Alford

Executive Officer, Governance and Risk

Natalie has served as the Executive Officer of Governance and Risk at Equip for five years with a deep commitment to overseeing governance and risk functions for the Fund and its members.

he has a wealth of experience, previously working for nine years in various roles at the Australian Prudential Regulation Authority (APRA). Natalie was recently acknowledged for her leadership potential when she received the 2022 Australian Institute of Company Directors' scholarship awarded by the Fund Executives Association Limited and is a valued member of the Executive team.



Our Board members 2021–2022

During the 2021-2022 financial year, eight men and five women served on the Board. As at the date of issue of this report, the Board has a ratio of six men to three women and our executive team five men to four women.

The Togethr Board is proudly skills-based, with three employer, three member and three independent directors. As mandated, the Chair is a Board-appointed independent director. This mix allows flexibility to attract and select high-calibre people meeting, as a minimum, all standards required by legislation. They must also have the right experience and technical skills and be committed to our values. It's how we ensure our business strategies align with the expectations and aspirations of members and employers.

The maximum tenure for a Board member is 12 years (four terms).

The Board as at 1 November 2022



Chair
Danny Casey
BComm, MEcon, CPA



Independent Director
Penny Davy-Whyte
BA (Marketing & Communication), GAIST



Independent Director
Justine Hickey
BComm, FFin, GAICD



Member Director
Mathew Cassin
MBA, BCom



Member Director
Jan Dekker
BSc, Masters of Law (Environmental), Grad Cert Applied Finance and Investment, GAICD



Member Director
David Doolan
BBus (Accounting), MAICD, TFASFA



Employer Director
Mark Cerche
B. Juris LLB (Hons)



Employer Director
Sharife Rahmani
BCom, BEcon, GCertPA, GAICD



Employer Director
Simone Thompson
BA/LLB, FAFSA, FGIA

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Help when you need it

We're ready to help you over the phone, via email and, of course, in person – so it's your call. Or email. Or meeting.

1800 682 626

equipsuper.com.au

8:00am to 8:00pm EST/EDT
(Monday to Friday)



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