



equip

Media Release

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For immediate release

Fee cuts the first sign of merger benefits for Equip members

Equip has cut administration fees for members and dropped buy-sell spreads on investment transactions. The fund expects these reductions will be followed by others as it beds down the benefits of its merger with the Rio Tinto Staff Superannuation Fund on 1 July 2017.

The new fees reduce the fund's flat weekly administration fee from \$1.50 to \$1.25 and its asset-based administration fee from 0.20% per annum to 0.15% per annum. The maximum asset-based administration fee payable by a member has also reduced from \$900 to \$750 per year.

Equip account based pension members see an even bigger decrease in the asset based fee, although a flat weekly fee has been introduced. For pension members, the new flat weekly fee is \$2.50, with the asset-based fee dropping significantly from 0.35% per annum to 0.15% per annum. The maximum asset-based pension administration fee has more than halved from \$1,575 to \$750 per annum.

Equip Chief Executive Officer, Nick Vamvakas, says the fee reductions demonstrate the fund's commitment to evaluating growth opportunities with the aim of delivering improved net benefit to members.

"While we are extremely pleased to be able to announce these reductions, we expect to deliver even more savings for members by the end of this financial year as we further consolidate products, investments and administration operations," Mr Vamvakas said.

Equip's new PDSs also include the publication of investment fees under ASIC's Regulatory Guide 97 (RG97). The disclosure took the fund's Equip MySuper default option to 0.64% per annum, up only 0.07% from the previously disclosed amount of 0.57% per annum.

Mr Vamvakas said the administration fee reductions were achieved while the fund expanded its national footprint. It is in the process of recruiting relationship managers and financial planners in Western Australia and Queensland to support the membership introduced in those states through the merger.

“Increased scale is not just about reducing fees. It’s about enhancing our capacity to invest in the products and services that can provide greater financial security for members in the future.

“An important part of that is providing ready access to financial education and affordable advice, which are cornerstones of Equip’s value offer to members,” he said.

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Equipsuper manages assets of over \$14 billion for 75,000 members and their employers. The fund is multi-sector, servicing employers and members from the energy, resources, water, infrastructure, manufacturing, health, legal and services sectors.