This Supplementary Product Disclosure Statement (SPDS) supplements and must be read in conjunction with the Defined benefit members Product Disclosure Statement (PDS) dated 1 October 2019.

This SPDS replaces information about the Defined Benefit option shown on page 15 of Part 1 of the PDS.

**Investment objective**
We aim to achieve a long-term net return of at least 3% per annum above inflation (measured by CPI) over a 7-year rolling period.

**Strategy**
Invest mainly in shares and property, which are expected to deliver higher returns over the long term. Invest the balance in more stable assets like fixed interest securities.

### Benchmark allocations
Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below.

<table>
<thead>
<tr>
<th></th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian equities</td>
<td>0-31%</td>
<td>17%</td>
</tr>
<tr>
<td>Overseas equities</td>
<td>0-30%</td>
<td>21%</td>
</tr>
<tr>
<td>Property</td>
<td>0-25%</td>
<td>7%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0-25%</td>
<td>7%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0-30%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Defensive assets</strong></td>
<td>20-65%</td>
<td>40%</td>
</tr>
<tr>
<td>Fixed interest</td>
<td>0-30%</td>
<td>20%</td>
</tr>
<tr>
<td>Defensive alternatives</td>
<td>0-30%</td>
<td>12%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-30%</td>
<td>8%</td>
</tr>
</tbody>
</table>
This PDS is a summary of significant information, parts 1 and 2 should be read in conjunction. The information provided in this PDS is general information only and does not take into account your personal financial situation or needs. The final authority on any issue relating to Equip is the Trust Deed governing Equip, any applicable Participation Agreement and the relevant insurance policy. 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 tailored to your personal circumstances. Where tax information is included you should consider obtaining personal taxation advice.

This PDS was up to date at the time it was prepared. Some information in this PDS is subject to change from time to time. If a change does not adversely affect you, we may update the information by notice on our website, www.equipsuper.com.au, and/or inclusion in the next available edition of our newsletter. You can find updated information by logging into the members area of our website or calling our Helpline 1800 682 626. A paper copy of updated information will be given to you without charge on request.

Togethr Trustees Pty Ltd ABN 64 006 964 049, AFSL 246383 (“the Trustee”) is the Trustee of the Equip Superannuation Fund ABN 33 813 823 017 (“Equip”).
Superannuation – a powerful savings environment

Your benefits

Your employer fund is a defined benefit fund, which means your main superannuation benefits are calculated using various formulae described in Part 2 of the PDS.

You may also establish an additional accumulation account balance by making top up contributions. If you do this, you may be eligible to take out additional (optional) insurance which is paid for out of your accumulation balance.

Your benefits in specific circumstances are usually the sum of your defined benefit and any accumulation account you may hold.

Defined benefit funding

Your employer contributes to the Fund to finance your defined benefits and the level of their contributions will vary depending on the funding position of the plan as periods of good investment returns may reduce the level of contributions your employer needs to make.

We monitor defined benefit funding levels on an ongoing basis and advise your employer of the contributions required to maintain an appropriate level of funding. We have established a contribution and funding policy for defined benefit plans which sets, reviews and maintains a realistic benchmark.

We may not be able to pay your full benefit to you if funding levels are not appropriately maintained.

Accumulation accounts

In addition to your defined benefits, you may choose to establish an additional accumulation account to accept voluntary contributions on either a pre-tax or an after-tax basis.

There is more information about contributions later in this document.

Contributions

The contributions you and your employer make are the building blocks of your super. Understanding the types of contributions that you can make will help you maximise the tax benefits and your retirement savings.

Some of the rules around contributions will depend on your total super balance.

Your total super balance

The concept of the total superannuation balance commenced from 1 July 2017 as a way to value all your super interests on a given date. Your total superannuation balance will be relevant when working out your eligibility for the following items, all described later in this document:

- the unused concessional contributions cap carry-forward;
- the non-concessional contributions cap and the two or three year bring-forward period;
- the government co-contribution;
- the tax offset for spouse contributions.

Your total superannuation balance will generally be calculated at the end of 30 June of the previous financial year. You can find more information on the ATO website, ato.gov.au, and view your total superannuation balance online at myGov, my.gov.au.
**Before-tax (concessional) contributions**

Before-tax contributions are usually employer or salary sacrifice contributions made from your income before tax has been applied. Before-tax contributions are generally taxed at 15% when Equip receives them, which may be lower than your marginal income tax rates.

**Notional taxed contributions (NTCs)**

Each year, notional contributions called notional taxed contributions (NTCs) are calculated based on a formula set down in legislation. The NTCs are calculated as a percentage of your salary at 1 July. The NTCs are important as they count towards your concessional contributions cap and allow you to work out what additional before-tax contributions you can make before extra tax applies.

Your NTCs are deemed to take into account all costs associated with your defined benefit account.

**Employer contributions**

As a defined benefit member, concessional contributions include your NTCs as well as any other genuine employer contributions or payments required under an award or a workplace agreement.

If your employer pays fees, insurance premiums or other accumulation account costs on your behalf, the amount paid by your employer will be included in the calculation of your concessional contributions cap.

**Salary sacrifice contributions**

If your employer allows it, you can choose to make salary sacrifice contributions out of your before-tax pay. This means that part of your taxable income decreases by the amount you contribute to super, which may result in you paying a lower rate of income tax.

**Personal contributions (where you claim a tax deduction)**

If you made a voluntary after-tax contribution to your super but notify us that you intend to claim a tax deduction for it, then we deduct 15% tax on the amount you are claiming as a deduction. Any amount you are claiming as a tax deduction will also count towards the limits on concessional contributions, and towards the threshold for Division 293 tax, both described below.

**Limits on before-tax (concessional) contributions**

There is an annual limit, known as the concessional contributions cap, of $25,000 on before-tax per financial year. Before-tax contributions made above this limit may attract additional tax, discussed later in this guide.

**Carry-forward of unused concessional contributions cap**

If your total super balance is less than $500,000 you can carry forward the unused portion of your concessional contributions cap on a rolling basis over five years. This means that you may be able to receive before-tax contributions of more than $25,000 in certain years without incurring additional tax. You can find more information on the carry-forward of the unused concessional contributions cap at the ATO website, [ato.gov.au/super](http://ato.gov.au/super).

**Tax on before-tax (concessional) contributions**

Before-tax contributions are generally taxed at 15% when Equip receives them, which may be lower than your marginal income tax rates.

**If we don’t have your Tax File Number (TFN)**

If we don’t have your TFN, then your before-tax contributions are taxed at the highest marginal income tax rate, rather than 15%.

**Excess concessional contributions**

Before-tax contributions we receive for you above the concessional contributions cap are known as excess concessional contributions. The ATO will write to you if you have excess concessional contributions and explain your options. Generally, there are two options for dealing with excess concessional contributions:

1. withdraw up to 85% of the excess concessional contributions and have them included in your assessable income to be taxed at your marginal income tax rate; or
2. leave the excess concessional contributions in your super account and have an additional 31.5% tax applied.


**Low income super tax offset**

The low income super tax offset (LISTO) is a government initiative to help low income earners increase their savings for retirement by refunding the tax on concessional contributions made by you or your employer.

If you are eligible and your adjusted taxable income is $37,000 or below, the government will calculate a refund of the tax paid on concessional contributions you or your employer have made, up to a maximum refund of $500. The government will credit this refund to your account and you’ll be able to see it on your next annual member statement or by logging into our website, [equipsuper.com.au](http://equipsuper.com.au).

**Division 293 tax for high income earners**

If your income, including the concessional contributions made by you or your employer, is more than $250,000, then an additional tax, known as Division 293 tax, will apply to you. Division 293 tax is generally an extra 15% on your concessional contributions. The ATO calculates Division 293 tax based on your income tax return and the information we provide to them and they will write to you if you owe additional tax. You can usually choose to pay the extra tax yourself or have it paid from your super account. You can find more information on Division 293 tax at [ato.gov.au/super](http://ato.gov.au/super).
After-tax (non-concessional) contributions

After-tax contributions are contributions made after tax by you or your spouse and can include some self-employed contributions. Because tax has already applied outside super, non-concessional contributions are not taxed again when paid into your super.

If you’re 75 or over, we can’t accept any after-tax contributions for you and if you’re between 65 and 74 then we can only accept after-tax contributions for you if you meet the work test in the same financial year. The work test is described later in this guide.

We also can’t accept after-tax contributions for you if we don’t have your TFN recorded.

Personal contributions (where you don’t claim a tax deduction)

Personal contributions are any contributions made out of your after-tax income or savings.

Most people under 75 years old will be able to claim a tax deduction for personal contributions (including those aged 65 to 74 who meet the work test).

You can make personal contributions by BPAY or use the Make a personal contribution form available on our website.

Note that if you intend to claim a tax deduction for a personal contribution, you need to advise us of the amount by sending us a Notice of intent to claim a deduction for personal super contributions form within the required timeframe, available from the ATO website, ato.gov.au, or by calling 13 10 20. We need to respond in writing acknowledging your intention. The contributions that you claim as a deduction are treated as concessional contributions and will count towards your concessional contributions cap, discussed earlier in this document.

Spouse contributions

A spouse contribution is an after-tax contribution made by your spouse into your account. If you earn less than $40,000 a year (including reportable fringe benefits and your employer super contributions), your contributing spouse may be eligible to claim an income tax offset of 18% on the first $3,000 of any contributions they made for you. The maximum tax offset is $540.

Note that spouse contributions made for you count towards your non-concessional contribution limit, not your spouse’s (see the “Limits to the non-concessional contributions” section).

If you intend to make a contribution to your spouse’s super account, you should consider the information on spouse contributions available on the ATO website, ato.gov.au/super and use the Make a spouse contribution form available on our website.

Downsizer contributions

If you’re 65 or over, you may be eligible to make a one-off after-tax contribution of up to $300,000 to your super within 90 days of receiving the proceeds of selling your main residence.

Eligible members need to return the Downsizer contribution form to us with their contribution. You can find more information and download the form at ato.gov.au/super or on our website.

The work test doesn’t apply to downsizer contributions and they won’t count towards your non-concessional contribution limit. Any downsizer contributions you make will count towards your total super balance.

Limits on after-tax (non-concessional) contributions

If your total super balance is below $1.6 million at the end of the prior financial year, a limit of $100,000 applies to the amount of non-concessional contributions made to your account. If your total super balance is $1.6 million or more, your non-concessional contribution cap is nil. Before-tax contributions made above your limit may attract additional tax, discussed later in this guide.

Bring forward of your non-concessional contributions cap

If you are under 65, you may be able to bring forward up to three years’ worth of contribution limits and make contributions of up to $300,000 in one year, this will reduce the amount of contributions you can make for the remainder of the three year period. The amount of unused non-concessional contribution cap you can bring forward depends on your total superannuation balance on 30 June of the prior financial year.

The non-concessional contribution limits for members under 65 are illustrated in the table below.

<table>
<thead>
<tr>
<th>Total superannuation balance</th>
<th>Contribution and bring forward available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $1.4 million</td>
<td>Access to $300,000 cap (three years)</td>
</tr>
<tr>
<td>$1.4 million to $1.5 million</td>
<td>Access to $200,000 cap (two years)</td>
</tr>
<tr>
<td>$1.5 million to $1.6 million</td>
<td>Access to $100,000 cap (one year)</td>
</tr>
<tr>
<td>$1.6 million or greater</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Tax on after-tax (non-concessional) contributions

Because tax has already applied outside super, non-concessional contributions are not taxed again when paid into your super, but additional tax will apply if you exceed your non-concessional contributions cap.

Excess non-concessional contributions

After-tax contributions we receive for you above your non-concessional contributions cap are known as excess non-concessional contributions. The ATO will write to you if you have made excess non-concessional contributions and explain your options. Generally, there are two ways for dealing with excess non-concessional contributions:

1) you may be able to withdraw the excess non-concessional contributions and up to 85% of the associated earnings, but they will be included in your assessable income and taxed at your marginal income tax rate, or

2) you may leave the excess non-concessional contributions in your super account where they will be charged at the highest marginal income tax rate.

You can find more information on excess non-concessional contributions at ato.gov.au/super.
When we can receive contributions to your account

All kinds of contributions can be made to your Equip account, including employer, salary sacrifice, after-tax and spouse contributions, but there are special rules around when we can receive a contribution if you’re 65 or over.

<table>
<thead>
<tr>
<th>Contribution type</th>
<th>Under age 65</th>
<th>Age 65 to 69</th>
<th>Age 70 to 74</th>
<th>Age 75 or over</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG or Award employer contribution</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Additional employer contribution (non-SG or Award)</td>
<td>Yes</td>
<td>Yes*</td>
<td>Yes*</td>
<td>No</td>
</tr>
<tr>
<td>Personal after-tax contribution</td>
<td>Yes</td>
<td>Yes*</td>
<td>Yes*</td>
<td>No</td>
</tr>
<tr>
<td>Personal tax deductible contribution</td>
<td>Yes</td>
<td>Yes*</td>
<td>Yes*</td>
<td>No</td>
</tr>
<tr>
<td>Spouse contribution</td>
<td>Yes</td>
<td>Yes*</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

* subject to you meeting the requirements of the work test.

The work test

To satisfy the work test you must have worked at least 40 hours within a period of 30 consecutive days during the financial year in which the contribution is paid.

If you’re between age 65 and 74, we may be able to accept personal contributions from you for an extra 12 months from the end of the financial year in which you last met the work test, but only if your total super balance is less than $300,000.

Contribution splitting

Contribution splitting allows you to split additional voluntary before-tax (concessional) contributions made in the previous financial year between you and your spouse or de facto spouse. You have until 30 June every year to request the splitting of contributions that were made in the previous financial year.

Once a year you can split the lesser of:
- 85% of concessional contributions for a financial year; and
- your concessional contributions cap for the financial year.

Please note that contributions made towards your defined benefit cannot be split.

The Government co-contribution

If you are eligible, the government will make a co-contribution of up to 50 cents for every after-tax dollar you contribute to your super. The maximum co-contribution is $500 if your total income is $38,564 or less. The amount of the co-contribution reduces for every dollar you earn over $38,564 and cuts out completely at $53,564.

If you are eligible, your co-contribution amount will be automatically calculated and deposited into your super account by the ATO after you’ve lodged your tax return. The co-contribution is treated as a non-concessional contribution, however, it does not count towards your non-concessional contributions limit.

You can find out whether you are eligible on the ATO website, ato.gov.au/super, or by calling 13 10 20.

Taxation of earnings and capital gains

Earnings on accumulation accounts in super are taxed at a maximum rate of 15%. Any capital gains earned by Equip also receive concessional tax treatment.

Any taxes on investment earnings or capital gains are deducted before earnings are applied.

Your account

Your defined benefit

Your defined benefit is made up of a number of components, depending on your benefit design. These are presented on your benefit statements and are described in Part 2 of the PDS. An offset account may also be established to account for any assessments we may receive for you from the ATO for any surcharge liabilities accrued up to 30 June 2005.

Your accumulation account

Your account will include some or all of the following types of transactions:
- Contributions - before-tax (concessional) contributions and after-tax (non-concessional) contributions you make or receive;
- Transfers - any amounts you transfer in from, or to, another super fund or from another Equip account, or the ATO;
- Deductions - any amounts may be deducted from your account including applicable fees, taxes, and insurance premiums.
Transfers and withdrawals

The First Home Super Saver Scheme
The First Home Super Saver Scheme allows you to withdraw up to $30,000 of your personal or salary sacrifice contributions and deemed earnings from your super to help purchase your first home. The scheme is administered by the ATO and you can find more information at ato.gov.au/super.

Any taxes on investment returns or capital gains are deducted before earnings are applied.

Transferring your other super into Equip
Consolidating your super (also known as a rollover) means you only pay one set of fees and you may be able to more easily manage and monitor your super. If you have money invested in other super funds and would like to roll that money into Equip, the easiest way to do this is to log into your account at equipsuper.com.au to instantly locate and transfer your other super electronically.

You can also complete the Roll your super into Equip form available from our website or contact Helpline on 1800 682 626.

We charge no fees for rolling your superannuation into Equip. You should, however, be aware that you may lose any insurance cover you have with your other super funds for withdrawing your superannuation to move it into Equip. Before transferring, you may want to obtain financial advice.

Family Law and your super
Couples who divorce or separate are able to divide their super entitlements, including pensions, as part of their property settlements. These Family Law rules apply to legally married couples, couples registered under State or Territory law, and genuinely separated couples (including de facto couples).

We recommend you seek advice from a licensed financial advisor before finalising an agreement involving your superannuation benefit, as there may be tax, social security and other financial implications arising from splitting your superannuation entitlements.

To request information on splitting superannuation assets, please contact Helpline on 1800 682 626.

Transferring from Equip to another super fund
You can request the transfer of your Equip accumulation account to another fund at any time under the portability rules. However, the Fund rules do not generally allow the transfer of defined benefits. If you are considering converting your defined benefit to an Equip accumulation account for portability purposes, you should discuss the issue with your employer to seek authorisation.

When we may automatically transfer your account out of Equip

If you become lost and your account becomes unclaimed money
If mail sent to your last known address is returned at least twice, or if we have never had an address for you, we must notify the ATO that you are a lost member. The ATO will add your name to the Lost Members Register, where you can obtain information about any super accounts in funds that have lost contact with you.

If your benefit becomes ‘unclaimed money’ (as defined in superannuation legislation), your benefit may be transferred to the ATO, where it is held on your behalf until you claim it.

In general, your benefit becomes unclaimed money if:
- you are a temporary resident and have not claimed your benefit within six months of leaving Australia; or
- you have reached age 65 and not instructed us about your benefit, we have not received any amounts into the fund for you for at least two years, and we have not been able to contact you for five years; or
- you meet the definition of being a lost member who is uncontactable or has had an inactive account for more than 12 months and;
- your account does not support a defined benefit interest;
- is less than $6,000; or
- we don’t believe it will be possible to pay your benefit to you in the future; or
- you have died and your account has been inactive for at least two years and we are unable to ensure that your benefit is received by the persons entitled to receive it.

Temporary residents permanently departing Australia
If you entered Australia on any temporary visa which has expired or been cancelled, you are eligible to access your super benefit, and can apply for a Departing Australia Superannuation Payment (DASP) from the ATO website, ato.gov.au/super.

If you aren’t an Australian permanent resident or a New Zealand citizen and don’t lodge a DASP request within six months of leaving Australia, we are required to transfer your benefit to the ATO. We will not provide an exit statement to you when your benefit is transferred to the ATO (we rely on regulatory relief from the Australian Securities and Investments Commission (ASIC) for this purpose). We will, however, provide information about your benefit if you enquire about it in the future. You can then apply to the ATO for your benefit, less DASP tax of up to 65%.

Your benefits
Your benefit on retirement or leaving Equip will generally be your applicable defined benefit plus any accumulation account balance. However, you may not be able to withdraw your benefit from the super system unless you meet the conditions described below.

The benefit payable in the event of your death, terminal illness or TPD is generally your applicable defined benefit plus any accumulation account balance plus any additional insurance benefit received from the insurer.

Details of how your benefits are calculated are provided in Part 2 of this PDS.

When you can withdraw your benefits
The government has placed restrictions on when you can withdraw your superannuation benefits. Your superannuation benefits may be divided into three amounts:
- preserved
- restricted non-preserved
- unrestricted non-preserved

Preserved amounts
Preserved amounts always belongs to you, but may not be withdrawn unless you satisfy one or more of the following criteria (conditions of release):
- you have reached age 65;
- you have retired permanently from the workforce and have reached your preservation age (refer to following table);
you die or become totally and permanently incapacitated (as defined in the legislation);

- you have a preserved benefit of less than $200;
- you are an eligible temporary resident departing permanently from Australia;
- you have a terminal medical condition (as defined in the legislation); or
- you can demonstrate financial hardship or the ATO approves a release of your benefit on compassionate grounds.

Different rules apply for the release of your super if you are a temporary resident. You can find more information on Departing Australia Superannuation Payments (DASP) earlier in this guide and on the ATO website, ato.gov.au/super.

Under transition to retirement rules, you may be able to access your preserved benefits via a pension once you have reached your preservation age, even if you are still working.

<table>
<thead>
<tr>
<th>Date of birth</th>
<th>Preservation age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1 July 1960</td>
<td>55</td>
</tr>
<tr>
<td>1 July 1960 - 30 June 1961</td>
<td>56</td>
</tr>
<tr>
<td>1 July 1961 - 30 June 1962</td>
<td>57</td>
</tr>
<tr>
<td>1 July 1962 - 30 June 1963</td>
<td>58</td>
</tr>
<tr>
<td>1 July 1963 - 30 June 1964</td>
<td>59</td>
</tr>
<tr>
<td>From 1 July 1964</td>
<td>60</td>
</tr>
</tbody>
</table>

**Restricted non-preserved amounts**

Restricted non-preserved amounts may only be withdrawn if you terminate employment or meet one of the conditions of release described above.

**Unrestricted non-preserved amounts**

Unrestricted non-preserved amounts may be paid to you in cash at any time.

**What happens when you leave your employer**

Upon leaving your employer, your benefit will cease to be a defined benefit. Once your employer notifies us that you have ceased employment, we will calculate your final defined benefit and write to you providing you details of your options.

While we wait to receive your instructions, we will invest the value of your defined benefit in the Equip Cash investment option described later in this document. Your accumulation account will continue to be invested in the same investment options, unless you make an investment switch. Any future contributions will be invested in the Equip MySuper option unless you instruct otherwise.

If we don’t receive instructions from you regarding your benefit when you leave your employer, we will transfer your account to Equip MyFuture after 35 days.

**What happens if you retire**

You can access your superannuation once you have reached your preservation age and have either permanently or partially retired. You may choose to keep a super account with Equip, withdraw your benefit as a lump sum, or use it to start a pension or annuity.

You can find more information on Equip MyPension and account based pension products at equipsuper.com.au/retirement.

**Early access to your super due to financial hardship or compassionate grounds**

You may be able to access some of your benefits before you retire if:

- you have received Commonwealth income support payments for at least 26 consecutive weeks and are unable to meet immediate family living expenses (the financial hardship application form is available from equipsuper.com.au); or
- the ATO approves the payment on specified grounds (e.g. compassionate grounds).

**If you are terminally ill**

A benefit, including your additional accumulation account balance, may be paid to you if:

- two doctors (jointly or separately) certify that you are suffering from an illness or injury that is likely to result in your death within a period they certify, but no longer than 24 months from the date of certification; and
- at least one of the doctors is a specialist in the area of your illness.

The Trustee will assess all terminal illness claims.

**If you are disabled**

You may receive your super benefit if you become and are assessed by Equip as being totally and permanently disabled (TPD) or permanently incapacitated. You may also be eligible to claim any disability insurance cover you have with Equip. Please contact our Helpline on 1800 682 626 if you are suffering from a disability.

**If you die**

If you die, we will pay your super to your dependants or your legal representative (i.e. your estate).

**A dependant includes:**

- your spouse (including a person who is legally married to you, a person with whom you have a relationship registered under State or Territory law or a person with whom you live on a genuine domestic basis in a relationship as a couple; or
- your children (of any age including natural, adopted, step or ex-nuptial children and children of your spouse); or
- a person whether related to you or not, who in the opinion of Equip, is or was at any relevant time wholly or partially financially dependent on you; or
- a person in an interdependency relationship with you, as evidenced by a close personal relationship where one or each of you provide the other with financial support and personal care and live together except in exceptional circumstances.

**An interdependency relationship is:**

- a close personal relationship where two people live together, and one or each of you provide the other with financial support, and domestic support or personal care; or
- a close personal relationship exists but the other requirements for interdependency are not satisfied because of a physical, intellectual or psychiatric disability that requires a person to live in an institution.

Where a minor child is entitled to a death benefit payment, we may direct that money be paid into a trust set up on the child’s behalf.

Your legal personal representative is the person or organisation that:

- you appoint as the executor of your estate; or
- is appointed as an administrator of your estate if you do not have a valid will.
Binding death benefit nominations

As an Equip member, you can direct us to pay your death benefit to one or more of your dependants and/or legal personal representative by completing a valid Death benefit nomination form available from our website, equipsuper.com.au, or Helpline 1800 682 626.

A binding death benefit nomination will only be valid if you complete the form correctly and your nominated parties either meet the definition of a dependant under superannuation law or are a properly appointed legal personal representative.

Binding nominations will only be valid for three years so we’ll ask you to confirm your nomination at least once every three years. You can, of course, change your nomination at any time by correctly completing a valid form.

Non-binding death benefit nominations

If you don’t make a binding death benefit nomination or you don’t complete the nomination form correctly, Equip will make the decision about how to distribute your death benefit, but will take into account any non-binding beneficiary nomination you’ve made.

You can make a non-binding death benefit nomination by logging into our website, equipsuper.com.au or by using the Death benefit nomination form.

What happens when we are notified of your death

When Equip is notified that you have died, we will switch your current investments into the Equip Cash option. We take this approach to ensure as much as possible that the benefit for your dependants or estate is not reduced by any short-term negative investment returns before we pay your benefit. If you have death cover in Equip, any proceeds we receive from the insurer will also be invested in the Equip Cash option when we receive it.

Tax on withdrawals from your super

Withdrawals from your super may have a tax-free component and a taxable component. While no tax will be deducted from your tax-free component, the tax that applies to your taxable component will depend on the circumstances:

<table>
<thead>
<tr>
<th>Payment type</th>
<th>Tax rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withdrawals before preservation age</td>
<td>22% (including 2% Medicare levy)</td>
</tr>
<tr>
<td>Withdrawals between preservation age and before age 60</td>
<td>0% on the first $210,000; 17% (including 2% Medicare levy) on the remainder</td>
</tr>
<tr>
<td>Withdrawals after age 60</td>
<td>0%</td>
</tr>
<tr>
<td>Departing Australia Superannuation Payment (DASP)</td>
<td>65% for working holiday makers; 35% for other former permanent visa holders</td>
</tr>
<tr>
<td>Terminal illness</td>
<td>0%</td>
</tr>
<tr>
<td>Death</td>
<td>0% if paid to a dependant for tax purposes; 17% (including 2% Medicare levy) if paid to a non-dependant for tax purposes.</td>
</tr>
</tbody>
</table>

Dependants for tax purposes

The definition of dependents for tax purposes includes:

- your current or former spouse, including a de-facto;
- children under the age of 18;
- any person, including your child, over age 18 who is financially dependent on you at the time of your death;
- any person with whom you have an interdependency relationship.

Tax on total and permanent disablement benefits

The tax rates that apply will depend on your age and other factors. The payment summary you receive with your benefit will provide details of the tax-free and taxable components and any associated tax that has been deducted from your benefit.

Processing your withdrawal or transfer payment

When you leave your employer, we can only release your superannuation benefit when we receive formal notification from your employer that you have ceased employment. Once we receive your employer’s advice, we will write to you providing you details of your options.

We are not liable for any delays in writing to you that are due to our administrators not receiving a timely, formal notification of your cessation of employment.

Under legislation, rollover or transfer of withdrawal benefits must be completed within three days after all required information has been received. In some cases, Equip may require additional information in order to process your benefit payment. For example, for partial benefit payments we require instructions relating to the amount to be paid and to whom. We are required to request any additional information within 10 working days of receiving your benefit payment request. Your benefit will be calculated using the unit price effective on the date the benefit payment is processed, not the date your request is lodged. You should consider this when submitting a request for payment.

Anti-money laundering and counter-terrorism financing legislation

The Government has enacted anti-money laundering and counter-terrorism financing legislation that requires stricter customer identification and verification procedures for the payment of superannuation benefits. You will be advised of those requirements when you request a benefit payment. If you do not provide the requested information, your benefit payment may be delayed or even refused.
Investment options

Your investment choice
If you have an accumulation account, you can invest in one of our five Diversified options, each with asset allocations determined by us, or, if it suits your investment plan, you can choose any combination of our Diversified and/or Sector Specific investment options.

Your default option
If you don’t make an investment choice using the Member Options form accompanying this PDS, your accumulation account will be invested in the Balanced Growth option. You can switch your investments at any time by logging into the secure website, by completing the Change investment option form available from our website or by calling Helpline on 1800 682 626.

Investment principles
Before you select any investment options, you need to:
- assess your own individual needs and objectives; and
- work out your own attitude to investing.

The information provided in this section is general advice. It has been prepared without taking into account your investment objectives, personal circumstances, and particular needs.

You should speak to a licensed financial planner who can help you achieve your financial goals within your own risk tolerance.

Note that the value of investments can go up and down. Past performance is not necessarily indicative of future performance.

There are four important investment fundamentals that you might want to take into account when making your investment selection:

1. Risk tolerance

Investment risk refers to the likelihood of negative returns and loss of capital over various timeframes. Generally, growth assets such as shares and property are more volatile and their values may fluctuate widely, particularly over the short term. Defensive assets, such as fixed interest and cash, are generally less volatile and fluctuate less in value than growth assets.

How much volatility you are prepared to accept will depend on your own attitude to investments, your previous experiences, your investment timeframe and your life expectancy (among other things). Your risk profile will greatly influence your investment selection and the weightings in growth and defensive assets (asset allocations).

2. Risk versus return

Generally, growth assets may outperform defensive assets over the long term, but have a higher degree of risk (negative returns) along the way. Defensive assets generally provide a lower rate of return, but are less risky, and historically less volatile.

3. Diversification

Diversification is a method of reducing investment risk. It means spreading your investments both across, and within, asset classes. The principle is that the more you diversify, the more you may be able to reduce investment risk. It is important to understand that there is a level of risk with all investments, and you can never totally remove investment risk.

4. Timeframe to invest

It is important to work out your investment timeframe. Generally, defensive asset allocations are better suited to short-term investment time frames. However, superannuation is generally seen as a long term investment.

Your strategy
An important part of successful investing is to set a strategy for the long term and regularly monitor investment performance to ensure it is meeting your personal objectives. Before making any decisions about investing your money, you should seek advice on this from a licensed financial advisor.

Switching
You can switch between investment options via our website or by using our Change your investments form available from our website or Helpline. You can switch some or all of your account balance (by nominating either percentages or dollar amounts of your account balance), and/or future contributions.

If your investment switch is received by 4 p.m. AEST (allow for daylight saving) on a business day, your switch will be at the unit prices calculated at the end of that business day (refer to “Processing”). The unit price is declared on the next business day.

Transactions processed within this deadline will usually be reflected in your account balances on the website by 10 a.m. on the second business day after the investment switch.

Frequent switching between investment options and trying to second-guess the market can be risky. You should switch only after a thorough review of your long-term investment strategy. We recommend you obtain financial advice before making any decisions about switching between investment options.

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.
Unit prices

When you invest with Equip, your money buys a number of units in each of your nominated or default investment options.

Unit prices go up and down according to investment performance and the unit price of an investment option will fluctuate to reflect investment earnings (which can be positive and/or negative) and deductions for investment fees, costs and taxes. These movements are ultimately reflected in your account balance.

Our latest unit prices are usually updated on our website by 10 a.m. on the second business day after the business day on which they are calculated. The publication of unit prices might be delayed as a consequence of abnormal market conditions or system failures. In such circumstances, Equip will use its best endeavours to publish unit prices as soon as possible.

The unit prices are calculated after an estimate of investment fees and taxes are taken out. These estimates will be adjusted as information becomes available for the calculation of future prices.

When you exit from Equip, your units are sold at the applicable unit prices available on the date your transaction is processed.

What happens if we make a mistake when calculating unit prices?

Although we have controls in place to check for unit pricing errors, occasionally they may occur. Equip follows industry practice if an error is made. Interested members can view FSC Standard No.17 on the Financial Services Council website at fsc.org.au

Sustainable Responsible Investment Option

Equip members can access Sustainable Responsible Investments (SRI) via a Sector Specific option that almost entirely invests in Australian shares.* The investments of the option comprise a portfolio run by Equip which replicates the Dow Jones Sustainability Index Australia**, an index established and tracked by RobecoSAM. The option utilises the Dow Jones Sustainability Index Australia, a float-adjusted market capitalisation weighted index which is comprised of approximately 70 companies selected by RobecoSAM from a universe of approximately 200 of the largest Australian listed companies.

The companies selected by RobecoSAM for inclusion in the Dow Jones Sustainability Index Australia are assessed as leading their industry peers in terms of sustainable business practices. The Dow Jones Sustainability Index Australia is designed to create a portfolio that captures the performance of Australia's sustainability leaders with characteristics similar to those of the broader Australian equity market (as represented by the S&P/ASX 200 Index).

How the Dow Jones Sustainability Index Australia works

The Dow Jones Sustainability Index Australia includes leading stocks in terms of sustainable business practices from approximately 21 RobecoSAM Dow Jones Sustainability Index Australia industry sectors. The Dow Jones Sustainability Index Australia is reviewed annually and rebalanced quarterly to ensure that the index composition accurately represents the top 30% of the leading sustainable Australian companies in each of the 21 Dow Jones Sustainability Index Australia sectors respectively. Most companies have a primary listing on the Australian Securities Exchange (ASX) but others may be included if they have adequate liquidity on the ASX and have a significant part of their business operations in Australia.

The process used by RobecoSAM to select companies for the Dow Jones Sustainability Index Australia is called the corporate sustainability assessment. This is a proprietary methodology designed to score companies in terms of corporate sustainability with a focus on their ranking within industry sectors. RobecoSAM carries out the corporate sustainability assessment by asking ASX listed companies (excluding investment companies) to complete a questionnaire and provide supporting documentation. RobecoSAM also uses publicly available information and data and carries out a media and stakeholder analysis. The media and stakeholder analysis involves RobecoSAM analysts reviewing final assessments and scores to determine if they are fair and accurate given more recent developments and news.

The criteria and weightings which RobecoSAM uses to assess and rate companies in terms of corporate sustainability include both general and industry specific criteria, and cover the economic, environmental and social or labour dimensions outlined below:

- Economic
  Economic criteria not only reflect the financial robustness, strategic planning processes and governance but also how a company adapts to changing market demands, sustainability trends and macro-economic driving forces. These criteria measure a company's ability to make use of the economic benefits from sustainability opportunities and risks.

- Environmental
  Environmental criteria cover the environmental management and performance of a company. These criteria measure a company's efforts to reduce and avoid environmental pollution.

- Social and labour
  Social criteria cover both internal (employee relations and labour practices) and external (stakeholder and community relations) aspects. Social criteria are based on worldwide minimum standards and best practices and also take into account the manner in which companies deal with human rights issues internally, in their supply chain and in the communities in which they operate.
Weighting and portfolio construction

The weighting given to economic, environmental and social considerations can vary substantially over time and across industries. Based on major global sustainability challenges identified by RobecoSAM’s analysts, general criteria relating to standard management practices and performance measures, such as corporate governance, human capital development and risk and crisis management, are defined and applied to each of the sectors. The general criteria account for approximately 40% to 50% of the assessment, depending on the sector. At least 50% of the questionnaire covers industry-specific risks and opportunities that focus on economic, environmental and social challenges and trends that are particularly relevant to companies within that industry.

Based on RobecoSAM’s corporate sustainability assessments, companies are ranked within their industry group and selected for the Dow Jones Sustainability Index Australia, if they are among the sustainability leaders in their field.

Managing your investments

Equip’s Investment Committee, comprised of directors and external advisors, sets the strategy and manages our investments.

External investment managers are 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.

You can find a list of our current investment managers on our website www.equipsuper.com.au.

Benchmark allocations and permitted ranges

The pie charts describing asset allocations set out here are based on benchmark (or long-term, strategic) allocations for the Diversified investment options.

Actual asset allocations may vary from the benchmark allocations within permitted ranges from time to time depending on market movements, cash flows and tactical investment decisions.

In particular, we may alter asset allocations within the permitted ranges to manage investments through adverse or abnormal market conditions.

Comparing performance

You can compare Equip’s investment performance against published surveys like the SuperRatings industry survey. Investment performance for accumulation accounts is net of tax and investment expenses, but also includes other indirect investment costs such as buy-sell spreads.

However, if you are comparing our performance with that of other funds, it is important to ensure you take into account the underlying asset allocations, the investment related tax expenses/benefits and the objectives and management styles for the investment options you are comparing.

Any variation in these factors can result in significant differences in the performance of the investment options you are considering.

You should also be aware that past performance is no indication of future performance for Equip or any other superannuation fund.

Investment objectives

The investment objectives for the Diversified investment options aim to earn investment returns higher than the inflation rate. Inflation is measured by the Consumer Price Index (CPI) published by the Australian Bureau of Statistics (ABS), which indicates the average change in prices paid for a “basket” of goods and services.

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

Apart from the Sector Specific SRI option, Equip does not take into account any specific ethical, social, labour standards or environmental considerations in making the investment options available to members.

Strategy

While the investment objective states the investment aim, the strategy provided for each option is a guide to how we intend to go about achieving the objective.

You should note that these objectives are not predictions or forecasts, but merely represent a performance measure for each strategy.

Standard risk measure

The standard risk measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The standard risk measure is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than what you may require to meet your objectives and it is based on predictions of the future economic environment which may change over time. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

You should ensure that you are comfortable with the risks and potential losses associated with your chosen investment options and if necessary you should seek professional financial advice. Equip does not guarantee the performance of the Fund. And, as mentioned, past performance is not an indicator of future performance.

<table>
<thead>
<tr>
<th>Risk Band</th>
<th>Risk Label</th>
<th>Estimated number of years of negative annual returns over any period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Very low</td>
<td>Less than 0.5</td>
</tr>
<tr>
<td>2</td>
<td>Low</td>
<td>0.5 to less than 1</td>
</tr>
<tr>
<td>3</td>
<td>Low to medium</td>
<td>1 to less than 2</td>
</tr>
<tr>
<td>4</td>
<td>Medium</td>
<td>2 to less than 3</td>
</tr>
<tr>
<td>5</td>
<td>Medium to high</td>
<td>3 to less than 4</td>
</tr>
<tr>
<td>6</td>
<td>High</td>
<td>4 to less than 6</td>
</tr>
<tr>
<td>7</td>
<td>Very high</td>
<td>6 or greater</td>
</tr>
</tbody>
</table>
Diversified options

Our Diversified options

Our Diversified investment options offer a blend of asset allocations applicable to different investment goals and tolerance to risk. You have a choice of five different options: Growth Plus, Growth, Balanced Growth, Balanced and Conservative.

Please note that if you establish an additional accumulation account and don’t make an investment choice, your account will be invested in the Equip default option, Balanced Growth.

Growth Plus

Investment objective

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

Strategy

Invest primarily in Australian and overseas shares, while providing some exposure to property and alternative assets. These are growth investments, with the property allocation providing some diversification from shares.

Benchmark allocations

Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth assets</td>
<td>85–100%</td>
<td>100%</td>
</tr>
<tr>
<td>Australian shares</td>
<td>33-53%</td>
<td>43%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>27-58%</td>
<td>48%</td>
</tr>
<tr>
<td>Property</td>
<td>0-13%</td>
<td>3%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0-13%</td>
<td>3%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0-13%</td>
<td>3%</td>
</tr>
<tr>
<td>Defensive assets</td>
<td>0-15%</td>
<td>0%</td>
</tr>
<tr>
<td>Fixed interest</td>
<td>0-10%</td>
<td>0%</td>
</tr>
<tr>
<td>Defensive alternatives</td>
<td>0-10%</td>
<td>0%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Minimum investment timeframe

The minimum suggested time frame to invest in this product is long term (7 to 14 years). Members should hold the investment for a minimum of 7 years.

Who should invest in this option?

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.

Standard risk measure

The risk level of this option is high, with a likelihood of negative returns occurring 5.3 years in a 20 year period.

Growth

Investment objective

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

Strategy

Invest primarily in Australian and overseas shares, while providing some exposure to property and defensive assets. These are growth investments, with the property allocation providing some diversification from shares.

Benchmark allocations

Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth assets</td>
<td>70–100%</td>
<td>85%</td>
</tr>
<tr>
<td>Australian shares</td>
<td>23-43%</td>
<td>33%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>27-47%</td>
<td>37%</td>
</tr>
<tr>
<td>Property</td>
<td>0-15%</td>
<td>5%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0-15%</td>
<td>5%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0-15%</td>
<td>5%</td>
</tr>
<tr>
<td>Defensive assets</td>
<td>0-30%</td>
<td>15%</td>
</tr>
<tr>
<td>Fixed interest</td>
<td>0-17%</td>
<td>7%</td>
</tr>
<tr>
<td>Defensive alternatives</td>
<td>0-15%</td>
<td>5%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-13%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Minimum investment timeframe

The minimum suggested time frame to invest in this product is long term (6 to 12 years). Members should hold the investment for a minimum of 6 years.

Who should invest in this option?

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.

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.
Diversified options

Balanced Growth

Investment objective
Achieve a net return of at least 3.5% p.a. above inflation (measured by CPI) over a rolling 10 year period.

Strategy
Invest mainly in growth assets such as shares and infrastructure, which are expected to earn higher returns over the long term. Invest the balance in more stable assets like fixed interest securities and other defensive assets.

Benchmark allocations
Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian shares</td>
<td>14-34%</td>
<td>24%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>17-37%</td>
<td>27%</td>
</tr>
<tr>
<td>Property</td>
<td>0-17%</td>
<td>7%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0-17%</td>
<td>7%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0-15%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>70%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Minimum investment timeframe
The minimum suggested time frame to invest in this product is long term (5 to 10 years). Members should hold the investment for a minimum of 5 years.

Who should invest in this option?
This option is designed for members who want a balance between risk and return but who are prepared to accept a more aggressive asset allocation than the Balanced option.

Standard risk measure
The risk level of this option is medium to high, with a likelihood of negative returns occurring 3.6 years in a 20 year period.

Balanced

Investment objective
Achieve a net return of at least 2.5% p.a. above inflation (measured by CPI) over a rolling 5 year period.

Strategy
Provides an even distribution between growth and defensive assets. The aim is to provide a balance of capital growth with reduced volatility.

Benchmark allocations
Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian shares</td>
<td>10-35%</td>
<td>16%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>7-37%</td>
<td>19%</td>
</tr>
<tr>
<td>Property</td>
<td>0-20%</td>
<td>5%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0-17%</td>
<td>5%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0-15%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Minimum investment timeframe
The minimum suggested time frame to invest in this product is medium term (4 to 8 years). Members should hold the investment for a minimum of 4 years.

Who should invest in this option?
This option is designed for members who want a balance between risk and return.

Standard risk measure
The risk level of this option is medium, with a likelihood of negative returns occurring 2.6 years in a 20 year period.
Diversified options

Conservative

Investment objective
Achieve a net return of at least 1.5% p.a. above inflation (measured by CPI) over a rolling 5 year period.

Strategy
Invest mainly in fixed interest securities and cash, which are expected to deliver stable returns over the long term. Invest the balance in shares and property.

Benchmark allocations
Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth assets</td>
<td>15–45%</td>
<td>30%</td>
</tr>
<tr>
<td>Australian shares</td>
<td>0-18%</td>
<td>8%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>0-20%</td>
<td>10%</td>
</tr>
<tr>
<td>Property</td>
<td>0-14%</td>
<td>4%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0-14%</td>
<td>4%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0-14%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Defensive assets
55–85% 70%

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed interest</td>
<td>30-50%</td>
<td>40%</td>
</tr>
<tr>
<td>Defensive alternatives</td>
<td>0-20%</td>
<td>10%</td>
</tr>
<tr>
<td>Cash</td>
<td>10-30%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Minimum investment timeframe
The minimum suggested time frame to invest in this product is short term (3 to 6 years). Members should hold the investment for a minimum of 3 years.

Who should invest in this option?
This option is designed for members who wish to select a less aggressive asset allocation in exchange for more stability and security.

Standard risk measure
The risk level of this option is low, with a likelihood of negative returns occurring 0.9 years in a 20 year period.

Defined Benefit

Investment objective
Achieve a net return of at least 3.5% p.a. above inflation (measured by CPI) over a rolling 10 year period.

Strategy
Invest mainly in shares and property, which are expected to deliver higher returns over the long term. Invest the balance in more stable assets like fixed interest securities.

Benchmark allocations
Actual asset allocation for each asset class may vary from time to time within the permitted ranges published in the table below:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth assets</td>
<td>50–80%</td>
<td>65%</td>
</tr>
<tr>
<td>Australian shares</td>
<td>11-31%</td>
<td>21%</td>
</tr>
<tr>
<td>Overseas shares</td>
<td>15-35%</td>
<td>25%</td>
</tr>
<tr>
<td>Property</td>
<td>0-17%</td>
<td>7%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0-17%</td>
<td>7%</td>
</tr>
<tr>
<td>Growth alternatives</td>
<td>0-15%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Defensive assets
20-50% 35%

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed interest</td>
<td>8-28%</td>
<td>18%</td>
</tr>
<tr>
<td>Defensive alternatives</td>
<td>0-18%</td>
<td>8%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-19%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Sector Specific options

Our Sector Specific options

Sector Specific options give you the ability to invest solely in an individual asset class, or choose your own asset allocation to create a diversified portfolio. You can invest in a mix of Sector Specific and Diversified options.

You should proceed cautiously when investing in Sector Specific options. You should objectively consider your familiarity with the individual asset classes, economic cycles, their impacts (positive and negative) on investment markets and, in particular, the performance and risks of asset classes.

These options aim to remain fully invested; however, due to timing differences and the need to generate cash flow requirements for member transactions, they may from time to time hold some cash and cash equivalents.

Australian Shares

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

Strategy
Invest in Australian companies, usually listed on the Australian Stock Exchange (ASX).

Benchmark allocations

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian shares</td>
<td>90-100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Minimum investment timeframe
The minimum suggested timeframe to invest in this product is long term (7 to 14 years). Members should hold the investment for a minimum of 7 years.

Who should invest in this option?
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.

Standard risk measure
The risk level of this option is very high, with a likelihood of negative returns occurring in 6.2 years in a 20 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.

Strategy
Invest in overseas companies listed on one or more overseas stock exchanges.

Benchmark allocations

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas shares</td>
<td>90-100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Minimum investment timeframe
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Who should invest in this option?
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.

Standard risk measure
The risk level of this option is high, with a likelihood of negative returns occurring in 5.5 years in a 20 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.

**Strategy**
Invest in Australian companies, usually listed on the Australian Stock Exchange (ASX), subject to SRI criteria.

**Benchmark allocations**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRI</td>
<td>90-100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested time frame to invest in this product is long term (7 to 14 years). Members should hold the investment for a minimum of 7 years.

**Who should invest in this option?**
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.

**Standard risk measure**
The risk level of this option is very high, with a likelihood of negative returns occurring in 6.2 years in a 20 year period.

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**Property**

**Investment objective**
This option aims to outperform its benchmark, a blend of the Mercer Australia Unlisted Property Index (80%) and the FTSE EPRA/NAREIT Global Index (20%, hedged), over a rolling 5 year period.

**Strategy**
Invest in Australian and overseas listed and unlisted commercial property trusts.

**Benchmark allocations**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>90-100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested time frame to invest in this product is long term (5 to 10 years). Members should hold the investment for a minimum of 5 years.

**Who should invest in this option?**
This option is designed for members who wish to select a moderately aggressive asset allocation, which increases the risk of negative returns.

**Standard risk measure**
The risk level of this option is medium to high, with a likelihood of negative returns occurring in 3.5 years in a 20 year period.
Sector Specific options

**Fixed Interest**

**Investment objective**
This option aims to 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 a rolling 5 year period.

**Strategy**
Invest in interest bearing bonds and some indexed bonds in Australia and overseas.

**Benchmark allocations**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Interest</td>
<td>90-100%</td>
<td>100%</td>
</tr>
<tr>
<td>Cash</td>
<td>0-10%</td>
<td></td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The minimum suggested time frame to invest in this product is long term (5 to 10 years). Members should hold the investment for a minimum of 5 years.

**Who should invest in this option?**
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.

**Standard risk measure**
The risk level of this option is low to medium, with a likelihood of negative returns occurring in 1.8 years in a 20 year period.

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**Cash**

**Investment objective**
This option aims to outperform its benchmark, the Bloomberg AusBond Bank Bill Index.

**Strategy**
Invest cash in money market securities such as bank term deposits and bank bills.

**Benchmark allocations**

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Permitted range</th>
<th>Benchmark allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

**Minimum investment timeframe**
The suggested time frame to invest in this product is short term (0 to 3 years). There is no minimum period suggested for holding this option.

**Who should invest in this option?**
This option is designed for members who wish to select a very defensive asset allocation with a very low chance of a negative return and expected stable but lower returns over the long term.

**Standard risk measure**
The risk level of this option is very low, negative returns are not expected.
Balancing risk & return

There is risk associated with any investment, but some asset classes have historically proven to be less volatile, that is, less prone to up and down fluctuations than others.

Risks

There is risk that investment returns are not what you expect and may be negative. Levels of investment risk are linked to the asset classes in which you have invested and a host of external factors such as investment market fluctuations, political and economic changes, natural disasters, pandemics and man-made influences such as outbreaks of war or terrorist acts.

Clearly, there is little you can do about external forces affecting your investments, but you strongly influence outcomes through your choice of investment options.

As a rule of thumb, some growth investments that carry a greater risk may deliver higher returns over the long term. However, they can also produce negative results, particularly over shorter terms. As such, extended investment periods may be appropriate for investors with significant exposure to shares and property.

Returns

We present investment earnings as net returns in our reports. This is the return after tax and investment fees are accounted for. When you compare Equip with other funds, you should ensure that their returns are after tax and investment fees are taken out.

Refer to “Diversified options and performance” and “Sector Specific options and performance” for information on the returns associated with our investment options.

The risk and return for Diversified and Sector Specific options

For Diversified options, you should consider the relative influence of the predominant asset classes in which they are invested. For example, in Balanced Growth, the risk is primarily influenced by the growth assets, shares and property.

When you invest in Sector Specific options, you are exposed to the performance of specific asset classes. If you choose Sector Specific options, we suggest that you consider diversifying your investment and spreading your risk. You should review your asset allocation at least once a year to ensure it is still consistent with your objectives.

To help you understand more about the asset classes available to you through Equip and the risks associated with them, we suggest you read the information on these two pages.

Get more advice

Everyone’s tolerance to risk is different and often changes as we progress through life. If you are unfamiliar with the behaviour of investment markets and the economic influences on them, you should seek the advice of a licensed financial advisor.

A licensed financial advisor can assist you to identify your goals and determine the right balance of risk and return for you in the context of your personal circumstances and goals.

Shares

Investors acquire an ownership stake in a company via shares (sometimes also called equities). Shares are usually listed on stock exchanges. For example, Australian shares are listed on the Australian Stock Exchange (ASX); shares in the United States may be listed on a number of exchanges, such as the New York Stock Exchange or the NASDAQ; and so on.

The expected return of shares is higher than the returns generated by some other asset classes, but the risk associated with the asset class is greater.

Equip invests its shares in two distinct buckets: Australian shares and shares domiciled overseas. Overseas shares open up a wide range of investment opportunities. Australian shares make up only about 3% of the worldwide share market. Investing in overseas share markets allows us to broadly diversify our share holdings across companies, sectors and countries. A large proportion of Equip’s overseas shares portfolio is invested in the world’s largest sharemarket, the US. We also have some investments in so-called emerging markets, such as in Asia and South America.

An attractive feature of Australian shares is that the Fund receives franking credits from some of its share investments. Franking credits are tax credits available to investors for income earned in the form of fully franked dividends by listed companies. If a dividend is franked, it means it has been paid out of the company’s retained earnings after tax has been paid. For investments in overseas shares, the Fund does not get any franking credits, but may receive some withholding tax credits.

In the Diversified options, you are invested in both Australian and overseas shares. Within the Sector Specific options, you can invest in Australian Shares only; or you can get exposure to the international share markets by investing in the Overseas Shares option.

Risk

Sharemarkets go up and down, but generally trend upward over the long term. The risk associated with share investments is linked to economic trends both in Australia and overseas, interest rate movements, political change, consumer spending, employment levels, inflation, investor confidence – a complex mix of financial measures.

The long-term upward trend for share markets is due to the growth in the capital value of companies. The risk, of course, is that some companies will fall out of favour or disappear altogether, which is why we invest in a number of companies and industry sectors.

An added risk when investing in international shares is currency fluctuations. If you are investing in overseas markets in Australian dollars, the value of your investment will decline if the Australian dollar’s value increases substantially against other currencies. Of course, the opposite is true if the Australian dollar’s value declines. To offset some of this risk, we may partially “hedge” against currency fluctuations, depending on our assessment of likely currency movements.

Because of the long-term growth cycle of shares, it is prudent to plan to hold such investments for extended periods of time. You may experience some years of zero or even negative returns in shares but, if you can invest over time, they will generally deliver a positive return.
Property
This asset class involves investing in properties, such as shopping centres, office buildings and factories.

The costs involved in developing and purchasing prime real estate are substantial, and successfully managing it requires yet another set of skills. Thus rather than owning real estate directly, we buy exposure to the asset class through investment trusts, when we believe these have the potential to deliver good long-term investment returns. The property trusts may be listed or unlisted and may include both Australian and international investments.

An advantage of using trusts for property investment is that it is generally easier to sell shares or units to other investors, rather than having to sell actual buildings. Furthermore, trusts allow us to further diversify our exposure to the asset class.

If you invest in any of the Diversified options you are invested in property, you can also choose it as a Sector-Specific option.

Risk
Some people often get the sense that property prices never go down. We feel comfortable with ‘bricks and mortar’ investments because, among other things, they include our own home. However, there are risks associated with property investments, linked to economic drivers like employment levels, consumer confidence and, in particular, interest rates.

Like shares, the long-term trend in property prices is upwards, but the market can flatten out and even be negative, particularly if there are sustained rises in interest rates. Historically, returns on property have been higher than bonds over the longer term but with higher risk.

We hedge any currency exposure we may have through our overseas property holdings fully back into the Australian dollar, so there is no currency risk.

Infrastructure
Infrastructure provides essential services to the public, ensuring economies work smoothly. Infrastructure encompasses a broad range of assets, such as toll roads, airports, water utilities and power generation facilities, pipelines, schools and health care facilities, to name a few.

Infrastructure assets tend to have a long lifespan and are thus generally well suited for long-term investors, such as super funds. Returns from infrastructure are generated from both capital growth of the assets as well as the long-term income streams derived from them.

Equip can invest in infrastructure, both directly and via unlisted and listed investment trusts. With infrastructure, we can further diversify the risk and return of our investment options.

All Diversified options with the exception of the Conservative option have a benchmark allocation to infrastructure.

Risk
As we do not offer direct investments for members in infrastructure, the risks associated with such assets are captured in the risk profiles of the Diversified investment options.

Infrastructure assets are subject to some price volatility. Equip prefers to invest in assets which are relatively mature and have actual cash flows.

Fixed interest
Fixed interest securities, also called fixed income or bonds, are issued by federal and state governments, as well as by companies. If you buy a bond, it usually entitles you to regular payments of interest over a fixed period plus the return of your investment at the end of the period.

Our fixed interest investments include both Australian and overseas bonds. They may also include indexed bonds, which are similar to other diversified fixed interest investments except that their returns are increased (indexed) each year by the amount of inflation. They offer good insurance against a rise in inflation with similar risk and return to fixed interest.

Fixed interest is an integral part of the strategic allocation of all the Diversified investment options, bar Growth Plus, and you can also invest in a Sector Specific option.

Risk
The bond market is a complex trading environment, driven by economic factors, investor sentiment towards growth assets like shares and interest rate movements. In a rising interest rate environment, bonds can lose some of their capital value.

Over the long term, fixed interest delivers lower returns than equities and property. However, there are times when the regular income payments that fixed interest provides make this type of investment attractive.

We hedge any currency exposure we may have through overseas fixed interest securities fully back into the Australian dollar, so there is no currency risk.

Alternatives
Alternatives are assets that allow our investment managers to take advantage of special investment opportunities that may arise. Equip has divided the alternatives asset class into growth alternatives and defensive alternatives.

Growth alternatives include investments such as private equity, multi-asset portfolios and hedge funds. Defensive alternatives include credit portfolios.

Risk
The risks associated with well-selected alternatives depend on the type of investment. As we do not currently offer direct investments for members in the alternatives asset classes, their risk profiles are captured within our Diversified investment options.

Cash
This is not just money in the bank but also money invested for a short time in money market securities such as bank term deposits and bank bills.

All Diversified options have a benchmark allocation to cash, with the exception of Growth Plus. You can also invest in a Sector Specific option.

Risk
The risk associated with cash investments (money in the bank and term deposits) is generally minimal, although the investment upside is also minimal. Cash is a safe haven in times of economic uncertainty, occasionally you may wish to preserve capital by allocating some of your super to cash.
General information

Your Tax File Number (TFN)

Under the Superannuation Industry (Supervision) Act 1993, Equip can collect your Tax File Number (TFN) to be used and disclosed for lawful purposes.

Equip may disclose your TFN to another super fund if and when your benefit is being transferred, unless you have asked us in writing not to disclose it.

You are not required to provide your TFN to Equip, but not providing it may mean that:

■ we are unable to accept certain contributions for you;
■ additional tax may apply on contributions and withdrawals; and
■ it may be more difficult to locate multiple super accounts in your name.

If you provide your TFN to Equip, we’ll search for and consolidate any of your lost super or amounts held by the ATO into your Equip account. We’ll also write to you and let you know if we find accounts for you at other super funds so you can decide whether to consolidate them into Equip.

Your employer’s obligation in relation to your TFN

Your employer has a legal obligation to provide your TFN to Equip when you start employment or when they make the first contribution for you.

Enquiries and complaints

You can contact our Helpline on 1800 682 626 or send us a message at equipsuper.com.au/contact when you have questions, need assistance, or if you’re not satisfied with our product or the service you’ve received and would like to make a complaint.

We always try to resolve complaints quickly and to the satisfaction of all concerned and in the best interests of all our members.

Complaints can also be made in writing to:

Complaints Officer
Equip
GPO Box 4303
Melbourne VIC 3001

You can find more information on the complaints process at equipsuper.com.au/complaints

About the Australian Financial Complaints Authority (AFCA)

If we take over 90 days to resolve your complaint or if you’re not happy with our decision, then you can refer your complaint to AFCA. AFCA provides fair and independent dispute resolution for financial complaints and it is a free service.

How to contact AFCA

The easiest way to raise a complaint with AFCA is through their website afca.org.au.

You can also contact them in the following ways:

Email: info@afca.org.au
Phone: 1800 931 678 (free call 9am to 5pm AEST weekdays)
Mail: GPO Box 3, Melbourne, Victoria 3001
Fax: (03) 9613 6399
Super fair and square
SuperRatings has awarded Equip a platinum choice rating, the top rating given to only the best superannuation products. Go to superratings.com.au for the full rating criteria.