

Monday 21 October 2019

\$26bn joint venture takes off, poised for growth

Two top-10, profit-to-member superannuation funds today successfully joined forces, paving the way for other funds to join. Governed by a new, skills-based board of 12 directors, Equip and Catholic Super's \$26 billion venture will manage funds for 150,000 members with an aspiration to be a much larger entity by 2025.

Andrew Fairley, Chairman, said the unique tie-up sets the scene for further industry consolidation. "This is a new dawn and a new era for super mergers as we scale up to benefit members under an extended public offer (EPO) licence," he said.

"At a time when funds are being urged to merge, Equip and Catholic Super have a rare opportunity to be one of the industry's great growth stories. We're open for business with an APRA-approved licence, attractive to funds that are keen to drive down costs while maintaining their distinctive brands and member engagement that they've always been known for.

"While other funds are talking about merging, Equip and Catholic Super are 'getting on with it'. The EPO licence was issued three years ago. The Catholic Super Board has had the courage to embrace the model, breaking new ground while being agile, innovative and aware of the reform backdrop that is shaping the future of our super industry."

Danny Casey, Deputy Chair (former Catholic Super Chair), noted the new model's member benefits. He encouraged other funds to follow suit and consolidate under a ground-breaking house-of-brands model that grows funds under management.

"As trustees we have a firm obligation to act in our members best interests. With the industry being challenged to consolidate further, funds that are seeking to ensure they can deliver sustainable member outcomes are encouraged to be part of this new and innovative approach. We've studied this model and unlocked the potential to join forces and maintain our super fund's heritage. Those who join can retain their distinct identity that attracted members to their fund of choice in the first place. For example, our Catholic Super members, who care for and educate millions of Australians every day, will retain their high-performing brand and exceptional service from their award-winning, in-house service centre."

Further bolstering both funds' strong history of exceptional performance, consistently ranking in top-10* superannuation fund league tables, a new chief executive was announced in August to head both funds. Scott Cameron has extensive experience leading integrated operations and bringing diverse businesses together. More recently, Anna Shelley was confirmed as the inaugural Chief Investment Officer for both funds, managing assets and investments under the \$26 billion joint venture model.

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*Source: SuperRatings (SR) Fund Crediting Survey, 15-year investing period – Balanced Index, August 2019. SR factors in both performance and risk factors. Both funds have exceeded the industry benchmark (average) for performance over this longitudinal period of time, demonstrating sound investing strategies and policies.

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Notes to the Editor

Pictures of the Chairman, Deputy Chair and CEO are available on request

About the Extended Public Offer model

The Extended Public Offer (EPO) model enables participating funds to achieve economies of scale in administration and investments, without loss of brand identity or control of relationships with members, employers and other stakeholders. It does not affect the status of participating funds as the nominated default fund for their employer network. In short, it values the assurance members and employers obtain from continuity with their fund and its brand, while delivering benefits by consolidating the behind-the-scenes trustee, administration and investment operations that benefit most from scale. Under the model funds will share a single trustee which will be led by a new, merged skills-based trustee board. Equip Super has been granted a license for this EPO by APRA.

About Equip

Equip is a profit-to-member fund managing over \$15 billion of assets for over 72,000 members around Australia. The fund has enabled members to look forward with confidence to a more financially secure retirement since 1931. Equip is highly regarded as a provider of corporate superannuation services by leading Australian companies across multiple industry sectors, especially those looking for proven performance and experience in both defined benefit and accumulation plans.

The fund is multi-sector, servicing employers and members from the energy, resources, water, infrastructure, manufacturing, health, legal and services sectors. It was founded as the staff fund of the State Electricity Commission of Victoria but broadened its coverage beyond the energy sector from the late 1990s.

Visit <https://www.equipsuper.com.au/mediacentre> for more media releases from Equip.

About Catholic Super

An award-winning, profit-to-member superannuation fund, Catholic Super at 10 October 2019 managed almost \$10 billion for 75,000 members and 11,000 employers working in the education and health care sectors. Catholic organisations are one of the country's largest employer groups who care for and educate millions of Australians every day. Since 1971 Catholic Super has helped members - many of whom are hard-working teachers, nurses and aged care people - grow their lifetime savings through its financial planning, insurance, retirement, aged care planning and pension services. Banking services are provided through MyLife MyFinance, a bank 100% owned by the Catholic Super fund.

Catholic Super's 'Balanced' (MySuper) option has delivered members an average investment return that has exceeded 10% per annum over 48 years since its inception in 1971. Catholic Super was recently ranked by Australia's leading financial comparison website, Canstar, as one of the six top super funds across a broad range of consumer groups for its combination of investment returns, insurance options and access to advice and information. Roy Morgan's latest 2019 six-month snapshot shows that Catholic Super members have rated their fund as one of the best in the country for satisfaction with financial performance.

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