



# **EQT HOLDINGS LIMITED**

## **INVESTOR BRIEFING FOUNDATIONS FOR SUCCESS**

**Sydney – Sofitel Sydney Wentworth**

**11 April 2024**



# AGENDA

- ( 1 ) Introduction
- ( 2 ) Q3 Financial update
- ( 3 ) Trustee Wealth Services (TWS)
- ( 4 ) Corporate & Superannuation Trustee Services (CSTS)
- ( 5 ) People – our greatest asset
- ( 6 ) Risk management – our core capability
- ( 7 ) Technology – major developments on track
- ( 8 ) Outlook & conclusion



# INTRODUCTION

**Mick O'Brien**

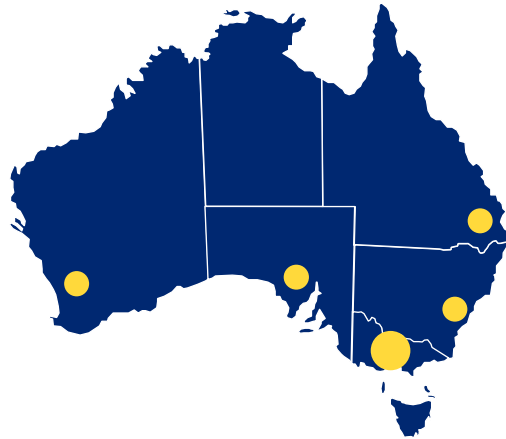
Managing Director

# ABOUT US



 Equity Trustees

Established 1888  
146<sup>1</sup> years young!



HQ in Melbourne  
Presence in Sydney, Perth,  
Adelaide and Brisbane

**\$183.8b<sup>2</sup>** in assets  
#5<sup>3</sup> in Australia

 Market Capitalisation  
**\$770m<sup>4</sup>**

 **498**  
Staff

Protecting over  
**850,000**  
beneficiaries,  
members and  
investors 

 Supporting over  
**200**  
Fund managers, super fund  
providers and corporates

1 Based on ANZ Trustees (Trustee Executors and Agency Company 1878)

2 As at 31 Dec 2023

3 Excludes Government Organisations

4 At \$29.00 share price



# EQUITY TRUSTEES SPECIALISES AT THE APEX OF THE WEALTH VALUE CHAIN

## Trusteeship

### Asset Management

- Fit for purpose trustee investment management capability
- Key component of trusteeship
- Marketing focus on charitable sector

### Advice

- Cross sell to TWS clients
- Older client base
- Not marketed to the broader market

### Custody

- Service provided for real assets only<sup>1</sup>
- Outsourcing all other assets

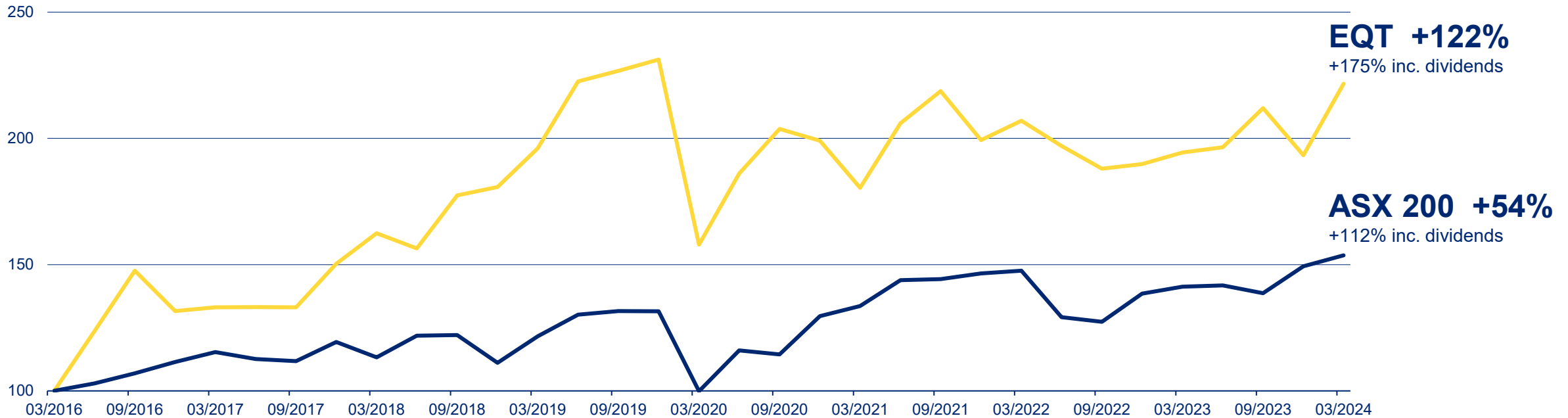
### Administration / Registry

- Not provided to the market
- In-house for TWS
- Outsourced for CSTS

<sup>1</sup> Implementation of NavOne includes outsource of all other custody to HUB24



# SIGNIFICANT OUT-PERFORMANCE



## Establishing the foundations

- Capitalising on ANZ Trustees
- Operating model review
- Acquisition of Sandhurst Estates and Trusts
- Acquisition of OneVue RE

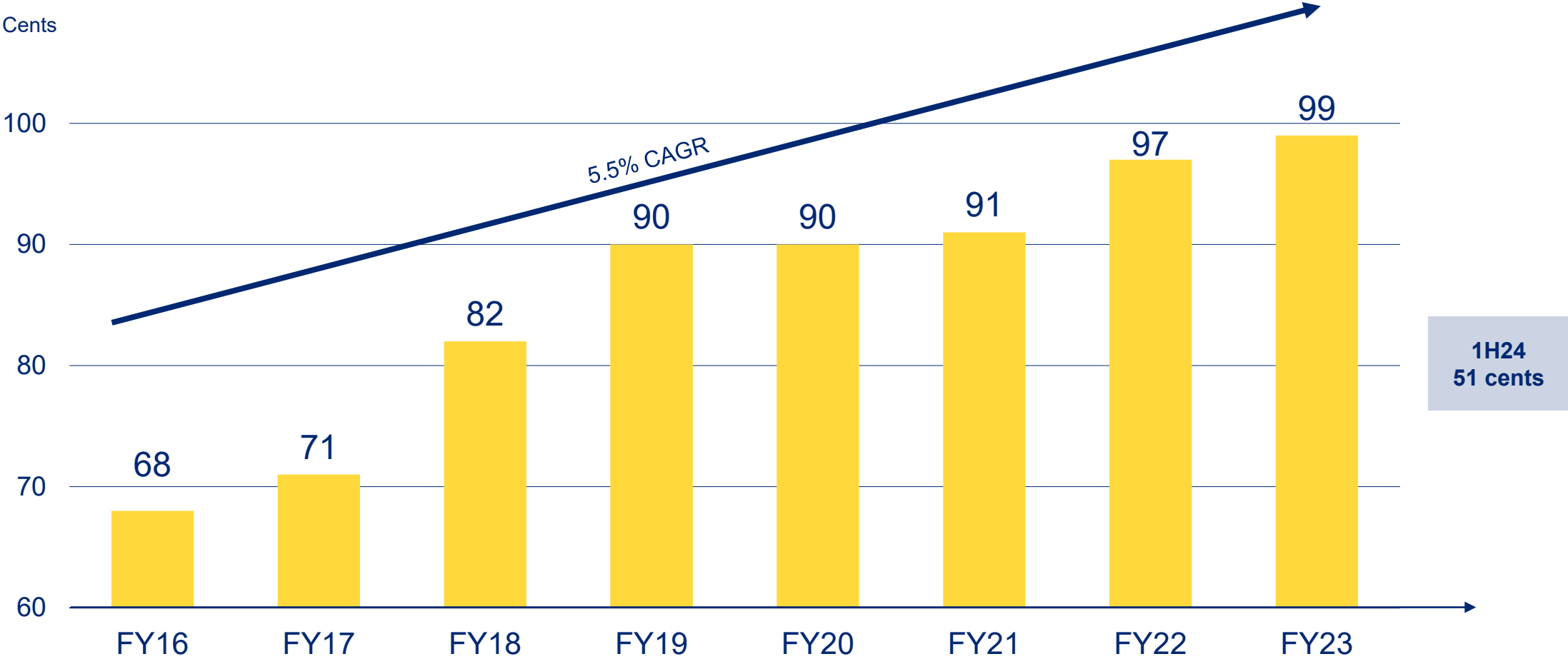
## New businesses originated

- Superannuation trusteeship
- Debt Capital Markets
- Custody and real assets
- Entry to UK and Ireland

## Major developments

- Transformative acquisition of AET
- iPhi
- Salesforce
- Workday
- NavOne & HUB24

# CONSISTENT GROWING DIVIDENDS



Maintained dividend in covid impacted year



**Our purpose is to help  
people take care of their  
future**

**Our vision is to be  
Australia's leading trustee  
company**



# OUR VALUES ARE THE CORE OF WHO WE ARE



**TRUSTED**



**ACCOUNTABLE**



**EMPOWERING**



Trust is earned

Trusteeship is a privilege and requires accountability

We strive to empower clients and our employees



# T4 TARGETS: BALANCING STAKEHOLDER NEEDS IS THE KEY TO OUR SUCCESS

**T1**

## **Improving client satisfaction**

Our clients are surveyed every year and action taken to improve their experience

**T2**

## **Lifting employee engagement**

Our goal is to have highly engaged and enabled employees to support our clients

**T3**

## **Growing shareholder value**

Clients are best served over the long term by a company that is in a healthy financial position

**T4**

## **Deepening community impact**

We are proud of the trust placed in us to deepen our impact on the community



# OUR FOUR KEY ASSETS PROVIDE A COMPETITIVE ADVANTAGE



## People

- Experienced specialists in all aspects of trusteeship
- Industry leaders
- Expect our values to be lived
- Proud to be the trustee employer of choice



## Licences

- No other Australian company has our suite of trustee licences



## Brand

- 136 years
- Synonymous with 'trust'
- Untarnished by recent industry disruptions



## Balance sheet

- Low gearing at 11.5%<sup>1</sup>
- Cash, liquid assets, and undrawn committed debt of \$84m
- Strong shareholder support

## Competitive edge

The company is focused on ensuring our key assets lead the market for the benefit of our clients

<sup>1</sup> Debt to Equity Ratio excluding Operational Risk Financial Requirement (ORFR) facilities

# TRUSTED BY MAJOR FINANCIAL INSTITUTIONS & CLIENTS



## Australian fund managers



## Global fund managers



## Superannuation providers



## Charitable foundations & community trusts



WF



# EXPERIENCED BOARD OF DIRECTORS



**CAROL SCHWARTZ AO**  
Chair  
4 years



**KEVIN J ELEY**  
Independent Director  
12 years



**D. GLENN SEDGWICK**  
Independent Director  
7 years



**CATHERINE ROBSON**  
Independent Director  
4 years



**MICK O'BRIEN**  
Managing Director  
8 years



**TIM HAMMON**  
Independent Director  
5 years



**KELLY O'DWYER**  
Independent Director  
3 years



**ROBERT DALTON**  
Independent Director  
0.5 years

# REFRESHED EXPERIENCED LEADERSHIP TEAM



**MICK O' BRIEN**  
Managing Director  
8 years



**MORGAN LONGLEY**  
Executive Assistant



**ANDREW GODFREY**  
Executive General Manager,  
Corporate & Superannuation  
Trustee Services  
1 year



**GEORGIE TAYLOR**  
Executive General  
Manager, People  
1.5 years



**IAN WESTLEY**  
Executive General  
Manager,  
Trustee Wealth Services  
17 years



**PHILIP GENTRY**  
Chief Financial Officer  
& Chief Operating Officer  
(stepping down June 2024)<sup>1</sup>



**PHING LEE**  
Chief Technology  
Officer  
11 years



**SAMANTHA EINHART**  
Company Secretary  
2 years



**DARREN THOMPSON**  
Head of Asset  
Management  
5 years



**OWEN BRAILSFORD**  
Chief Risk Officer  
6 years



**ALICIA KOKOCINSKI**  
General Manager, Marketing  
& Communications  
9 years

<sup>1</sup> Johanna Platt appointed as new CFO commencing July 2024 (ASX release – 10 April)



# MARKET LEADERSHIP POSITIONS

## PRIVATE CLIENT BUSINESSES

### TRUSTEE & WEALTH SERVICES

- **Philanthropy** – Leading provider
- **Health & Personal Injury** – Leading provider
- **Estate Management** – Leading provider
- **Estate Planning** – Leading provider
- **Continuing Trusts** – Leading provider
- **Advice** – Specialist advice provider for trustee market

### ASSET MANAGEMENT

- High performing provider of funds management capability specifically designed for trusts

## CORPORATE & SUPERANNUATION TRUSTEE SERVICES

### CORPORATE

- **Responsible Entity Services** – long term clear leader
- **Custody & Real Assets** – building a strong new business
- **DCM & Securitisation** – building a strong new business

### SUPERANNUATION

- Leading provider of independent superannuation trustee services to superannuation organisations

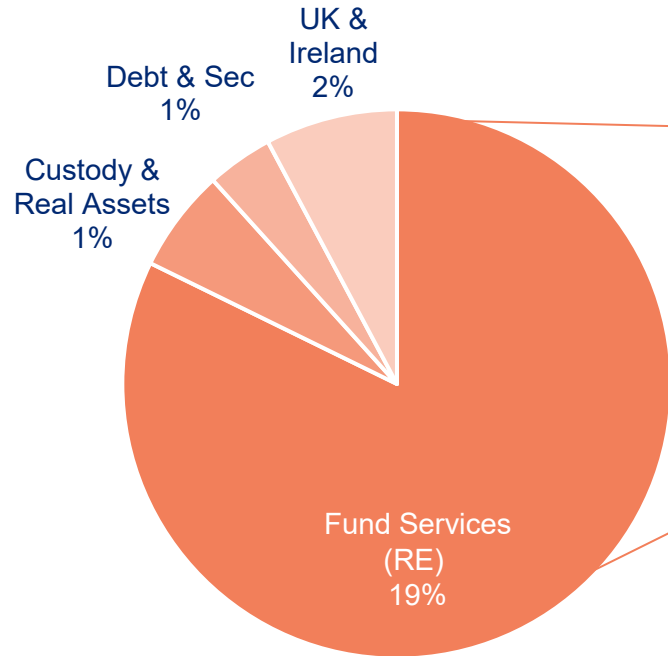
## EXPANDED GEOGRAPHIC CAPABILITY

- Market leadership in Victoria, South Australia, West Australia and strong positions in New South Wales and Queensland

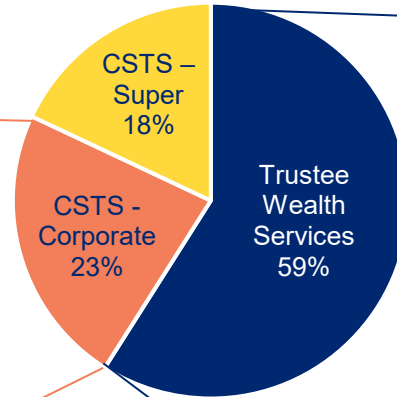
# INCREASINGLY DIVERSIFIED BUSINESS REVENUE



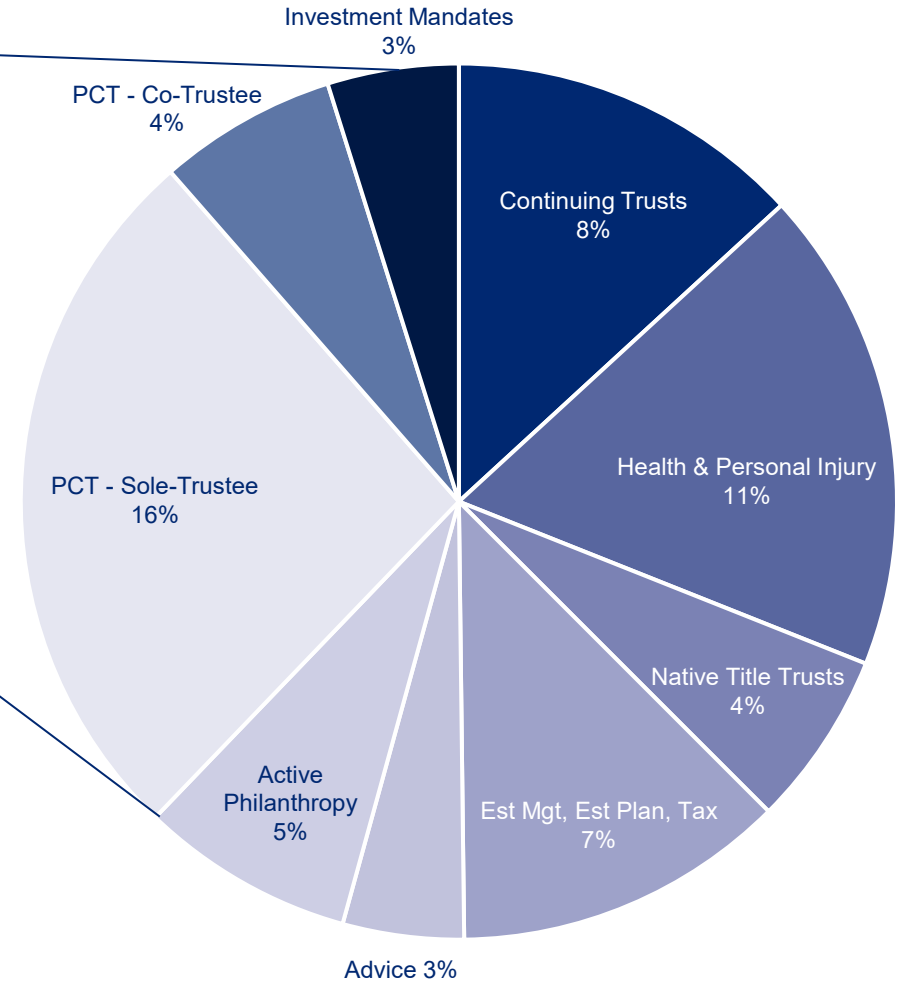
## CSTS - Corporate



## Group



## Trustee Wealth Services



**NO SUB-SEGMENT IS GREATER THAN 19%**

Asset Management revenue is embedded in each sub-business unit. ( 16 )





# CLIENT CONCENTRATION IS LIMITED

REVENUE	TOTAL NO. OF CLIENTS	# TWS	# CSTS – CORP	# CSTS - SUPER
Greater than 1% of Group Revenue (~\$1.7m)	7	2	2	3
0.5% to 1% of Group Revenue (~\$0.85m - \$1.7m)	16	5	7	4
Total	23	7	9	7

## Underlying client concentration within CSTS - Corporate portfolio

- 18 Managed Investment Schemes exceed \$1b in FUS



# CLIENT TURNOVER IS VERY LOW

BUSINESS UNIT	SUBJECT TO POTENTIAL FUNDS OUTFLOW	OTHER REASONS FOR LOSS
<b>CSTS</b>		
• Superannuation <sup>1</sup>	✓✓	Voluntary retirement by EQT <sup>2</sup> or SFT <sup>3</sup>
• Funds Services <sup>1</sup>	✓✓✓	Voluntary retirement by EQT <u>and</u> requires unitholder vote
• Debt and Securitisation	x	Maturity of loan
• Custody and Real Assets	✓	Client choice
<b>TWS</b>		
• Estate Planning	N/A	N/A
• Estate Management	x	Voluntary retirement by EQT or Court order
• Continuing Trusts	x	Voluntary retirement by EQT or Court order
• Perpetual Charitable Trusts	x	Voluntary retirement by EQT or Court order
• Active Philanthropy <sup>1</sup>	✓	Client choice and EQT agreement
• Health and Personal Injury	Planned draw down	Voluntary retirement by EQT or Court order
• Native Title Trusts	✓	Community choice or voluntary retirement by EQT

<sup>1</sup> Also subject to potential inflows

<sup>2</sup> Voluntary retirement may occur if EQT does not have the appetite or capability to act

<sup>3</sup> Successor Fund Transfer (SFT) may be required to deliver member outcomes

# SUMMARY



Our focused specialist strategy is crystal clear and is delivering results



The Leadership team have consistently executed on our plans



Client satisfaction and employee engagement is high



We are very focused on delivering over the next two-three years and beyond



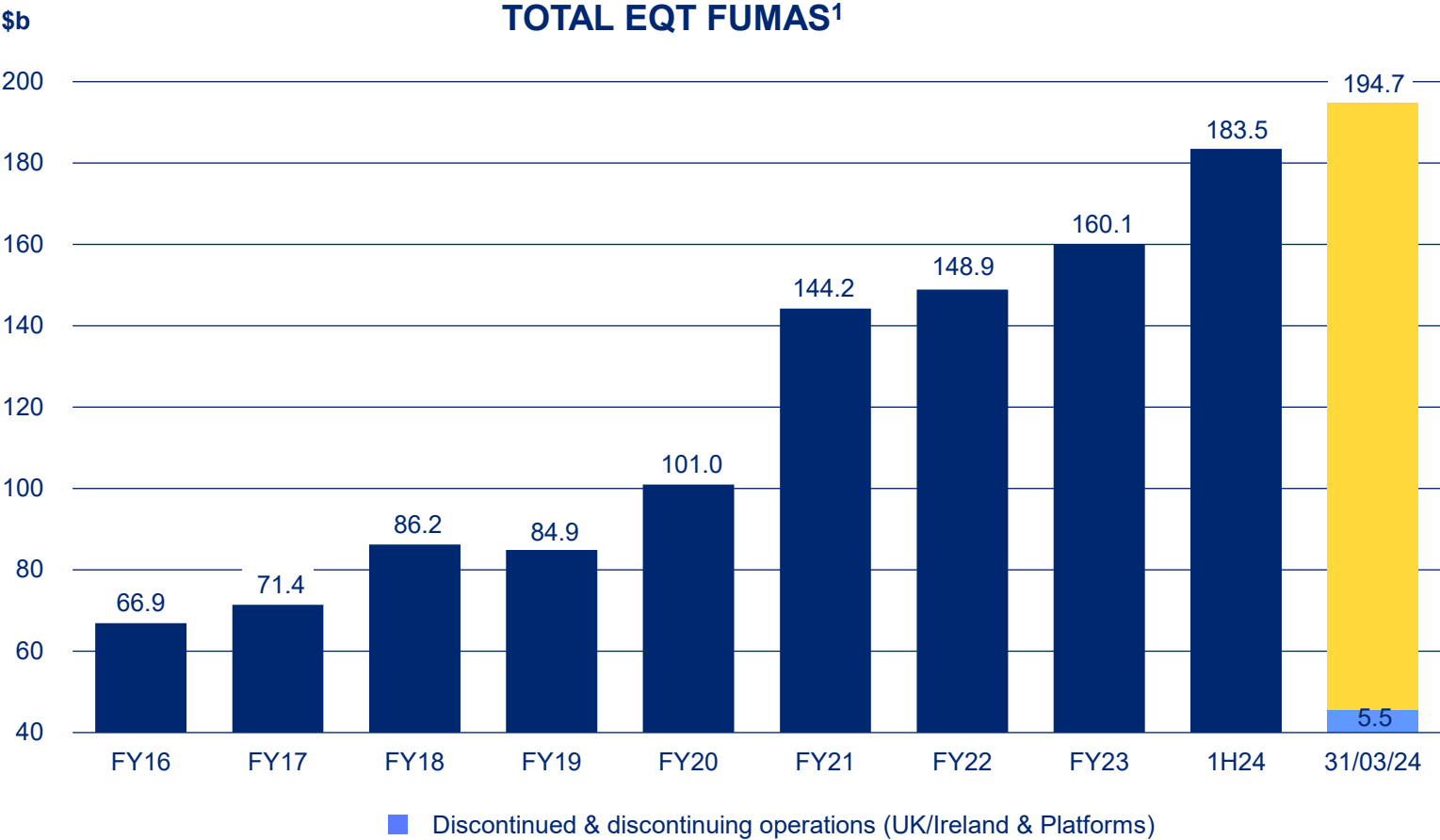
# Q3 FINANCIAL UPDATE

**Philip Gentry**

Chief Financial Officer &  
Chief Operating Officer



# LONG-TERM UPWARD FUMAS TREND UNDERPINNING STRONG ORGANIC GROWTH MOMENTUM

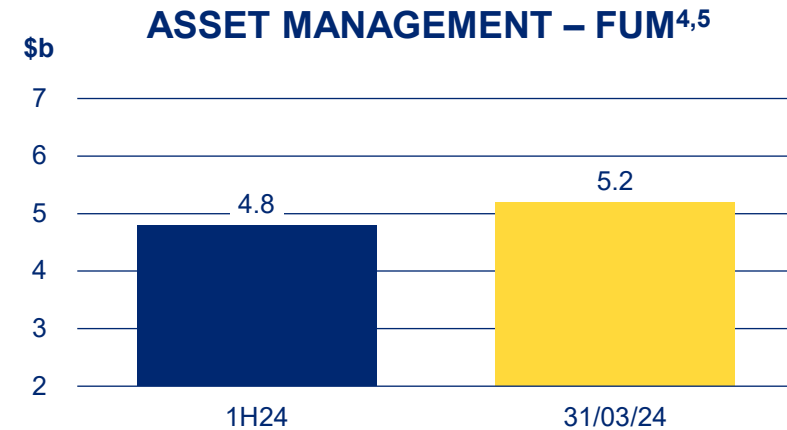
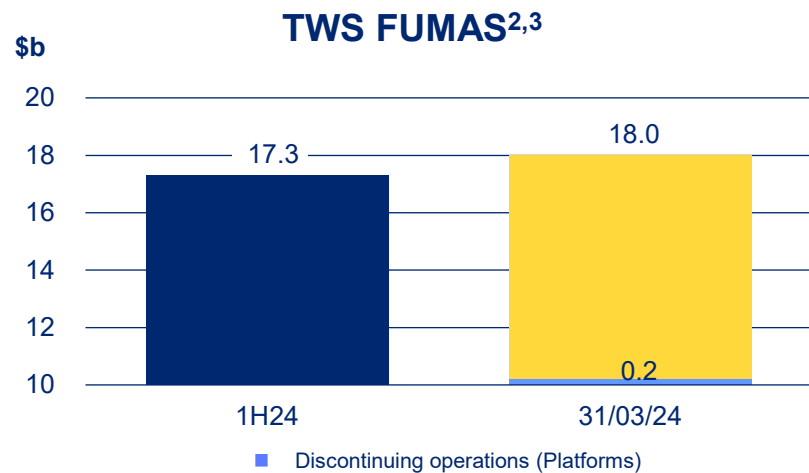
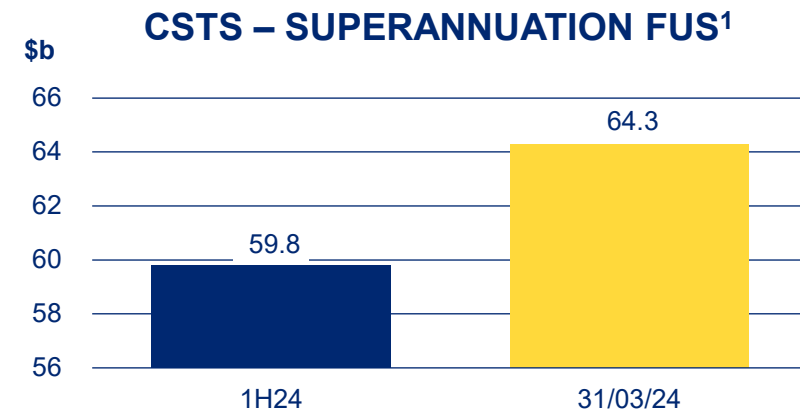
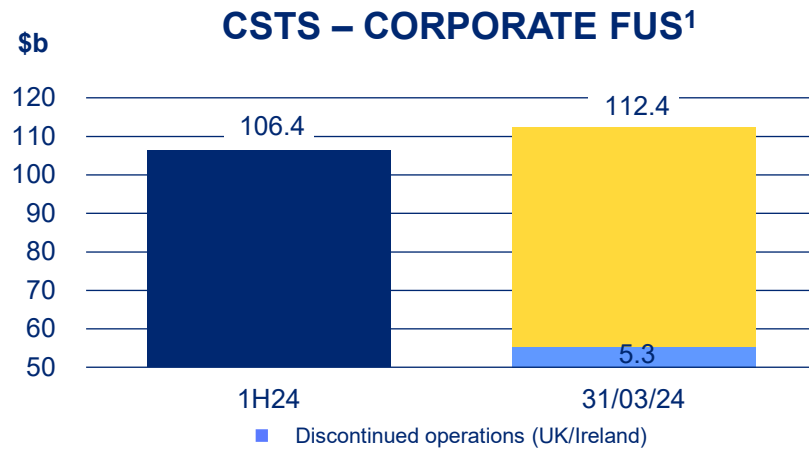


- FUMAS up 6.1% on 31 December to \$194.7b
- Significant new business activity in both TWS and CSTS
- Discontinued & discontinuing operations (UK/Ireland & Platforms respectively) accounts for \$5.5b

<sup>1</sup>FUMAS: Funds under management, administration, advice and supervision



# ALL BUSINESSES CONTRIBUTING TO FUMAS GROWTH



1 FUS: Funds under supervision  
4 FUM: Funds under management

2 FUMAS: Funds under management, administration, advice and supervision  
5 Note, material internal cross-investments removed to avoid double counting

3 TWS FUMAS includes Asset Management FUM



# AET INTEGRATION – DELIVERY ON TRACK

## MILESTONES COMPLETED Q4 2023

- Agreement to outsource SAF administration
- SMSF & PMS clients referred to new providers

## EXIT OF THE PLATFORM BUSINESS MILESTONES

- Q3 FY24
- Establish outsource SAF administration operating model
  - Finalise list of SAF assets to be transferred to new Custodian
  - Continue closure of SMSF & PMS business

- Q4 FY24
- SAF administration migrated to new administrator
  - Custody of all SAF & platforms assets outsourced
  - Target closure of SMSF & PMS business by June 2024

NOV 2024

Integration of AET with TWS ecosystem complete

Exit from Insignia systems

Exited platform business

## INTEGRATION OF THE TRUSTEE BUSINESS MILESTONES

- Further iPhi development for Philanthropic funds
- Standardise applications (Salesforce) for Estate Planning
- All IT infrastructure work completed

- NavOne Continuing Trusts implementing. First group of AET clients and products live and operational on NavOne
- Uplift Salesforce capability in Estate Planning to improve operational efficiency
- Data migration 50% completed

- NavOne Philanthropy implemented.
- Roll out of Philanthropy customer facing portal to JBWere philanthropy clients
- Data migration 60%-70% completed

We are here



# OVERALL SYNERGIES TARGET INCREASED & IMPLEMENTATION COSTS ON TRACK

	NET COST SYNERGIES	REVENUE SYNERGIES	IMPLEMENTATION COSTS	CAPITAL RELEASE
<b>Targeted amount</b>	\$2.9m p.a (\$3.5m p.a.)	\$5.8m p.a. (\$3.3m p.a.)	\$22m (\$22m)	\$10m (nil)
<b>Timing</b>	Achieve run-rate in FY25	\$0.4m in FY23 \$3.6m in FY24 increasing to \$5.8m in FY25 • Potential additional synergies in FY26	Across FY23, FY24 & 1H25	Expected by December 2024
<b>Key sources</b>	<ul style="list-style-type: none"> <li>Exit from PMS &amp; SMSF and outsourcing of SAFs</li> <li>Exit from Safe Custody business</li> <li>SAF repricing</li> <li>Other synergies</li> </ul>	<ul style="list-style-type: none"> <li>Investment management revenue synergies where it is in the best interests of trustee clients/beneficiaries</li> <li>Implemented EQT Estate Management pricing (and other EQT Trust pricing)</li> </ul>	<ul style="list-style-type: none"> <li>Technology and operations integration</li> <li>Transition Services from Insignia</li> <li>Other</li> </ul>	Release of ETWSL traditional trustee licence and AET custody licence
<b>Status</b>	<ul style="list-style-type: none"> <li>Increased resource support to Business Units</li> <li>Exited Safe Custody business</li> <li>Implemented new SAF pricing</li> <li>Progressed exit of PMS/SMSF businesses and outsourcing of SAF administration</li> </ul>	<ul style="list-style-type: none"> <li>~\$0.6b transitioned to EQT Common Funds as at the end of March 2024</li> <li>New AET Estates are on EQT pricing</li> </ul>	On-track	On-track

Note: Figures in brackets represent original targets





# EQT'S REVENUES ARE LEVERAGED TO EQUITY MARKETS AS FEES LARGELY ASSET-BASED

	1H24 REVENUE <sup>1</sup>	TOTAL FUMAS AS AT 1H24	PROXY LEVERAGE
<b>TWS</b>	\$48.7m	\$17.6b	50%-60% to average daily ASX 200
<b>CSTS – SUPER</b>	\$13.4m	\$59.8b	15%-25% to average daily ASX200
<b>CSTS – CORPORATE</b>	\$18.8m	\$106.4b	40%-50% to average daily World MSCI and ASX200

<sup>1</sup> Excluding interest and recovery income

Leverage correlation to market levels is dependent on:

- Mix of asset-based fees and non-asset based “fixed” fees
- The extent of capped and minimum fees
- The level of scaling down of fees at high asset levels
- Asset allocation of each portfolio

	AS AT 30/06/23	AS AT 31/03/24	AVG. DAILY (AD) 1H23	AVG. DAILY (AD) 31/03/24	31/03/24 vs 30/06/23 %	AD 31/03/24 vs 30/06/23 %	AD 31/03/24 vs AD 1H23 %
<b>ASX200</b>	7,203.30	7,896.86	6,914.53	7,312.54	9.6	1.5	5.8
<b>WORLD MSCI</b>	4,448.53	5,271.83	3,892.31	4,684.66	18.5	5.3	20.4

- World MSCI positive for CSTS during the period
- Equity markets for Q3 FY24 have strengthened



# TRUSTEE WEALTH SERVICES

**Ian Westley**

Executive General Manager,  
Trustee & Wealth Services

# TRUSTEE WEALTH SERVICES – LEADERSHIP TEAM



**IAN WESTLEY**  
Executive General Manager,  
Trustee Wealth Services  
**17 years**



**JO MAHONEY**  
Manager, Office of TWS  
**11 years**



**ERIC BYLSMA**  
General Manager, Technical  
Support & Quality Assurance  
**18 years**

- Operations
- Professional Standards
- Investment Management
- Client Services



**AARON TUNKS**  
General Manager, Private Trustee  
Services  
**9 years**

- Estate Management
- Tax
- Health and Personal Injury
- Continuing Trusts



**JODI KENNEDY**  
General Manager, Philanthropy  
and Community Trustee Services  
**7 years**

- Active Philanthropy
- Charitable Trusts
- Community and Native  
Title Trusts



**RAVI MALHOTRA**  
General Manager, Private  
Wealth & Partnerships  
**10 years**

- Business Development
- Estate Planning
- Advice

# TWS SERVICES



## Traditional trustee services

-  Estate Planning
-  Estate Management
-  Continuing (Testamentary) Trusts
-  Perpetual Charitable Trusts

## Contemporary trustee & other services

-  Health & Personal Injury
-  Active Philanthropy
-  Native Title & Community Trusts
-  Financial Advice
-  Investment Mandates



# TWS POSITION TO BENEFIT FROM CHANGING AUSTRALIAN DEMOGRAPHICS

Acting as a fiduciary underpins all our private client trustee services with our growth to be supported by



The over 80s being the fastest growing population cohort



The government's stated objective to double philanthropic giving by 2030



The estimated \$3.5t intergenerational transfer of wealth in next 20 years



Increasing empowerment of First Nations people to benefit from their own land



Increasing complexity of Australian households



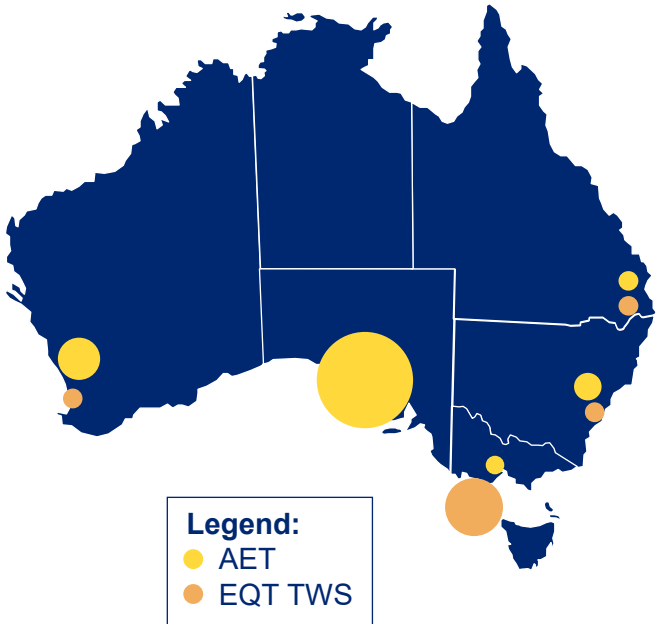
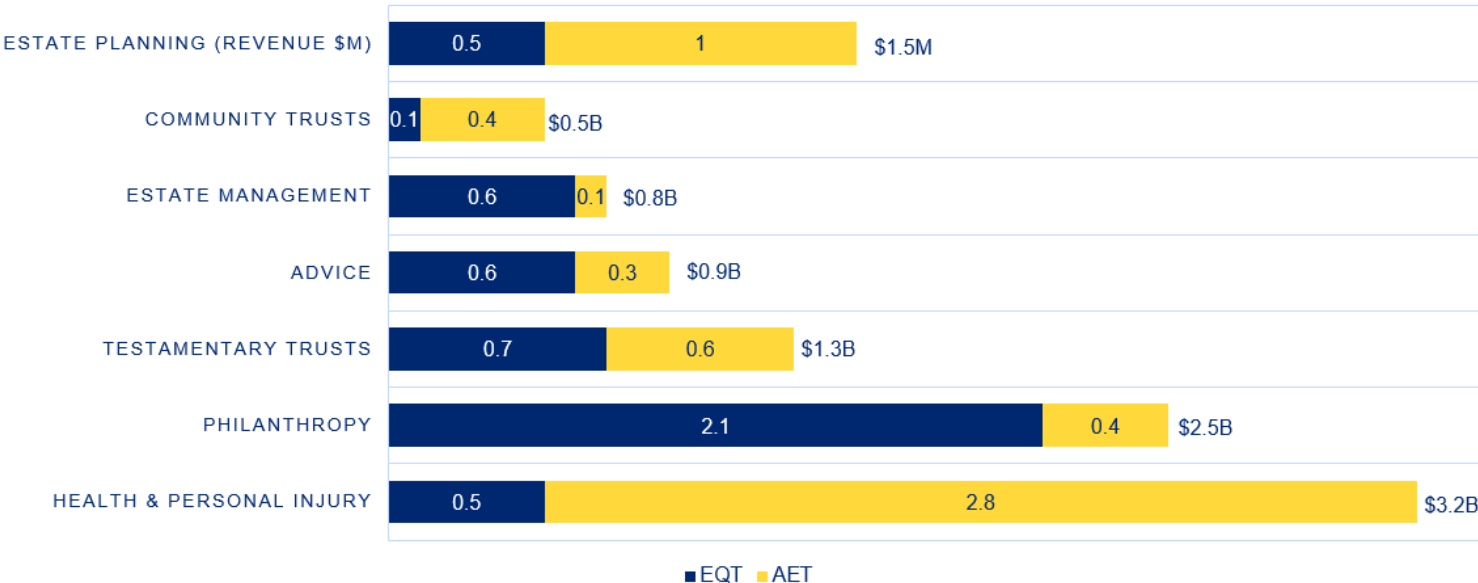
NDIS legislation to better support Australian's living with disability



# IMPACT OF AET ACQUISITION

- Scale in all markets
- Strong presence in all mainland states

## FUMAS

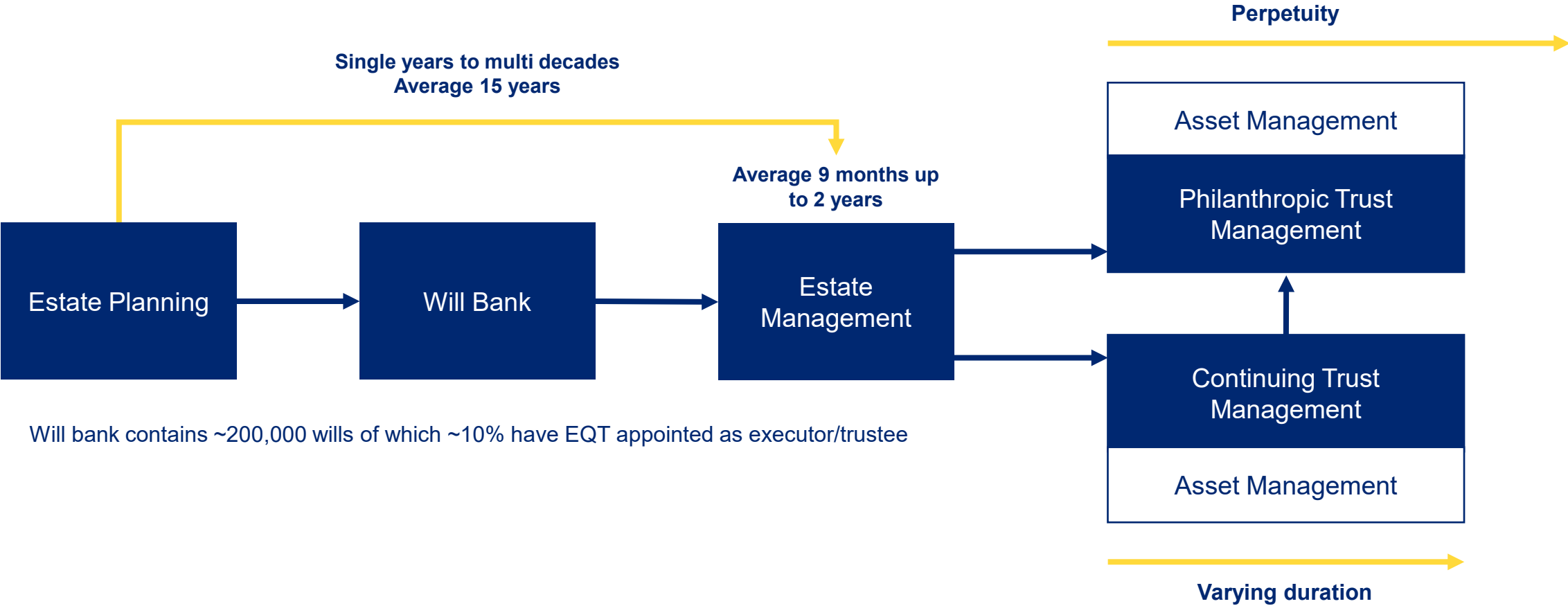


\* Depicts FUMAS & staff spread at the time of acquisition (1 December 2022)



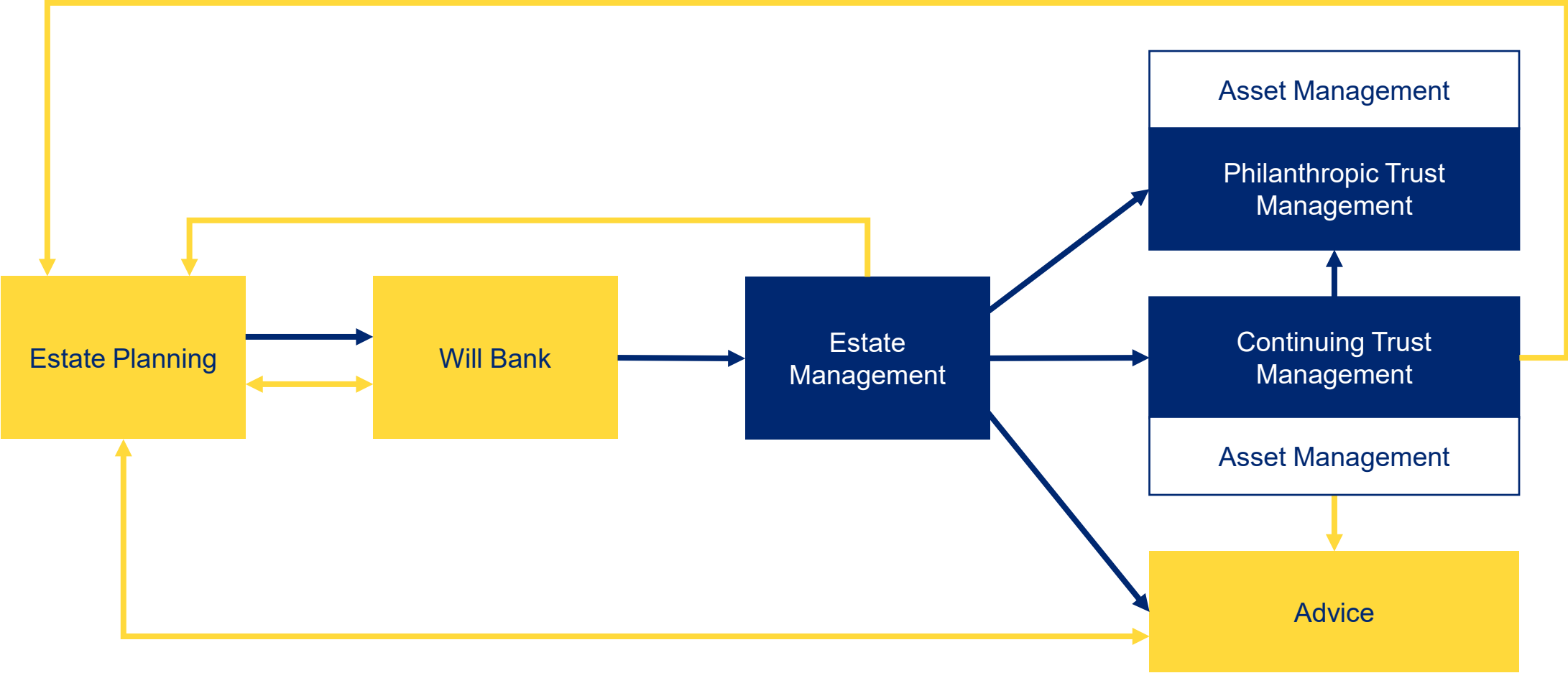
# TRADITIONAL TRUSTEE SERVICES

## LIFE CYCLE OF TRUSTEE SERVICES



Will bank contains ~200,000 wills of which ~10% have EQT appointed as executor/trustee

# CLIENT LIFECYCLE & CROSS SELL OPPORTUNITY





# COMPLEXITY OF TRADITIONAL BUSINESS

- Long lead time from Estate Planning to Estate Management
- Not dealing with actual client beyond Estate Planning
- Unique skill set required to manage client base
- No other business provides all these services

Business Unit	Team Size
Estate Planning	19
Estate Management	21
Continuing Trusts	12
Perpetual Charitable Trusts (single Philanthropy business)	16
Advice	6



**Generation magazine**  
 Stories to share and learn  
 from Australia's leading  
 trustee company  
 Protecting and managing  
 wealth for generations



# LEADING MARKET POSITIONS IN TRADITIONAL TRUSTEE BUSINESS



	Client #	FUM	Asset Management	Tenure
Estate Planning	200,000 in Willbank	N/a	N/a	15 years
Estate Management	525	\$472m	N/a	Up to 2 years
Continuing Trusts	1,123	\$1,258m	Yes	On average 20-30 years
Perpetual Charitable Trusts	712	\$2,628m	Yes	In perpetuity
Advice	789	\$799m	Yes	> 10 years on average



# THE FUTURE OF PHILANTHROPY

## Two segments to market

- **Perpetual Charitable Trusts**

- Granted over \$120m in FY23
- Deep sector knowledge

- **Active Philanthropy**

- Give while you live
- Two structures available
  1. Private Ancillary Fund (PAF)
  2. Public Ancillary Fund (PuAF)

- Current Business Development is B2B

- Invested in technology for growth
  - iPhi technology has supported the growth of the DAF market in the US
  - 2019 DAF<sup>1</sup> giving has more than doubled in 5 years. Increased year on year since 2009.
- Existing clients migrated in 2023
- About to “go-live” with JBWere Endowment Fund
- Enable B2C when launched publicly mid this calendar year

	Client #	FUM
PAF	34	\$112m
PuAF	406*	\$391m

<sup>1</sup> Donor Advised Fund

\* Named sub funds under EQT Management

# NATIVE TITLE OVERVIEW



**~\$750 million**  
funds on behalf of  
traditional owner groups

We partner with  
**more than 20**  
traditional owner groups  
across Australia

**Around 45,000**  
traditional owner clients  
and representative  
organisations

## # clients by location



Client #	FUM	Tenure	Asset Management
22	\$748m	Varied	Yes

- Every client is unique although underlying structures are either
  - Charitable Trusts
  - Direct Benefit Trusts
- 16 employees with deep understanding of Native Title market
- Supported by Indigenous Advisory Group



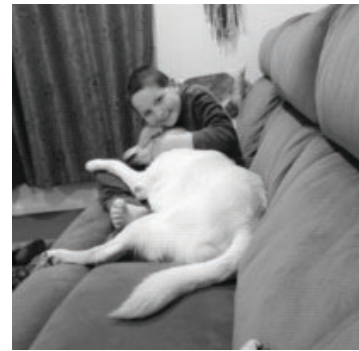
Karijini Experience 2024 opening ceremony

# HEALTH & PERSONAL INJURY OVERVIEW



## Referrals from personal injury lawyers

- Lawyers have strong relationships with client due to length of time to compensation
- Both lawyers and clients need to have high levels of trust in the appointed trustee



# HEALTH & PERSONAL INJURY OVERVIEW



# employees in each office



Our team has great experience, scale and presence in all states

Clients have unique needs

- Recruitment is difficult; empathy, resilience, prepared to make hard decisions
- Clients prefer local support

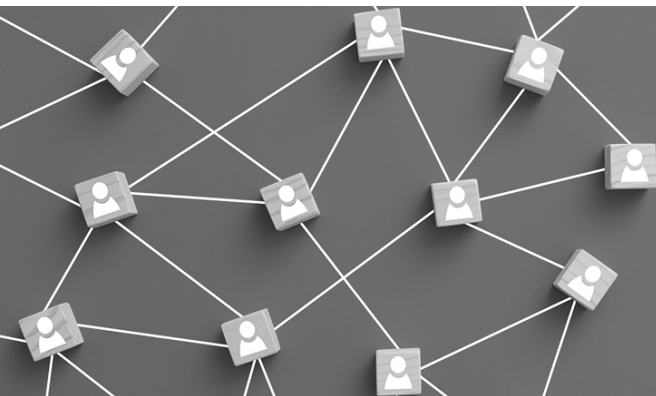
Client #	FUM	Tenure	Asset Management
1,244	\$4,066m	~50 years	Yes



# THE GROUP IS DEDICATING MORE RESOURCES TO BUSINESS DEVELOPMENT

Business Development	
Team	Average tenure
<b>6</b>	<b>9</b>
Total years of industry experience	
<b>142</b>	

Business Unit Team Size		
Estate Planning	H&PI	Philanthropy
<b>19</b>	<b>27</b>	<b>20</b>
Native Title Trusts	Continuing Trusts	Estate Management
<b>16</b>	<b>12</b>	<b>21</b>



## Networks

- Legal profession
- Australian Lawyers Alliance
- STEP
- Plaintiff lawyers
- Courts and administrative tribunals
- Private banks / brokers / planning groups
- Existing client referrals

# SUMMARY – USE OF ASSET MANAGEMENT CAPABILITY



Business Unit	FUM	Allocation to Asset Management
Continuing Trusts	\$503m	High
Perpetual Charitable Trusts	\$746m	High
Advice	\$799m	Low
Health & Personal Injury	\$4,066m	Low
Active Philanthropy	\$2,628	Medium
Native Title Trusts	\$1,258	Low





# SUMMARY – LONG DURATION BUSINESS

BUSINESS UNIT	FUM	DURATION	COMMENT	CAPITAL ACCESS
Estate Planning	N/A	15 years	At Point of Sale	N/A
Estate Management	\$472m	Up to 2 years	Varies between 6 and 24 months	Fully
Continuing Trust	\$1,258m	20-30 years on average	Considerable variation in designs	Not generally
Perpetual Charitable Trust	\$2,628m	Enduring	In perpetuity appointments	Not generally
Health & Personal Injury	\$4,066m	~ 50 years	Younger lives (ages 0 to 20). Mortality is not overly impaired	Yes
Advice	\$799m	>10 years on average	Average age in the 70s	Yes
Native Title Trusts	\$746m	Varied	Considerable variation in terms	Dependent on Trust
Active Philanthropy	\$503m	~ 10 years to Enduring	Can extend past death	Not by practice



# SUMMARY



Great talent



Diversified revenue lines



Long tenure clients



Low client concentration risk



Favourable societal demographic trends



Business requires long-term focus and investment to be successful



Strong market positions



New market opportunities powered by technology being developed



# **CORPORATE & SUPERANNUATION TRUSTEE SERVICES**

**Andrew Godfrey**

Executive General Manager,  
Corporate & Superannuation Trustee Services

# CSTS – LEADERSHIP TEAM



**ANDREW GODFREY**  
Executive General Manager,  
Corporate & Superannuation Trustee Services  
**1 year**



**KAREN COURT**  
Executive Assistant  
**3 years**



**DAVID WARREN**  
General Manager,  
Superannuation  
Services  
**5 years**



**JOHNNY FRANCIS**  
General Manager,  
Fund Services  
**2.5 years**



**JAMES CONNELL**  
General Manager,  
Debt & Securitisation  
Services  
**7 years**



**CRISTINA STAREK**  
General Manager,  
Shared Services  
**3.5 years**



**MARY O'CONNOR**  
General Manager,  
Business  
Transformation  
**7 years**



**RUSSELL BEASLEY**  
Fund Services Adviser  
**19 years**

**TBC\***  
General Manager,  
Governance, Risk,  
Compliance &  
Regulatory Affairs

\*In final stages of making appointment



# CSTS ~\$170B ACROSS 520+ FUNDS/ACCOUNTS

**Vision:** To be the leading premium provider of corporate and superannuation trustee services in Australia:

- Delivering optimal outcomes for members/unitholders and
- Being the independent trustee of choice

	CTS	STS
<b>Clients</b>	Local & international investment managers Property investment managers Debenture & note trustee issuers Security trustee clients	Superannuation promoters
<b>FUS</b>	\$106.4b	\$59.8b
<b>Team</b>	59	39
<b>LTM revenue*</b>	\$41.1m	\$28.3m
<b>FY17-1H FY24 CAGR</b>		
• <b>FUM</b>	+9%	+57%
• <b>No. funds</b>	+6%	+2%

Information as at 31 December 2023

\* Last Twelve Months (LTM) = 1 January 2023-31 December 2023

# TRUSTED BY MAJOR FINANCIAL INSTITUTIONS & CLIENTS



## Australian fund managers



## Global fund managers



## Superannuation providers





# UNRIVALLED ACCESS TO MORE THAN 50 THIRD PARTY SERVICE PROVIDERS

## CUSTODIANS



## AUDITORS



## UNIT REGISTRY / ADMINISTRATION



## INSURERS



## EXCHANGES & MARKET MAKERS



## PRIME BROKERS





# CSTS – SUPERANNUATION – DEEP EXPERTISE

### Superannuation Services

Team	Average tenure
<b>39</b>	<b>3.8</b>

Average years of industry experience  
**~28**

**Core capabilities**

- Relationship management
- Product management
- Risk and compliance management (first line)
- Prudential legislation and regulation
- Service provider oversight
- Insurance governance & claims oversight
- Superannuation Investments oversight
- Product disclosures
- Fund financial reporting

### Fund Services

Team	Average tenure
<b>52</b>	<b>4.0</b>

Average years of industry experience  
**~19**

**Core capabilities**

- Relationship management
- Product management
- Risk and compliance management (first line)
- MIS regulatory requirements
- Service provider oversight
- Fund legal matters
- Product disclosures
- Fund tax and financial reporting
- Fund operations oversight
- Listed product management

### Debt & Securitisation Services, Custody & Real Assets

Team	Average tenure
<b>7</b>	<b>3.7</b>

Average years of industry experience  
**~27**

**Core capabilities**

- Relationship management
- Product management
- Risk and compliance management (first line)
- Related legal services
- Asset safekeeping
- Payments
- Defaults management
- Reporting
- Transaction execution
- Custody and escrow services





# **CSTS – SUPERANNUATION**

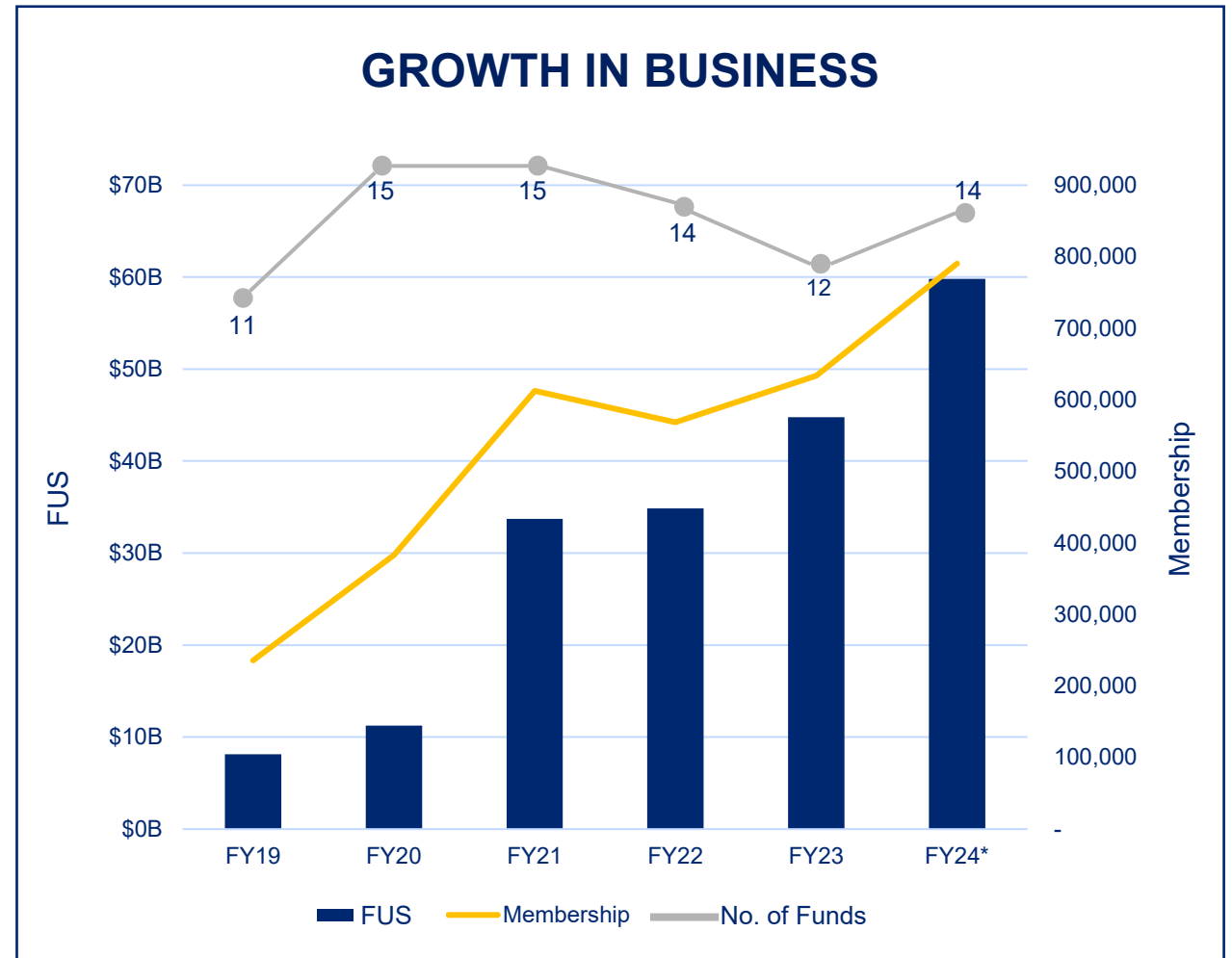


# ABOUT US

**CSTS – Superannuation is Australia’s leading specialist, independent superannuation trustee with capabilities that can be scaled and leveraged across multiple fund types using a common infrastructure.**

## OVERVIEW

- Equity Trustees Superannuation Limited (**ETSL**) and HTFS Nominees Pty Ltd (**HTFS**), together the **Trustees**, are wholly owned subsidiaries of EQT Holdings Limited
- ETSL is the trustee for 13 Australian superannuation funds (and 590 Small APRA Funds) and HTFS is the trustee for 1 fund

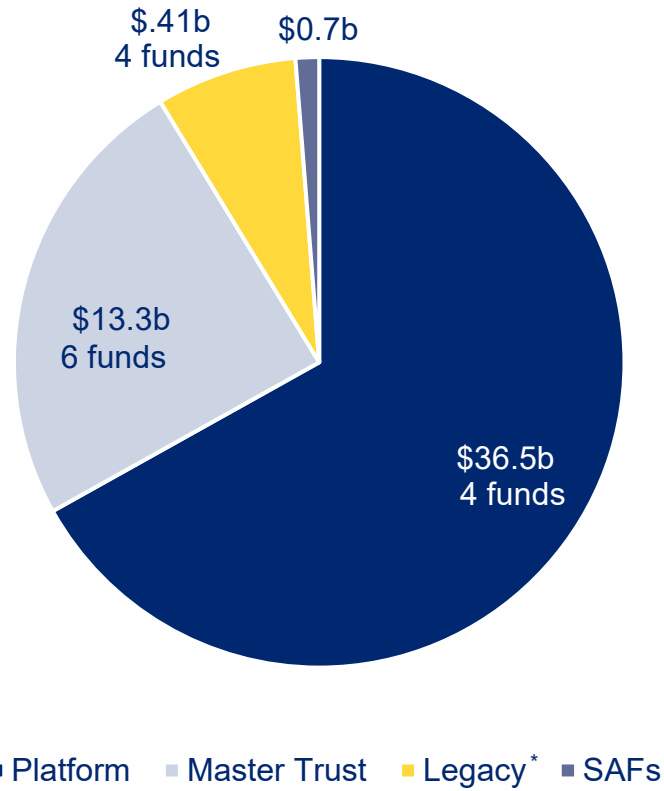


As at 31 December 2023

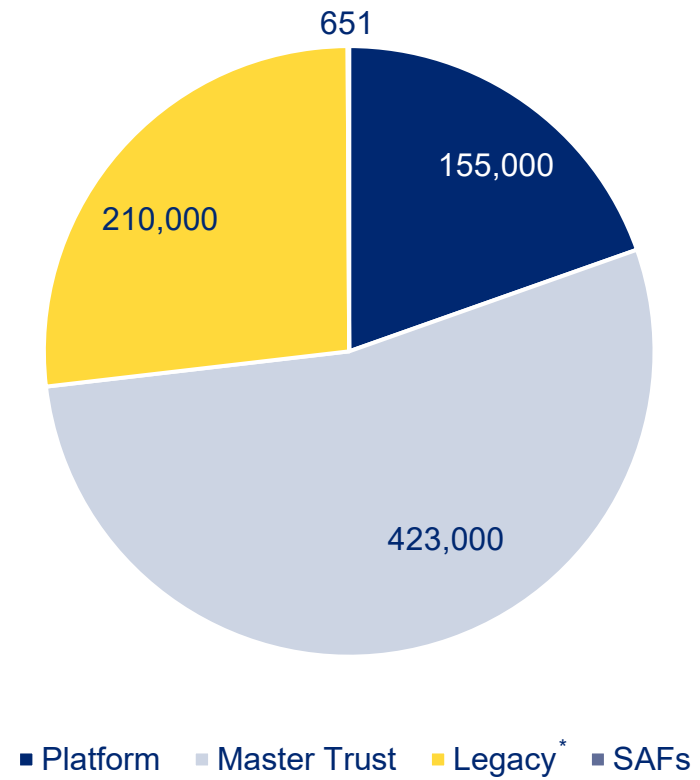
# ABOUT US (CONTINUED)



### FUS by product type (\$b)



### Members by product type

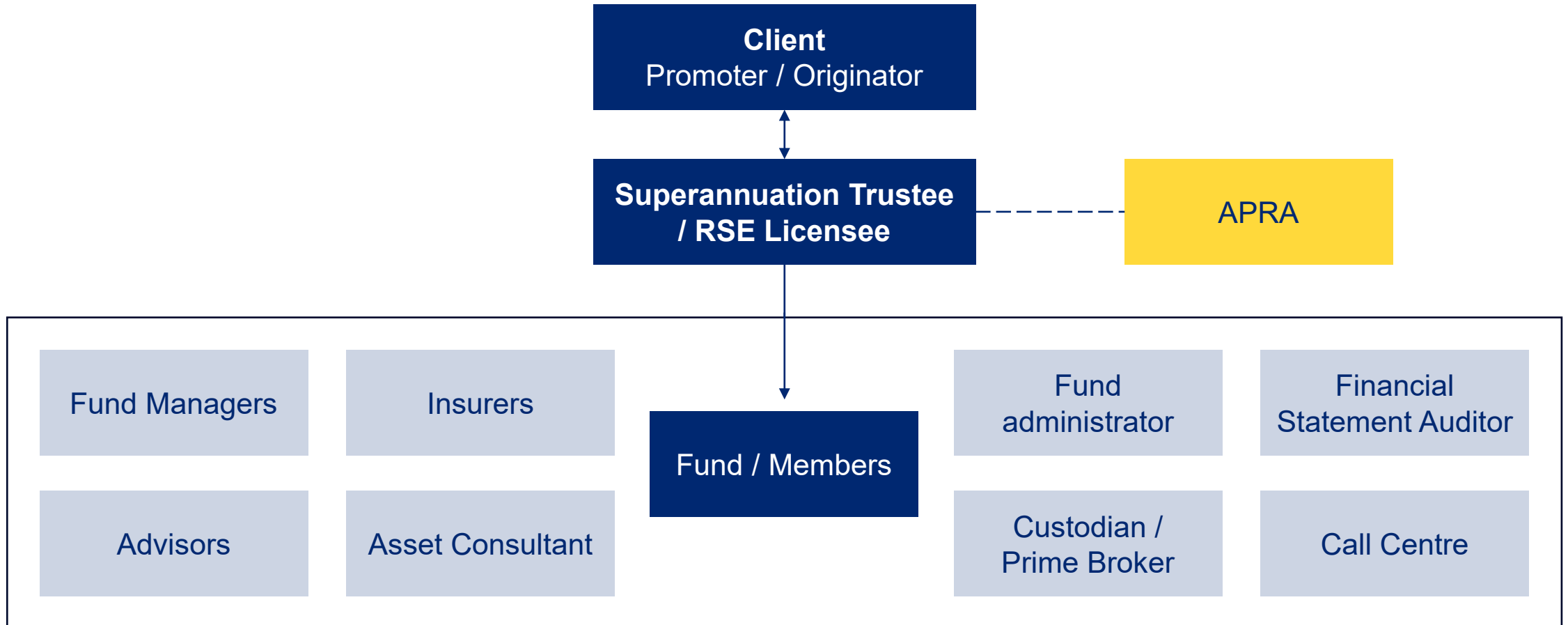


\* Legacy: Closed funds running off



# AT THE CENTRE OF THE WEALTH VALUE CHAIN

## Superannuation structure





# OUR VALUE PROPOSITION

## Assisting fund promoters through an unconflicted specialist superannuation trustee office

- Material reduction in risk for the fund promoter
- Reducing the inherent compliance burden associated with an in-house trustee
- STS manages the relationship with the regulator
- Reduces costs
- Allows the superannuation promoter to focus on their core business

### SERVICES

- Client and regulator relationship management
- Disclosure and compliance management and oversight
- Outsourced service provider oversight
- Insurance oversight
- Risk management
- Incidents, breaches and complaints management
- Investment oversight, incl. liquidity and stress testing
- Statutory reporting
- Fund accounting and reporting
- Investment reporting

### STAKEHOLDERS

- Members
- Regulators, such as ASIC, APRA, AUSTRAC
- Industry bodies, such as FSC, AFCA
- Promoters
- Auditors
- Administrators
- Investment managers
- Insurers
- Custodians

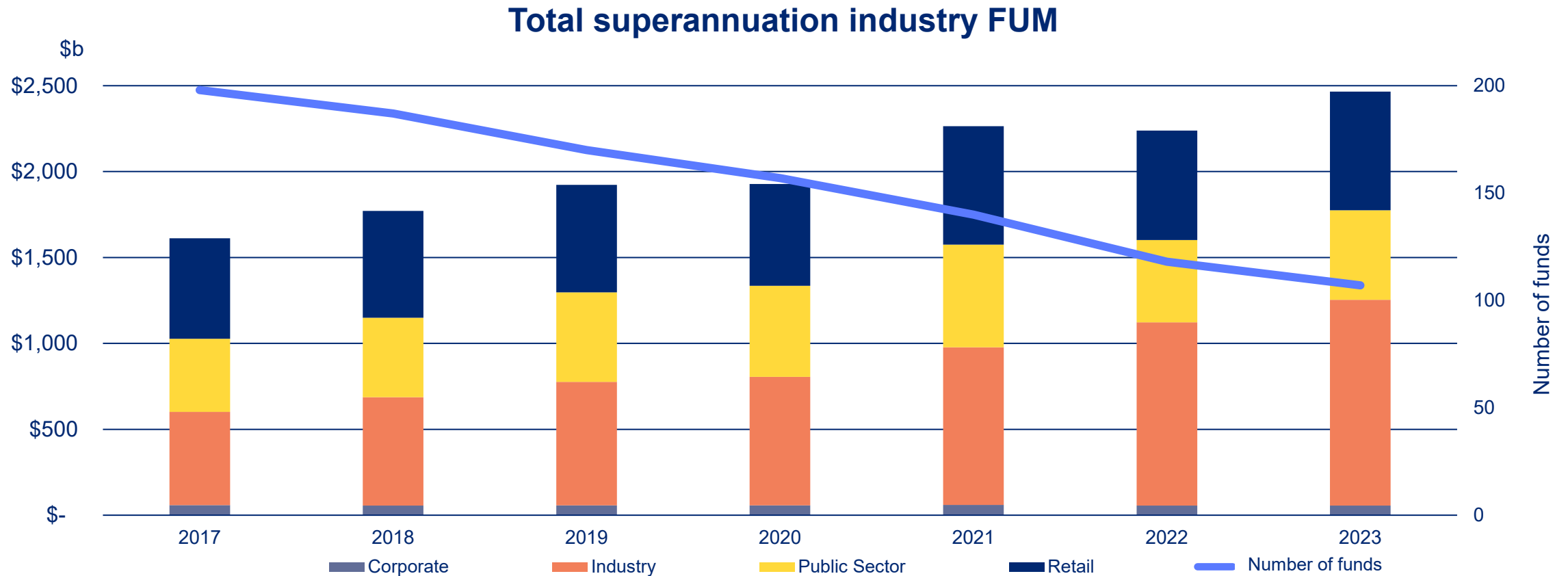
### FEE STRUCTURE

- Our revenue model comprises a minimum trustee fee and equity market derived income (approx. 20% of revenue linked to the average ASX200 index)

# AUSTRALIAN SUPERANNUATION INDUSTRY DYNAMICS



FUM has grown by over 50% in six years, while at the same time the number of funds has almost halved.

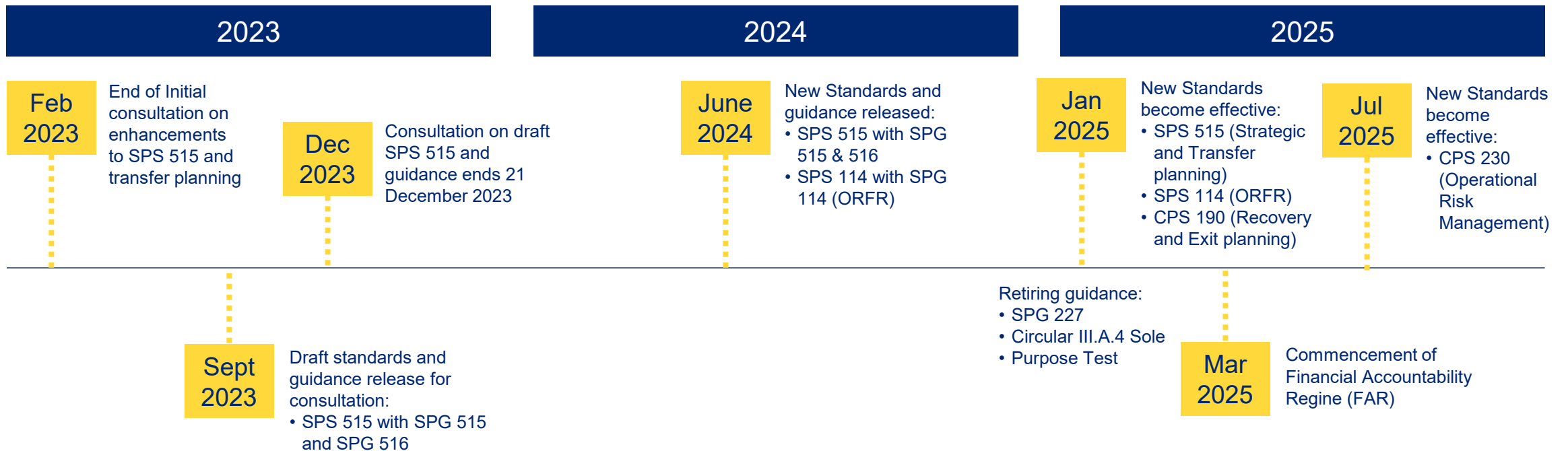




# REGULATORY CHANGES

- The superannuation sector is undergoing a substantial volume of regulatory change
- Given industry consolidation and the increasing regulatory burden, we see strong opportunities for demand for our services and the value proposition as an independent trustee

## Timeline





## To be the leading superannuation trustee in Australia

Optimised member outcomes

Independent trustee of choice



### BUSINESS GROWTH

- **Additional funds under supervision**, covering a diverse range of fund types and sizes
- **>\$150bn FUS**
- SAFs a **growing and sustainable business line**



### CUSTOMER SERVICE

- Continuously deliver **operational excellence** in service of members and their best outcomes



### CAPABILITY

- Be highly regarded for our **mature specialist trustee capabilities**
- Grow, develop and retain our people



### COMMUNITY

- Recognised as the **independent trustee of choice** for any **superannuation fund type**
- Maintain constructive relationships with regulators and industry bodies



# SUMMARY



Growth from a diverse range of fund types and sizes



Regulator focus on member outcomes and service is driving interest in our model



Delivering on transformation agenda



Leveraging capability and capacity through the combination of our Corporate and Superannuation trustee businesses



# **CSTS – CORPORATE**

# OVERVIEW



## LEADING AUSTRALIAN PROVIDER OF FIDUCIARY SERVICES TO MANAGED FUNDS

### CSTS - CORPORATE BUSINESS UNIT

Sub-Business Unit	Fund Services (FS)	Custody and Real Assets	Debt Capital Markets (DCM) & Securitisation
<b>Clients</b>	Local & international investment managers	Property investment managers, REITS, escrow agent	Debenture & note trustee issuers, security trustee clients
<b>No. clients / appointments<sup>1</sup></b>	135	~50	~65
<b>No. appointments / funds<sup>1</sup></b>	375	63	65
<b>FUS<sup>2</sup></b>	\$88.9b	\$7.0b	\$10.5b

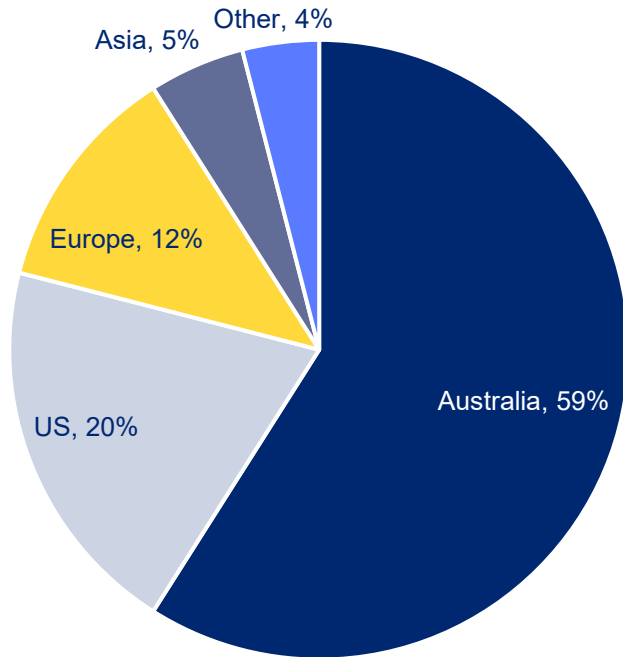
<sup>1</sup> Information as at 31 December 2023

<sup>2</sup> FUS: Funds under supervision

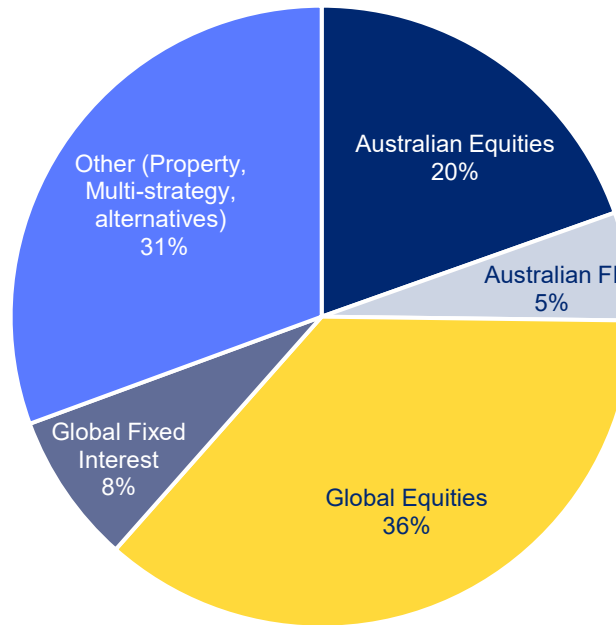
# OVERVIEW



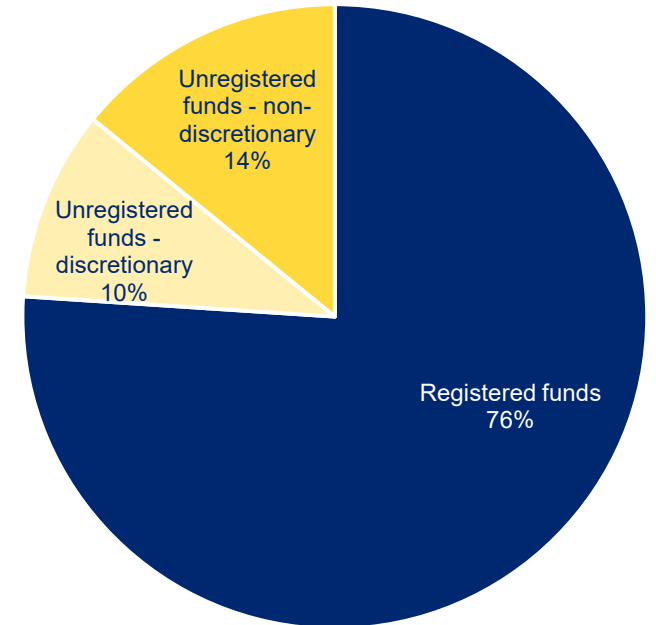
## Fund Manager Locations<sup>1</sup>



## Asset Allocation FUS<sup>1</sup>



## Fund Types (by FUS)<sup>1</sup>



Listed vehicles represent ~3% of the registered funds

<sup>1</sup> Information as at 31 December 2023

# DCM, SECURITISATION, CUSTODY & REAL ASSETS



	DCM & Securitisation	Custody and Real Assets
<b>Services</b>	<ul style="list-style-type: none"> <li>• Securitisation</li> <li>• Loan markets</li> <li>• Security, note/bond trustee</li> <li>• Issuing and paying agent</li> <li>• Settlement agent</li> </ul>	<ul style="list-style-type: none"> <li>• REIT and large property trust RE/trustee</li> <li>• Managed Investment Trusts (MITs) (offshore asset managers)</li> <li>• Custody and escrow services</li> </ul>
<b>Established</b>	Late 2017	Refocus in 2022
<b>Referral sources</b>	Law firm referrals Direct to issue/sponsors	Law firm referrals Fund management referrals
<b>No. clients</b>	~65 clients	~50 clients
<b>Fee structure</b>	Securitisation – asset based bps fees DCM - typically fixed annual fee	Typically fixed annual fee Asset based bps for most direct custody roles
<b>3-year revenue CAGR (FY20-FY23)</b>	+35%	+22%
<b>Growth opportunities</b>	<ul style="list-style-type: none"> <li>• Organic – focus on securitisation</li> <li>• Inorganic – some opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Organic – expansion into MIT market</li> <li>• Inorganic – some opportunities</li> </ul>
<b>Comments</b>	Typically long-term clients	License requires \$10m in capital



# FUNDS MANAGEMENT INDUSTRY

## MANAGED FUNDS INDUSTRY CONTINUES TO EXPERIENCE STRONG GROWTH, UNDERPINNED BY MANDATED GROWTH IN SUPERANNUATION SECTOR

- Total superannuation assets increased 8.5% over the twelve-months to September 2023<sup>1</sup>
  - 55% of superannuation assets are invested in managed funds<sup>2</sup>
- Top 10 RE's operate 46% of all registered schemes, noting fund trustees are vertically integrated as part of the product manufacturer<sup>3</sup>
- Increasing investment in overseas funds
- Limited appetite for overseas investors to invest in Australia as a result of onerous regulatory and tax settings
  - Corporate Collective Investment Vehicle (CCIV) regime take-up low
- Strong rate of new fund establishment – Equity Trustees anticipates opening 70 funds in FY24 (up from 39 in FY23). 50 new funds YTD

### Australian market snapshot<sup>3</sup>

- 647 Fund Managers in Australia
- ~420 Responsible Entities operate 3,656 registered schemes<sup>4</sup>
- 1,791 wholesale trustees<sup>4</sup>
- \$4.7tn FUM (24% unit trusts (MIS))
- 331 Listed Exchange Traded Funds (\$185bn), with 20% actively managed<sup>5</sup>
- 6.5% of FUM in Australia sourced from overseas

1 To \$3.56 trillion (APRA Quarterly Statistics)

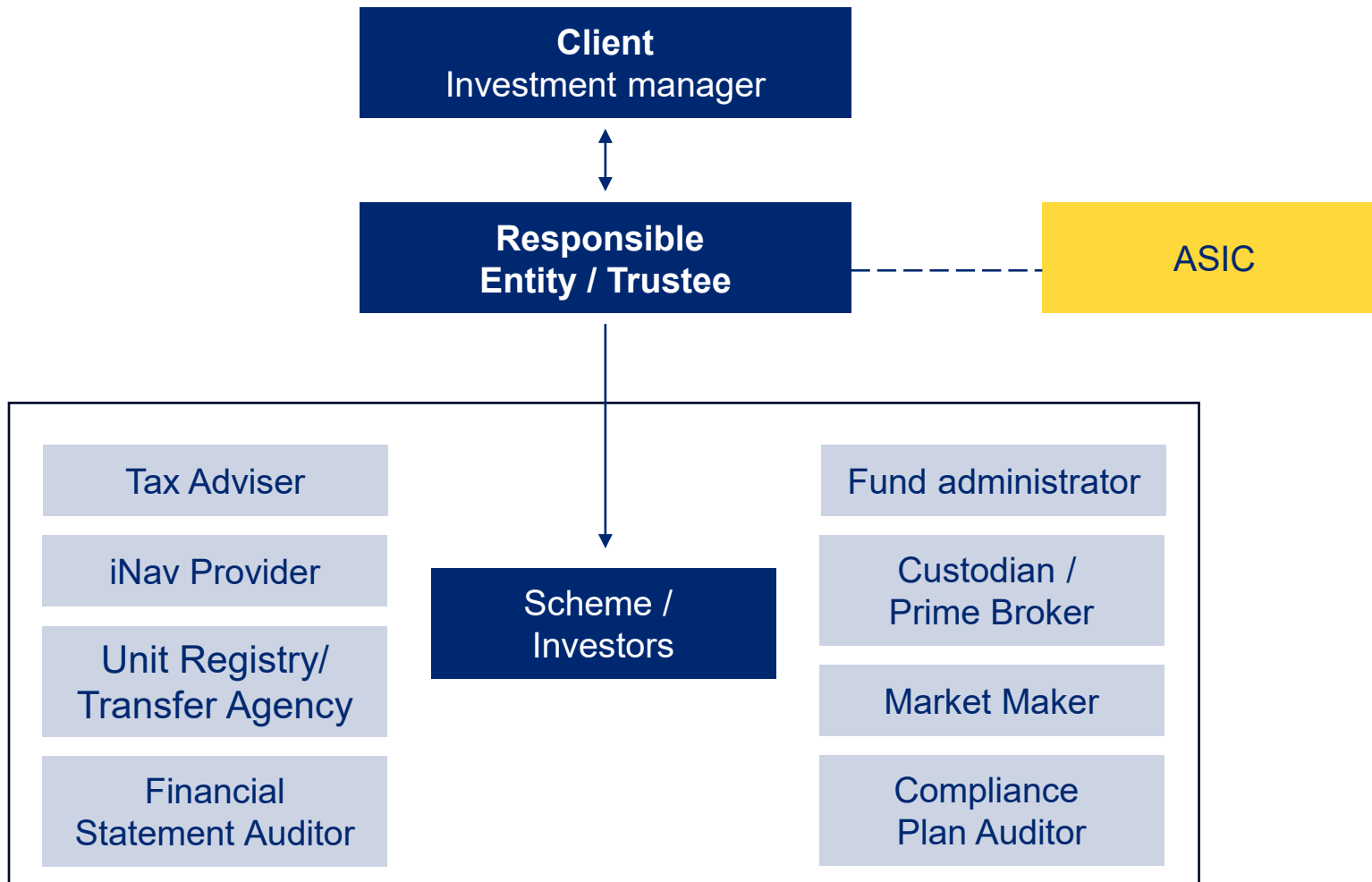
2 Excludes Self Managed Super Funds. Source: APRA (Australian Prudential Regulation Authority) (2023), 'Table 1b Financial position' [data set], Quarterly superannuation performance statistics – September 2004 to March 2023, accessed July 2023. This figure accounts for superannuation funds with more than 6 members.

3 Source: FSC State of the Funds Management Industry Report, KPMG, June 2023, ABS Managed Funds December 2023, ASIC Annual Report 2022-23

4 Review of the regulatory framework for managed investment schemes, consultation paper. Australian Treasury, August 2023

5 ASX Investment Products Summary – February 2024. Australian ETP market overview, EY, December 2023

# OUR ROLE AS TRUSTEE / RESPONSIBLE ENTITY (RE)



- Managed Funds are typically structured as Managed Investment Schemes (MIS)
  - Regulated by Chapter 5C of the Corporations Act
  - Governed by constitution or trust deed
- If MIS is registered (and thus available to retail clients), requires an RE
  - RE is the registered scheme operator and has a fiduciary obligation to act in the best interests of Fund unitholders
  - RE must be a public company with an Australian Financial Services license authorising it to operate a scheme
- RE/trustee appoints all Fund service providers
- RE/trustee receives a minimum fixed fee or basis point fee (based on Fund FUM)



# OUR VALUE PROPOSITION

## Assisting investment managers with an unconflicted, specialist trustee proposition

- Material reduction in risk for the investment manager
- Reducing the inherent compliance burden associated with an in-house trustee (including removing the need for an RE Board/Compliance Committee)
- Relationship with the regulator is managed by the RE
- Reduces costs
- Allows investment managers to focus on their core business

### SERVICES

- Client and regulator relationship management
- Product disclosure, compliance management & oversight
- Outsourced service provider oversight
- Risk management
- Regulatory change implementation
- Incidents, breaches and complaints management
- Fund operations oversight
- Fund accounting, tax and reporting
- DCM & securitisation payments, reporting, default management, document negotiations and execution
- Custody transaction execution

### STAKEHOLDERS

- Unitholders
- Regulators, such as ASIC, AUSTRAC
- Industry bodies, such as FSC, AFCA
- Investment managers
- Auditors
- Global & local administrators
- Unit registry
- Global custodians

### FEE STRUCTURE

- Our revenue model comprises a minimum Trustee fee and asset-based basis point fee
- Revenue has ~45% sensitivity to average daily World MSCI





To be the leading premium provider of trustee services to domestic and global fund managers in Australia



## BUSINESS GROWTH

- Continue **growth** rates of new clients and funds
- **Successfully** and efficiently **onboard** new clients and funds
- Investigate / articulate next generation RE proposition



## CUSTOMER SERVICE

- Deliver **client segmentation** and service alignment
- Focus on **operational excellence** through simplification, process efficiency and automation



## CAPABILITY

- Be highly regarded for our **specialist trustee capabilities**
- Grow, develop and retain our people



## COMMUNITY

- Recognised as the **independent RE trustee of choice**
- Maintain constructive relationships with regulators and industry bodies

# SUMMARY



Strong pipeline of growth opportunities



Enhancing client service proposition



Delivering on transformation agenda



Leveraging capability and capacity through the combination of our Corporate and Superannuation trustee businesses



**BRINGING  
TOGETHER CTS  
AND STS**



# RATIONALE FOR COMBINATION

## LEVERAGING CAPACITY & CAPABILITIES OF EACH BUSINESS

### KEY DRIVERS

1. To enable an uplift in client/member service quality and improved, consistent processes and procedures
2. To support achieving economies of scale and be positioned for profitable growth
3. Material commonality in services provided, clients, and service providers

- While there are differences in licensing and regulators, there is a commonality across a range of trustee activities
- Purpose is the same → Fiduciary duty to act in the best interests of unit holders (CTS) or members (STS)
- Implemented an organisational restructure with three key themes (running the business, changing the business and governing the business)
- Approach focused on collaboration, communication and competition ie. how we are organised, how we work together and leverage opportunities
- Client facing teams will remain separate
- Key focus is uplifting our governance capabilities and being more future focused



# TRANSFORMATION PROGRAM – 2024

## ONGOING PROGRAM TO UPLIFT THE WAY IN WHICH WE DO BUSINESS

Area	Project examples
<b>Client and service segmentation</b>	<ul style="list-style-type: none"><li>• Strategic account planning for our most valued clients</li><li>• Tiered service levels (and pricing)</li><li>• Increase touch points with clients and value add</li></ul>
<b>Organisational model</b>	<ul style="list-style-type: none"><li>• Organisational restructure</li><li>• Operating rhythm review</li><li>• CTS governance review</li></ul>
<b>Streamline process and procedure</b>	<ul style="list-style-type: none"><li>• Targeted and prioritised end to end review of processes, re-design and documentation</li><li>• Roles and responsibility clarified</li><li>• Introduction of workflow technology</li><li>• Use of Salesforce as source of truth</li></ul>
<b>Data strategy</b>	<ul style="list-style-type: none"><li>• Business management reporting</li><li>• Data analytics</li></ul>
<b>Capability uplift</b>	<ul style="list-style-type: none"><li>• Improve accountability and pro-activity</li><li>• ‘Make life easier’ to support engagement and retention</li></ul>

# SUMMARY



Ongoing investment to support growth



Continuing to mature our approach to enable scale



Leverage data to make decisions & provide additional value to the client



Simplify and streamline existing book of business



Design and implement next generation corporate trustee services



# PEOPLE

**Georgie Taylor**

Executive General Manager, People



**Our vision is to be  
Australia's leading trustee  
company**

**A company with purpose,  
forming trusted relationships to  
look after the interests of  
beneficiaries, members and  
investors**



# PEOPLE STRATEGY



TO ENABLE A COLLABORATIVE, INCLUSIVE AND EVOLVING WORKFORCE

Attract and retain high performing employees in a competitive market

Build internal capability to meet the needs of our evolving workforce

Maintain a values aligned, safe, diverse and inclusive culture

Better enable employees with new technology and information systems

## MEASURES

 RETENTION

 ENGAGEMENT

 CLIENT SERVICE

 PERFORMANCE

# ATTRACT AND RETAIN HIGH PERFORMING EMPLOYEES IN A COMPETITIVE MARKET



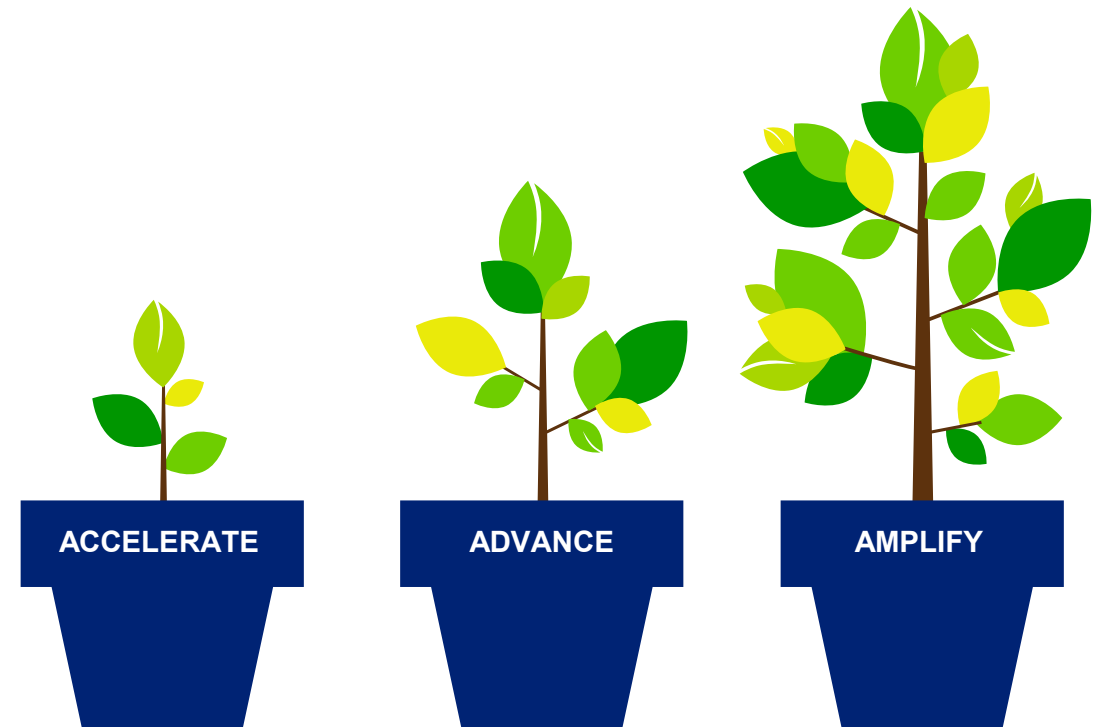
- Develop a formal Graduate and Internship program
- Design and implement an enterprise-wide succession development program
- Expand our secondment program and create internal mobility opportunities





# BUILD INTERNAL CAPABILITY TO MEET THE NEEDS OF OUR EVOLVING WORKFORCE

- Triple A Development Program
  - Accelerate
  - Advance
  - Amplify
- New people leader induction
- Mentorship program
- Trusted adviser training



# MAINTAIN A VALUES ALIGNED, SAFE, DIVERSE AND INCLUSIVE CULTURE

- Launch Diversity and Inclusion Committee
- Implement initiatives, education and support to ensure psychological safety in the workplace
  - Mental Health First-Aid training
  - Bystander training
- Equilibrium program
  - Health and Wellbeing initiatives
  - Resilience Project



## Our values



**TRUSTED**



**ACCOUNTABLE**



**EMPOWERING**

# BETTER ENABLE EMPLOYEES WITH NEW TECHNOLOGY AND INFORMATION SYSTEMS



- Build our internal change capability
- Implement Workday HCM (Human Capital Management)
- Develop and implement remuneration frameworks to support regulatory change
  - CPS 511 (Superannuation remuneration standard)
  - Financial Accountability Regime (FAR)



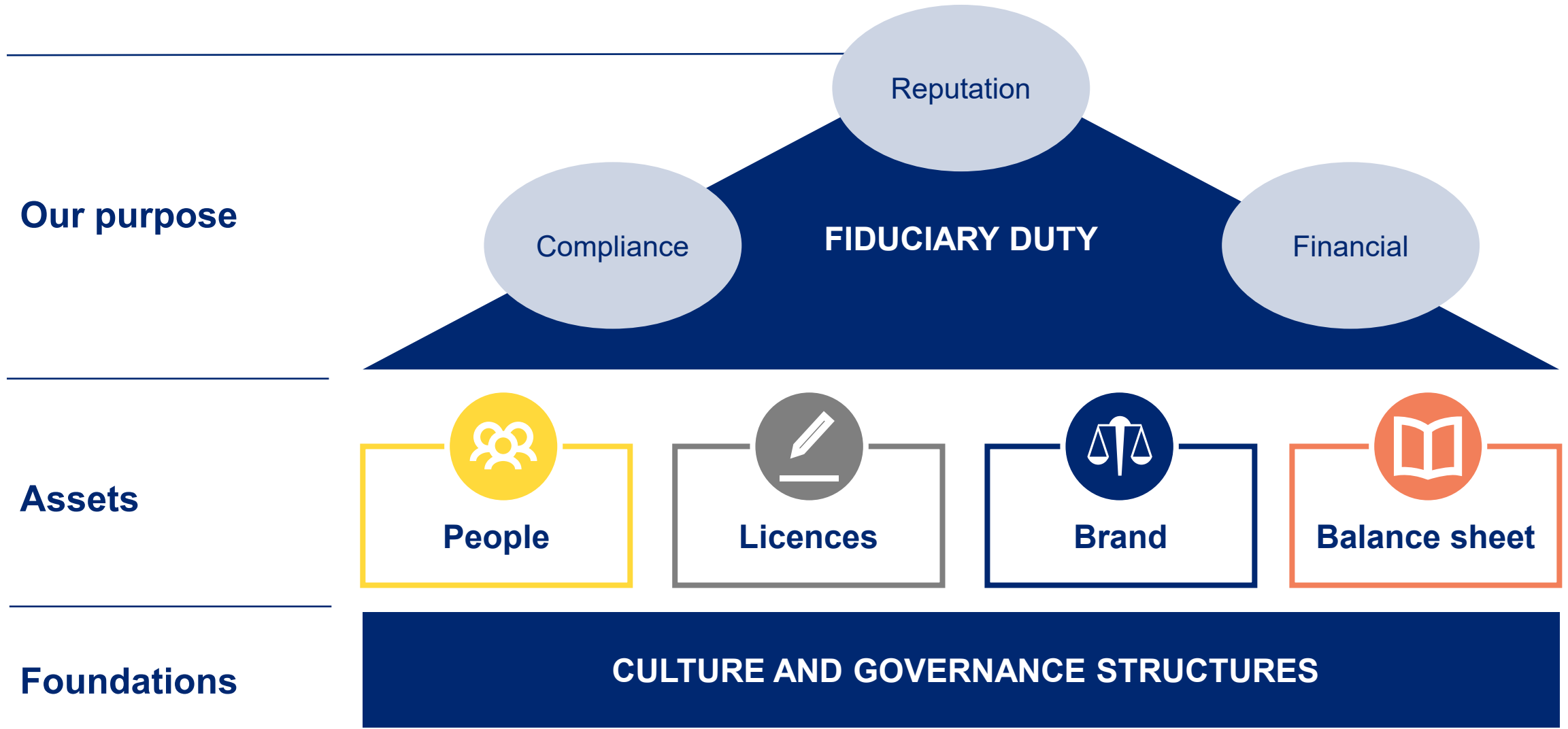


# **RISK MANAGEMENT**

**Owen Brailsford**

Chief Risk Officer

# KEY RISKS

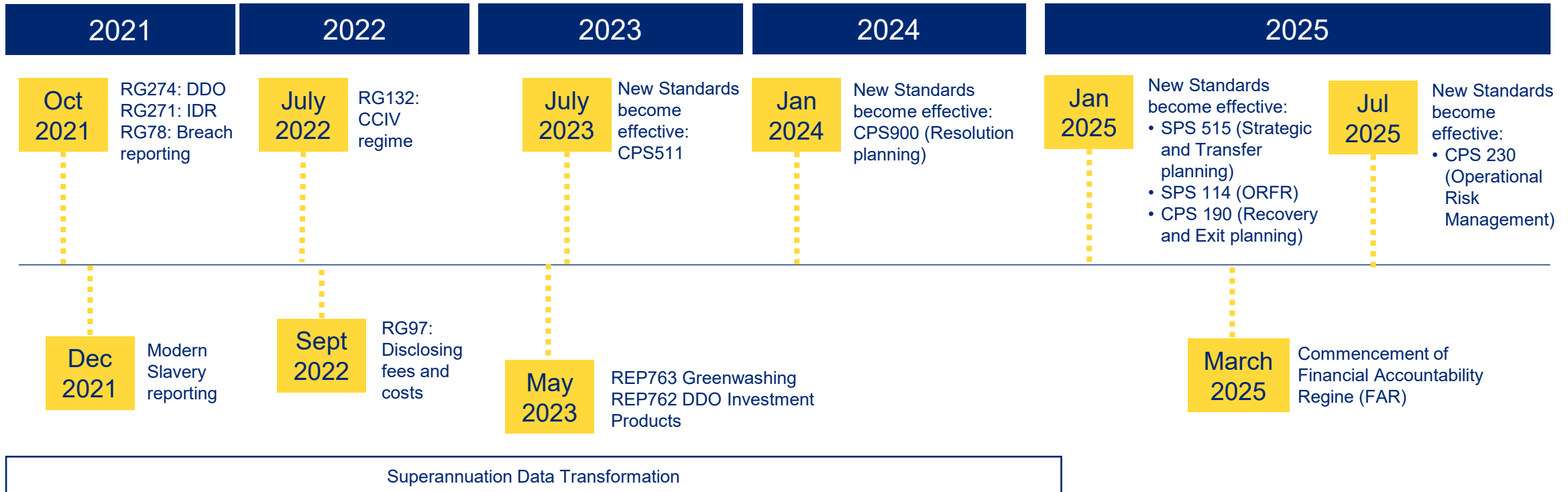




# REGULATORY CHANGES

The increasing regulatory burden has been very significant. We see strong opportunities for demand for our services and the value proposition as an independent trustee.

## Timeline







# REGULATORY LANDSCAPE

## Supervisory Intensity

- Thematic reviews
  - Technology and operational resilience
  - Greenwashing
  - Distribution
- Increased focus on specialist areas
- Increased frequency of interaction
- Increased intensity of supervision

## Regulatory Change

APRA	ASIC	OTHERS
<ul style="list-style-type: none"><li>• Operational Risk Management</li><li>• Financial Contingency planning</li><li>• Resolution planning</li></ul>	<ul style="list-style-type: none"><li>• Financial Accountability Regime</li><li>• Enforcement</li></ul>	<ul style="list-style-type: none"><li>• Climate related financial disclosure</li><li>• Productivity Commission review of philanthropy</li><li>• Treasury review of MIS</li></ul>



# TECHNOLOGY

**Phing Lee**

Chief Technology Officer



# CLEAR PRINCIPLES UNDERPINNING THE TECHNOLOGY STRATEGY



Buy Technology  
(not build)



Secure Australian data centres



Out of the box functionality  
(customisation limited)



Application Program Interface  
(API) ready



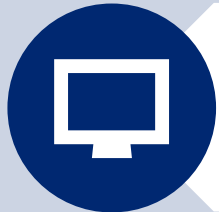
Cloud first (SaaS)



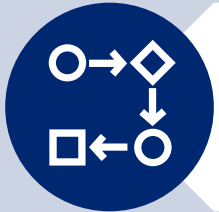
Everything mobile/digital ready



# TECHNOLOGY TEAM TO ONLY CONFIGURE, CUSTOMISE & DEVELOP SOLUTIONS IN THESE AREAS



Client and user experience



Unique EQT business processes (workflow and automation)



Data and analytics

# TECHNOLOGY TEAM



**PHING LEE**  
Chief Technology Officer  
11 years



**SANDRA HANNA**  
Head of Solutions Delivery  
9 years

- Software Development (7 FTE, 1 contractor)
- Robotic Process Automation (1 FTE)
- Business Analysis (5.8 FTE, 5 contractors)
- Database Administration (1 FTE)



**DAVID HOLT**  
Head of Infrastructure & Cyber Security  
2 years

- Technology Infrastructure (3 FTE)
- IT Service Desk (5.5 FTE)
- Application Support (2 FTE)
- Cyber Security (1.5 FTE)



**BRENDAN KERRY**  
Enterprise & Solutions Architect  
1 year

- IT Enterprise Architecture (0.6 FTE)



**JASON KWONG**  
Head of Projects & Transformation  
1 year

- Project Management Office (3.2 FTE, 4 contractors)
- Change Management (1 FTE)
- Testing (1 FTE, 2 contractors)



# PRIORITY TECHNOLOGY INVESTMENTS TO MODERNIZE & DELIVER A MORE CONTEMPORARY TRUSTEE COMPANY

ONE-OFF OPEX ~\$1.5M - \$2.0M AND CAPEX ~\$2.5M - \$3.0M FOR FY24 PROJECTS

**Workday**

Bringing the Finance and People functions onto a single modern platform

**Implementation of new TWS platform**

**TrustQuay's NavOne and HUB24 Custodianship**

Modernisation of the TWS business to deliver better outcomes to all stakeholders

**Implementation of new Active Philanthropy Platform**

**iPhi**

Launching a leading Active Philanthropy platform and client solution

**Cyber Security Program**

Cyber security uplift to make EQT a more cyber resilient organisation



## BRINGING THE FINANCE AND PEOPLE FUNCTIONS ONTO A SINGLE MODERN PLATFORM

---

<b>Technology Delivered</b>	<ul style="list-style-type: none"><li>• Implementation of Workday Core Financials</li><li>• Integrations to banking platforms</li><li>• Integrations to other internal systems</li></ul>
<b>Progress update</b>	<ul style="list-style-type: none"><li>• Core finance capabilities implemented in November 2024</li><li>• Human Resources Information System (HRIS) functionality implementation has commenced</li><li>• The implementation of Planning/Forecasting/Budgeting and working capital functionality has commenced</li></ul>
<b>Key timeframes and milestones</b>	<ul style="list-style-type: none"><li>• HRIS implementation expected by Q4 2024</li><li>• Planning/Forecasting/Budgeting and working capital functionality implementation expected by Q4 2024</li></ul>
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Enterprise foundational capability for Equity Trustees to support the growth of the business</li><li>• Modern and user-friendly platform for Finance, People and business users</li><li>• Streamlined processes, improved service delivery, and access to data and enhanced insights for the business</li></ul>

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# IMPLEMENTATION OF NAVONE

## MODERNISATION OF THE TWS BUSINESS TO DELIVER BETTER OUTCOMES FOR ALL STAKEHOLDERS

---

<b>Technology Delivered</b>	<ul style="list-style-type: none"><li>• Implementation of the NavOne platform (replacing Garradin and TACT)</li><li>• Outsourcing of custody administration services to HUB24</li><li>• Adoption of HUB24's investment platform</li><li>• Implementation of a client portal for TWS</li><li>• Implementation of Microsoft Power BI for reporting and analytics</li></ul>
<b>Progress update</b>	<ul style="list-style-type: none"><li>• 55% of clients in the traditional trustee business of TWS are now managed on NavOne</li><li>• Majority of the technology build has been completed</li><li>• Remaining activity is to configure NavOne for product and client differences, including data migration</li></ul>
<b>Key timeframes and milestones</b>	<ul style="list-style-type: none"><li>• All AET clients are expected to be on NavOne by November 2024</li><li>• Data migration of more clients in 2024</li><li>• Ongoing program to release more NavOne functionality that improves operational efficiency throughout 2024</li></ul>
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Enables the integration of AET with the TWS business (one platform, one process)</li><li>• Enables TWS to modernise their product suite and enable new business development opportunities</li><li>• Modern and intuitive platform that improves the user experience and efficiency</li><li>• Outsourcing of custody administration to HUB24</li><li>• Straight through processing of over 50k transactions p.a.</li><li>• Improved management information and workflow management</li></ul>

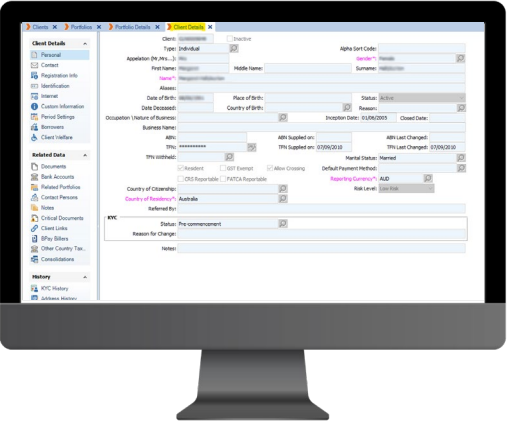
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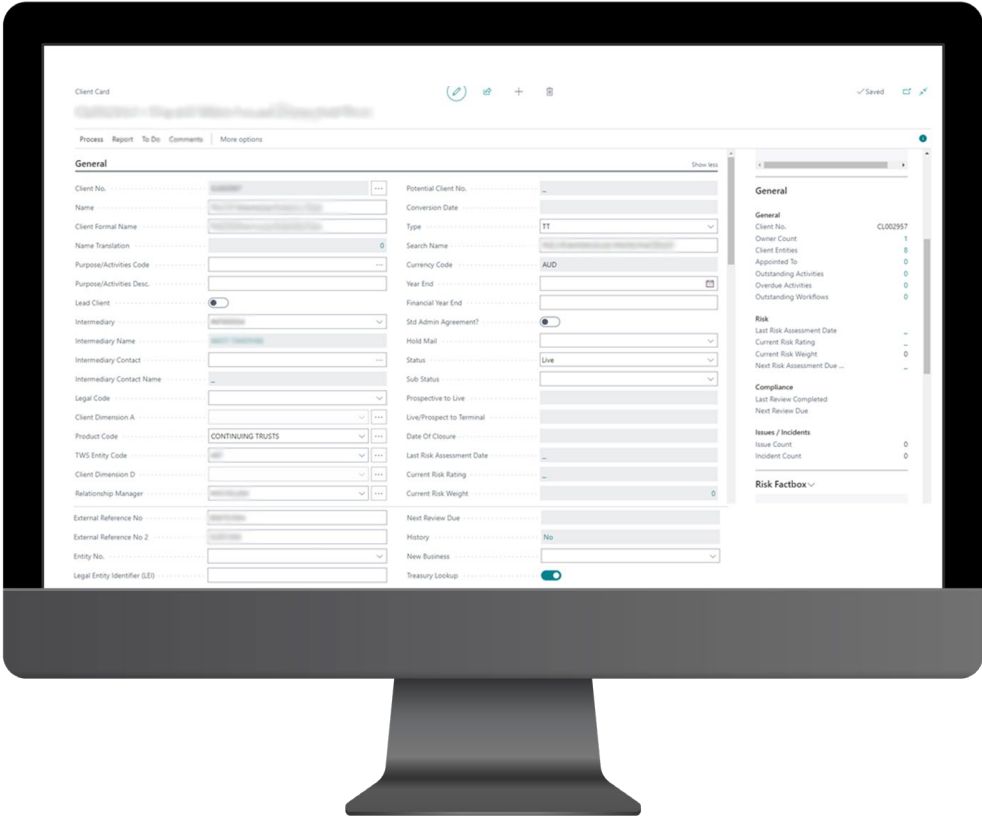
# MODERNISATION & IMPROVING EFFICIENCIES



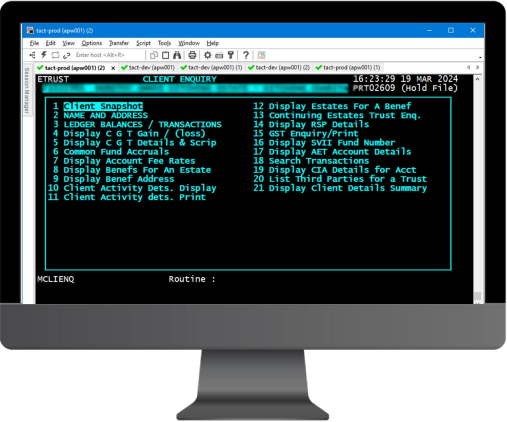
## GARRADIN (EQT ENVIRONMENT)



## NavOne



## TACT (INSIGNIA ENVIRONMENT)





# IMPLEMENTATION OF iPhi

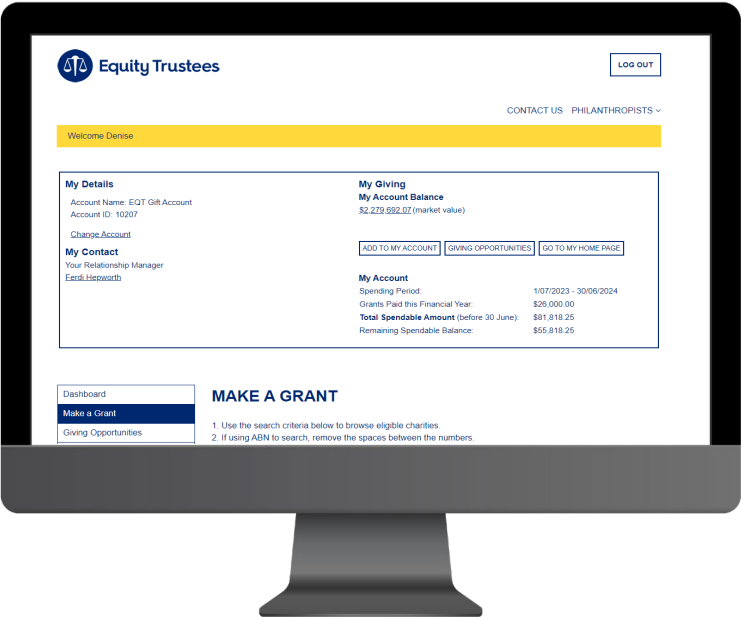
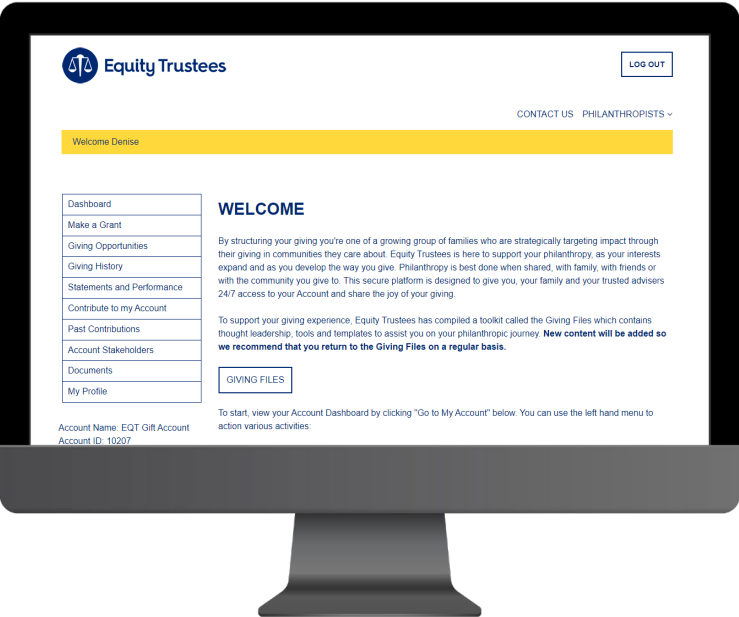
## LAUNCHING A LEADING ACTIVE PHILANTHROPY PLATFORM AND CLIENT SOLUTION

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<b>Technology Delivered</b>	<ul style="list-style-type: none"><li>• Implementation of the iPhi platform</li><li>• Launch of the iPhi client portal</li></ul>
<b>Progress update</b>	<ul style="list-style-type: none"><li>• iPhi implemented for the Equity Trustees Charitable Foundation (ECF) in November 2022</li><li>• Implementation of iPhi for the JBWere Foundation will be completed in Q2 2024</li></ul>
<b>Key timeframes and milestones</b>	<ul style="list-style-type: none"><li>• Launch of the JBWere Foundation client portal in June 2024</li></ul>
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Technology platform that enables the business to grow the Active Philanthropy product</li><li>• Digital client solution to improve the client experience and client self-service</li><li>• Over 400 accounts now have online access to their Philanthropy account and can direct their philanthropic giving online.</li></ul>

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# DELIVERING A BETTER CLIENT EXPERIENCE – iPhi





# CYBER SECURITY PROGRAM

## CYBER SECURITY UPLIFT TO MAKE EQT A MORE CYBER RESILIENT ORGANISATION

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<b>Technology Delivered</b>	<ul style="list-style-type: none"><li>• Implementation of vendor leading security perimeter technologies (FortiNet, Darktrace, Crowdstrike, Mimecast and Microsoft E5 security)</li></ul>
<b>Recent updates</b>	<ul style="list-style-type: none"><li>• Security Operations Center (SOC) capability established in 2021 with 24x7x365 monitoring and alerting</li><li>• Monthly vulnerability scanning complementing annual penetration testing</li><li>• Various authentication controls have been implemented including Multi Factor Authentication (MFA), geo-location restrictions, and automated blocking of enhanced risky sign-in attempts</li><li>• Continuous training of all employees</li></ul>
<b>Key timeframes and milestones</b>	<ul style="list-style-type: none"><li>• There is an ongoing plan to continue maturing all aspects of Equity Trustees cyber security framework and resiliency.</li><li>• 2024 Q2 Cyber Security Strategy review to take place and outline the 2025 - 2026 strategic direction</li></ul>
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Protection of corporate assets, data and sensitive information providing Equity Trustees, partners and clients with a trusted, secure and robust platform with high availability</li></ul>

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# FUTURE TECHNOLOGY DEVELOPMENTS

## ADDITIONAL LARGE-SCALE TECHNOLOGY INVESTMENTS NOT EXPECTED IN THE MEDIUM-TERM BUT THERE ARE MANY MORE OPPORTUNITIES TO DELIVER BENEFITS WITH TECHNOLOGY

### MORE VALUE FROM EXSISTING PLATFORMS



Continuous improvement to further enhance finance and human resource processes, and interactions with the broader business. Opportunities to enhance data and analytics



Continuous improvement to further enhance TWS operational processes and client proposition



Greater usage of Salesforce across all business units, improving data quality, client communications, client servicing and marketing automation

**Client portals:** Regular enhancements to portals targeting improvements to client engagement and experience

### DIGITAL PRODUCTS & SERVICES

**The Technology team are engaging with the business to explore opportunities**

**TWS:** Estate Planning and Estate Administration online/digital offering

**TWS:** Exploring opportunities to create product offering or services using scalable NavOne processes

**CSTS:** Potential opportunities to expand business integration and leverage the large amount of data from CSTS clients

### EMERGING TECHNOLOGIES

**Generative Artificial Intelligence (AI)**  
**Digital Identity**



# **OUTLOOK AND CONCLUSION**



# FAVOURABLE INDUSTRY DYNAMICS AND WELL POSITIONED TO TAKE ADVANTAGE OF OPPORTUNITIES

- The industry outlook is favourable for Equity Trustees
  - **Corporate and Superannuation Trustee services underpinned by:**
    - Growth in superannuation assets expected to materially outstrip GDP growth
    - Regulation becoming increasingly complex making EQT services more sought after and valuable
  - **Trustee Wealth Services** underpinned by
    - The over-80's being the fastest growing population cohort
    - The expected \$3.5 trillion intergenerational wealth transition over the next 20 years – we specialise and lead, in selective segments of this market
    - Active Philanthropy is assisted by the Government's objective to double philanthropic giving by 2030
    - Empowerment of First Nations people to benefit from their own land drives the Native Title Trust business
- Equity Trustees is a leader in each of these market segments and can capitalize on our positioning
- The opportunity is primarily organic, but we will continue to assess attractive bolt on acquisitions in areas where we can benefit by increased scale, market presence or filling a capability gap



# OUTLOOK

Positive outlook with earnings growth for FY25 and FY26 expected to be supported by:

- Realisation of AET expense and revenue (and capital release) synergies
  - Achievement of revenue synergies via re-pricing and investment allocation
  - Achievement of expense synergies via exit of Platform business, outsourcing SAF administration, implementation of NavOne and TWS Operations team operating on one platform
  - AET integration cost largely expended by 1H25
- Exit of UK and Ireland will be substantially complete by June 24 (~\$4m+ p.a. operating loss reduction)
- Reduction in Technology transformation costs in FY26
- Leading market position and strong organic growth momentum





# CONCLUSION

## SPECIALIST EXPERTISE AND MARKET LEADING POSITION PROVIDES A STRONG FOUNDATION FOR THE FUTURE

Equity Trustees has a market leading position with unique capability

### Strategy is to continue to focus on trusteeship

- Market opportunity has significant runway
- Strategy differentiates us from all our competitors
- Trusteeship has long term revenues and solid margins

### Expertise and capability are first class

- Highly skilled workforce
- Leading edge technology with new developments well advanced
- National footprint with unique set of licenses

### Strong springboard for growth

- Favourable industry dynamics
- Market leading positions
- Diversified business mix with low client concentration risk
- Strong organic growth momentum
- Options for bolt-on opportunities

Positive outlook for the year ahead and beyond



# QUESTIONS



**THANK YOU**

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The Managing Director has authorised that this document be given to the ASX.

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**APPENDIX 1.  
EQT ASSET  
MANAGEMENT**



# EQUITY TRUSTEES ASSET MANAGEMENT

## **Diversified client base underpinned by Charitable/Endowment Clients**

- The team predominantly manages tailored investment portfolios for charitable, corporate and private clients and specialises in funds management for tax-exempt entities and structures
- Primary objective of maximising the total return through growing tax effective income streams and growth in capital in excess of inflation.
- Long duration funds providing for stable asset base

## **Well resourced and experienced Asset Management team with strong investment processes**

- 400+ years experience across 18 Investment multi-asset class professionals
- Direct in-house Asset Management capability investing across key asset classes.
- Scale and stability – Institutional execution and governance with boutique style flexibility

## **Supported by specialist service providers**

- Asset allocation and capital model assumptions – Mercer, Atchison
- Manager selection and analytics – Mercer
- ESG and Responsible Investing – MSCI, Glass Lewis
- Fund governance – State Street, Iress, Apex, EQT

# PERFORMANCE



## ASSET MANAGEMENT – POSITIVE PERFORMANCE

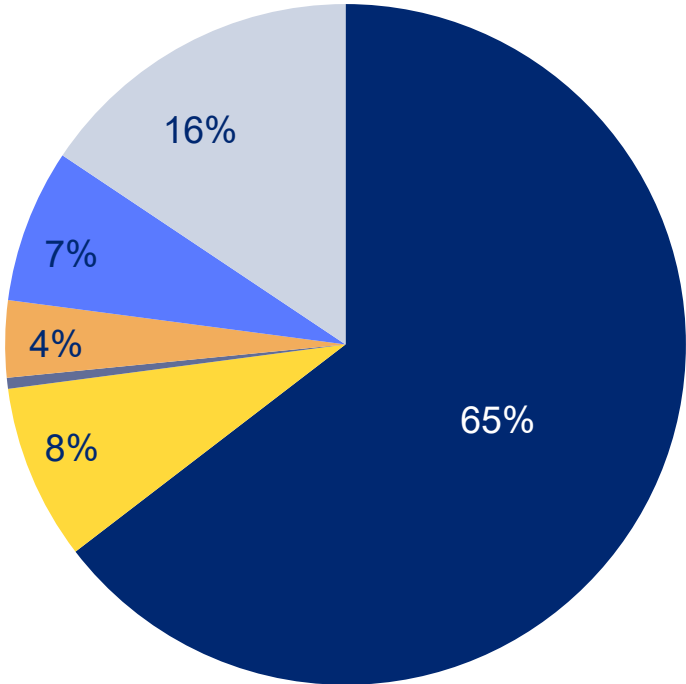
Alpha Generation p.a.  
31 December 2023

STRATEGY	1 YEAR	3 YEAR	5 YEARS
Australian Equities	-0.9%	+0.7%	+1.3%
Eight Bays Global Equities	+4.7%	-	-
Australian Fixed Income	+0.1%	+0.1%	+0.1%
Mortgage Income	+0.7%	+2.3%	+3.0%
Spectrum Strategic Income	+2.8%	+1.5%	+2.0%
Cash	+0.3%	+0.3%	+0.3%



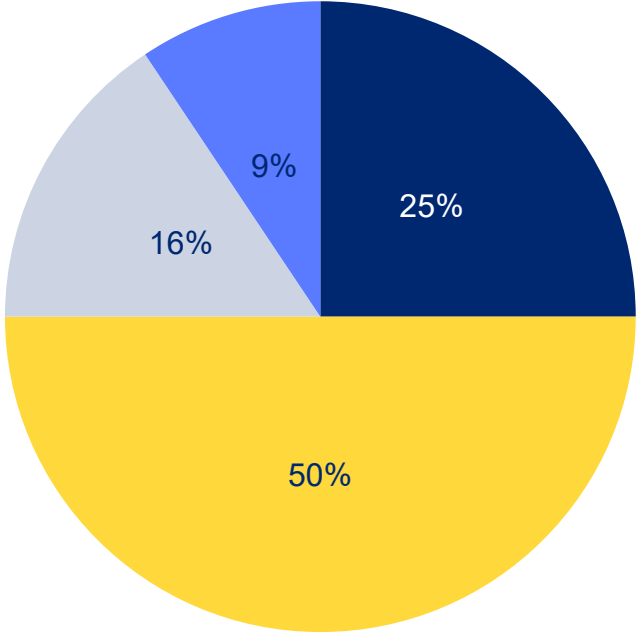
# FUM BY ASSET CLASS

### FUM by Asset Class



- Australian Equities
- International Equities
- Property
- Fixed Income
- Mortgage, Credit, Alternatives
- Cash

### FUM by Source



- TWS Sole Trustee
- TWS Co Trustee, Advised
- Superannuation
- External Mandate only

Source EQT: As at 28 Feb 2024





# INVESTMENT PHILOSOPHY

Our investment philosophy is to preserve and grow the real value of capital over the long term while providing clients, beneficiaries and co-trustees with the income they need.

## Market inefficiencies provide investment opportunities:

- We believe in active asset management where return opportunities (alpha) outweigh the cost of implementation.
- Opportunities arise from factors such as lack of analytical rigour, impatience and emotional bias.
- Fundamental and systematic research, objective criteria and applied experience can identify mispricing.

**Our Quality at a Reasonable Price (QUARP) style** is directly applicable to our Australian Equity strategies but also indicative of our overall thinking. **Investing in quality assets, reasonably priced results in:**

- Long term capital growth
- Growth and consistency of income streams
- Mitigates downside volatility and associated sequencing risk



# EQTAM – INTERNAL ASSET CLASS STRATEGIES

## **AUSTRALIAN EQUITIES – EQT Flagship, Tax-Aware & Responsible Investment Funds**

- Objective of generating long-term capital growth with an income focus (5-7 year timeframe)
- Active Manager adopting Quality at a reasonable price approach investing in a portfolio of diversified listed shares (ASX200)
- Responsible investing principles integrated into the process; After-tax considerations also included

## **INTERNATIONAL EQUITIES – EQT Responsible Investment & Eight Bays Global Fund**

- Objective of generating long-term capital growth (5-7 year timeframe)
- Offers diversity through exposure across multiple countries, geographic regions and sectors
- Exposure gained through multi-manager Responsible Investment Fund or via unique active ETF Strategy

## **AUSTRALIAN FIXED INTEREST - EQT Diversified Fixed Income Fund**

- Delivers a high quality, liquid core fixed income portfolio through pro-active management (3-5 year timeframe).
- Access to a wide range of wholesale securities in different sectors and with different maturities and generates consistent income
- Reduces potential for capital losses and provides a genuine diversification in times of adverse performance in equities.

## **CREDIT - EQT Spectrum Strategic Income Fund**

Actively managed credit fund investing in a diversified portfolio of listed & unlisted debt and hybrid debt securities

Low duration exposure investing in predominately floating rate notes to limit volatility

Objective of protecting capital with a strong focus on income generation

## **ALTERNATIVES – EQT Mortgage Income Fund**

- A conventional, conservatively managed Mortgage Fund that invests only in first registered mortgage assets secured predominantly by selected improved retail, commercial, industrial and residential real estate within Australia (Weighted LVR < 50%)
- Provide diversification benefits and regular quarterly income for investors at a strong premium to comparable investments, with a high level of capital stability.

## **CASH - EQT Cash Management Fund**

- Cash provides a secure, liquid, short-term investment with regular income investing in a range of short-term fixed interest and money-market securities

# COMMITMENT TO RESPONSIBLE INVESTING



We are committed to responsible investing (RI) because we believe that it can have a material impact on the both the risk and returns of investments, while progressing positive environmental, social and economic outcomes

## RIAA CERTIFICATION

### EQT RESPONSIBLE INVESTMENT AUSTRALIAN SHARE FUND

- A diversified portfolio of 20-40 Australian listed companies
- Managed in compliance with EQT's RI Policy
- Negative Screen
- Alignment to SDG's
- **RIAA Certified** in FY23



### EQT RESPONSIBLE INVESTMENT GLOBAL SHARE FUND

- A multi-manager offering invested across a wide range of international share markets Managed in compliance with EQT's RI Policy
- Negative Screen
- Sustainable equity Funds are viewed favorably
- **RIAA Certified** in FY23



### SIGNATORY TO THE UNPRI

- The PRI support its international network of investors to use RI practices in investment and ownership decisions
- Committed to a set of six principles that provide a global standard for RI

Signatory of:



### TRANSPARENCY

- As a signatory to the UNPRI, we are required to publicly report on our RI activities annually
- Assessed on implementation of RI across our offerings and compared to local and global peers