

MEMBER OUTCOMES ASSESSMENT

THE INFORMATION IN THIS DOCUMENT RELATES TO
ANZ SMART CHOICE MYSUPER
ANZ SMART CHOICE SUPER FOR EMPLOYERS AND THEIR EMPLOYEES
ANZ SMART CHOICE FOR QBE MANAGEMENT SERVICES PTY LTD AND THEIR EMPLOYEES

YEAR ENDED 30 JUNE 2024



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AT A GLANCE

ANZ SMART CHOICE MYSUPER AND ANZ SMART CHOICE SUPER FOR EMPLOYERS AND THEIR EMPLOYEES

30 JUNE 2024



\$18.5B
FUNDS UNDER
ADMINISTRATION



210K
MEMBER ACCOUNTS



29K
EMPLOYERS



\$87.8K
MEMBERS' AVERAGE
BALANCE



1 (7 LIFESTAGE)
MYSUPER
NUMBER OF
INVESTMENT
OPTIONS



52
EMPLOYER CHOICE
NUMBER OF
INVESTMENT
OPTIONS



91.5K
MEMBERS INSURED



GROUP
TYPE OF INSURANCE



INDUSTRY RATINGS & AWARDS

HERON PARTNERSHIP	RAINMAKER INFORMATION	CHANT WEST	SUPERRATINGS
5 STARS	AAA	4 APPLES	SILVER

FINANCIAL WELLBEING FOR EVERY AUSTRALIAN

OnePath Custodians Pty Limited (**OPC**) is the Trustee of **Retirement Portfolio Service** (the **Fund**), one of Australia's 20 largest superannuation funds. As part of the Insignia Financial Limited group, we aspire to create financial wellbeing for every Australian.

We seek to provide high quality products and service offering throughout the members' lifecycle (from their first job until retirement) and deliver on our investment objectives and growth strategies for the members.

Over the year, we continued to improve and simplify our investment menu offering our members a more contemporary and diverse choice of investments.

As a product designed for employees, ANZ Smart Choice Super for Employers and their Employees continued to be recognised by the industry with ratings of Five Stars by Heron Partnership as an Outstanding (Large) Corporate Fund, AAA by Rainmaker Information, 4 Apples by Chant West and Silver by SuperRatings.

We believe the financial wellbeing of our members increase as their financial literacy improves thereby enabling them to make more informed decisions throughout accumulation and in retirement. We increased our workplace engagement this year with events such as the Financial Wellness Series that were offered onsite and accessible through the members' portal. Member communications and newsletters have been scaled up to enhance the lifecycle programs with increased focus on topics for pre-retirees and retirees.

We launched our financial coaching program towards the end of FY 2024 enabling our members to access general advice on various superannuation topics such as contributions, investments and retirement options. Members with special requirements on their investments and retirement plans are easily referred to personal advisers.

ABOUT THIS DOCUMENT

Each year OPC is required to assess whether we have promoted the best financial interests of members. The Member Outcomes Assessment (**MOA**) is a measure of our products' performance against key factors prescribed by legislation which include:

- Investment strategy and performance,
- Investment risk,
- Fees & costs and the supporting fee structure,
- Insurance offer,
- Options, benefits and facilities,
- Scale, and
- Operating costs

All information contained in this document and the determinations made cover the 12 months ending 30 June 2024.

Our outcomes assessment uses publications from the Australian Prudential Regulation Authority (APRA), industry benchmarking, comparative data, in-house data and reviews conducted by independent research houses.

As we measure our success by what we delivered for our members, we further consider the results of the MOA in our annual Business Performance Review and factor key recommendations to improve members' outcomes into our Business Plans.

OVERALL DETERMINATION

We have determined that ANZ Smart Choice MySuper, ANZ Smart Choice Super for Employers and their Employees, and ANZ Smart Choice Super for QBE Management Services Pty Ltd and their Employees (**ANZ Smart Choice QBE MySuper**) are promoting members' financial interests.

ANZ Smart Choice Super for Employers and their Employees is a super offering to employers that can be tailored based on their employees' needs. ANZ Smart Choice MySuper is the default option for all ANZ Smart Choice Super for Employers and their Employees super plans.

The lifecycle options of ANZ Smart Choice MySuper and ANZ Smart Choice QBE MySuper have met their performance objectives over the stated investment horizons. They all passed the peer relative performance assessments when compared against the entire MySuper investment options universe and peers in their strategic growth allocation cohorts.

The majority of investment options assessed for ANZ Smart Choice Super for Employers and their Employees performed above the peer median for rolling 1, 3, 5, and 10 year periods and met their stated investment objectives.

All three products passed the annual APRA performance test and heatmap results. The total fees and costs of the products are competitive in the marketplace when benchmarked against peers.

Default insurance is available to all members and can be customised to meet their individual circumstances. The terms and conditions of the insurance offer are aligned to or of greater benefit to the members when compared to similar products in the market. Our insurance premiums are appropriately priced and do not erode members' retirement benefits.

We have sufficient scale and are in a position to support long term outcomes for our members.



INVESTMENT PERFORMANCE

The investment strategy, net investment returns and risk-adjusted returns of ANZ Smart Choice MySuper, ANZ Smart Choice QBE MySuper and ANZ Smart Choice Super for Employers and their Employees are promoting members’ financial interests.

Our investment strategy for the Fund is annually reviewed and approved by the Trustee’s Board ensuring it continues to provide a diversified choice of investment menu options which deliver adequate returns over the long term without exposing members’ investment to inappropriate risk.

ANZ Smart Choice MySuper and ANZ Smart Choice QBE MySuper adopt a lifecycle investment strategy. As members get closer to retirement age, we gradually replace a portion of their higher growth investments such as shares and property with more defensive options like bonds and cash.

As of 30 June 2024, the MySuper options met their investment objectives.

The ANZ Smart Choice Super for Employers and their Employees allow employers to customise the investment and insurance components of their workplace super according to the needs of their employees. Given the broad menu of investment options available on ANZ Smart Choice Super for Employers and their Employees, we focussed on assessing the larger investment options which in aggregate represent 80% of members’ funds under management. The majority of the “in-scope” investment options we assessed demonstrated competitive peer relative performance.

INVESTMENT RETURNS PEER RELATIVE PERFORMANCE

We calculated net investment returns as returns less administration fees, investment fees and costs, and taxes.

The MySuper lifecycle options met their stated investment objectives and passed the peer relative performance assessments and heatmap results presented in the APRA report¹ for FY2024.

ANZ SMART CHOICE MYSUPER AND ANZ SMART CHOICE QBE MYSUPER²

Investment Horizon	One Year Quartile Rank	Three Year Quartile Rank	Five Year Quartile Rank	Ten Year Quartile Rank	Outcome
MySuper Option					
MySuper 1940s	Q3	Q4	Q4	Q4	Met*
MySuper 1950s	Q2	Q3	Q4	Q4	Met*
MySuper 1960s	Q2	Q2	Q3	Q3	Met
MySuper 1970s	Q2	Q3	Q3	Q3	Met
MySuper 1980s	Q1	Q2	Q2	Q2	Met
MySuper 1990s	Q2	Q2	Q2	Q2	Met
MySuper 2000s	Q2	Q2	Q2	Q2 [^]	Met

[^] Seven-year returns were used given 10-year results were not available.

* Despite underperforming against the default universe, when compared to other investment options with similar growth allocations, both the 1940s and 1950s options achieved a met outcome.

¹APRA Comprehensive Product Performance Package, June 2024.

²SuperRatings Fund Credit Rating Survey (FCRS), June 2024

The MultiSeries investment options for the ANZ Smart Choice Super for Employers and their Employees delivered strong returns when compared to peers over 1, 3, 5, and 10 years. The OnePath Capital Guaranteed option (in Capital Stable) performed above median over the 3, 5 and 10 years. On balance, the peer relative investment performance of the in-scope options has been determined to be promoting members’ financial interests.

ANZ SMART CHOICE SUPER FOR EMPLOYERS AND THEIR EMPLOYEES³

Investment Horizon	One Year				Three Years				Five Years				Ten Years			
	Quartile Rank				Quartile Rank				Quartile Rank				Quartile Rank			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
% of Options	7%	47%	27%	20%	33%	13%	33%	20%	20%	20%	40%	20%	40%	7%	27%	27%

INVESTMENT RISK

We monitor the risk profile of our members’ investment options in relation to performance, benchmarks and objectives. We calculate the level of risk of the investment options for the MySuper options differently from those of ANZ Smart Choice Super for Employers and their Employees given the different characteristics of the options themselves and the relevant peer groups in benchmarking.

Based on APRA’s MySuper Quarterly Statistics (June 2024), the risk level of each ANZ Smart Choice MySuper investment option was assessed against the risk level of all other MySuper products and their 5-year net investment returns. All MySuper investment options were determined to have the appropriate level of risk consistent with the returns.

The in-scope investment options for ANZ Smart Choice Super for Employers and their Employees were assessed based on their 5-year Sharpe Ratios and benchmarked against the SuperRatings Accumulation Volatility and Risk Adjusted Return Survey (June 2024) or the Morningstar Sharpe Ratio Report (June 2024) where required. Sharpe ratios are used to understand the return of an investment in relation to its risk, or in other words, an investment option’s risk-adjusted return. Approximately one third of investment options were assessed as having acceptable returns when considering the risk being taken, another third had slightly lower than median Sharpe ratios whilst the final third were in the fourth quartile. Overall a partially promoting outcome was achieved.

³SuperRatings Fund Credit Rating Survey, June 2024, supplemented by additional data from Morningstar where required

FEES AND COSTS

We have determined that fees and costs are promoting the financial interests of the members.

We have evaluated the fees and costs of the ANZ Smart Choice MySuper lifecycle options (including QBE MySuper) and overlaid the results across various member's account balance thresholds - \$10K, \$25K, \$50K, \$100K and \$250K. The MySuper options were predominantly above median across all lifestage options and most account balances. However, their peer relative net investment performance was strong enough to justify the additional costs. When compared to options with a similar asset allocation, both the 1940s and 1950s can demonstrate competitive fees.

The in-scope investment options for ANZ Smart Choice Super for Employers and their Employees have been assessed and found to be competitively priced relative to peers.

We have also examined our basis for setting fees and have determined that they are appropriate. The fees charged to members cover the costs of the Fund to ensure long term sustainability.

OPTIONS, BENEFITS AND FACILITIES

The options, benefits and facilities are promoting the interests of the members.

We offer a range of member services and facilities that are competitive in the marketplace while continuing to improve on our member's portal and digital hub for webinars on wealth building and retirement planning.

The newsletters have been uplifted and aligned to our segmentation model with contents tailored to our members in accumulation, pre-retirement and retirement.

Our financial coaching program was successfully launched towards the end of the financial year facilitating members' access to general advice services. Despite being in its early stages, we have noted that 86% of members who booked sessions received general advice from the coaches and another 10% accepted referrals to meet with personal advisers⁴. An intra-fund advice offering was also rolled out in early FY2025 but at a smaller scale being a pilot to ensure quality of services to the members is maintained.

We scaled up our Welcome and Nurture Member Journey program with several campaigns held during the year combining welcome calls and emails to drive a deeper member engagement. Two other email programs were delivered every quarter to the members in FY2024. The Engagement Email Program connects with the members to initiate call-to-action messages and bring them the newsletters. The Performance Update Email Program regularly appraises the members on how their super products are performing plus other financial insights for their consideration. Our engagement metrics for the year showed that the programs are successful and we are above the industry benchmarks⁵.

FINANCIAL COACHING	WELCOME EMAIL	ENGAGEMENT EMAIL	PERFORMANCE UPDATE EMAIL
86% RECIEVED GENERAL ADVICE	OPEN RATE 57%	OPEN RATE 47%	OPEN RATE 53%
10% REFERRED TO ADVISERS	CLICK THROUGH RATE 5.56%	CLICK THROUGH RATE 5.96%	CLICK THROUGH RATE 4.96%

⁴Data as of October 2024.

⁵Financial industry benchmarks on member engagement through email channels: Open Rate – 31.34%, Click Through Rate – 2.78%

INSURANCE

We concluded that the insurance offering is promoting members' financial interests.

Employers can choose a default insurance design that provides appropriate cover for the specific profile of their employees, and we offer a range of design options for them to tailor the insurance arrangements.

By the end of 2024, 43% of the total membership in ANZ Smart Choice Super for Employers and their Employees have insurance cover.

We evaluated our insurance strategy, premiums, and members' experience with their insurance transactions. Insurance for all three products are promoting members' financial interests.

Our insurance offerings are competitive in the market with the terms and conditions aligned to or better than the products of our competitors. We have assessed our insurance premiums to be market competitive and do not inappropriately erode members' retirement benefits. The average claim assessment duration is comparable to the market average and the claim acceptance rates are within expectations⁶.

SCALE AND OPERATING COSTS

The factors Scale and Operating Costs have been assessed at the Trustee level.

We have assessed that our operating costs are not promoting members' financial interests.

Our operating expenses for the year have been impacted by our transformation programs leading to increased average cost per member. While these programs led to an increase in operating costs in the short term, once completed they are expected to deliver a reduction to our operating costs in the medium term through the rationalisation and simplification of our products and service provider arrangements.

⁶APRA Life Insurance Claims and Disputes statistics, December 2023 (issued April 2024).

WE'RE HERE TO HELP

If you have any questions or would like further information about your account please contact us or your financial adviser.

Customer Services

 13 12 87 weekdays between 8.30am and 6.30pm (AEST)

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Important information

This document has been prepared on behalf of OnePath Custodians Pty Limited, ABN 12 008 508 496, AFSL 238346, RSE L0000673 (OPC) as the Trustee of Retirement Portfolio Service, ABN 61 808 189 263. OPC is part of the group of companies comprising Insignia Financial Ltd, ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group).

The information in this document is general in nature and does not consider your objectives, financial situation or individual needs. Before acting on any of this information, you should consider whether it is appropriate for you. It is important that you read the relevant Product Disclosure Statement and other disclosure documents or consider obtaining financial advice before making any decisions based on this information. Past performance is not a reliable indicator of future performance. Awards and ratings are only factors to consider when deciding to invest your super.

References to 'we', 'us' or 'our' are references to the Trustee, unless otherwise stated.

Subject to super law, the final authority on any issue relating to your account is the Fund's Trust Deed, and the relevant insurance policy, which governs your rights and obligations as a member.

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