

MEMBER OUTCOMES ASSESSMENT

THE INFORMATION IN THIS DOCUMENT RELATES TO
ANZ SMART CHOICE SUPER FOR EMPLOYERS
AND THEIR EMPLOYEES
YEAR ENDED 30 JUNE 2023

Issuer: OnePath Custodians Pty Limited ABN 12 008 508 496, AFSL 238346,
RSE L0000673 (OPC) as the trustee of the Retirement Portfolio Service
ABN 61 808 189 263 and issuer of the ANZ Smart Choice Super suite of products



Each year OnePath Custodians Pty Limited (OPC) is required to assess whether we've promoted the financial interests of members. The Member Outcomes Assessment is a measure of product appropriateness against key factors – listed in the diagram and table that follow – that can affect a superannuation product. You'll find a simple summary of the product features at anz.com.au/personal/superannuation/




ANZ Smart Choice Super for employers and their employees (**ANZ Smart Choice Employer Super**) is an employer offering that provides default super solutions for employers, with investments and insurance arrangements that can be tailored to employee's needs. It provides access to a broad investment menu and insurance cover through a group policy, with the flexibility to customise coverage depending upon their needs.

Due to the extensive menu of investment options available in ANZ Smart Choice Employer Super when assessing the key factors related to investments, we've focussed on those investment options that contain 80% of members funds under management.



The assessment uses industry benchmarking, comparative data, in-house data, and reviews performed by independent research houses.

SUMMARY OF FINDINGS

Factor	Data source/timing ¹	Findings
Overall assessment		
Net investment returns	APRA ² Expanded Performance Test 2022-23 OPC STIC ³ Quarterly Reporting SuperRatings Fund Crediting Rate Survey	
Fees & costs	SuperRatings SMART Tool 2023	
Level of investment risk	SuperRatings Accumulation Volatility and Risk-Adjusted Return Survey Morningstar Sharpe Ratio Report	
Options, benefits & facilities	OPC Service Providers Performance Reports FY2023 Product Ratings (SuperRatings and Chant West)	
Investment strategy	OPC Investment Governance Framework – Superannuation (OPC) January 2024	
Basis for setting fees	OPC Financial Reports FY2023 Product Disclosure Statement	
Scale	APRA Fund-level Superannuation Statistics	
Operating costs	OPC Financial Reports FY2023	
Insurance strategy & fees	APRA Life Insurance Claims and Disputes Statistics OPC Risk Appetite Statement July 2023	



'Promoting' the financial interests of members



'Partially promoting' the financial interests of members



'Not promoting' the financial interests of members



Not applicable to the product

¹ Data source/timing as at 30 June 2023 unless otherwise stated

² Australian Prudential Regulation Authority (APRA)

³ OPC Superannuation Trustee Investment Committee

PRODUCT COMPARISON, PERFORMANCE AND RATINGS

Net investment returns	<p>Net investment return is the return we deliver to you minus investment fees and costs, and taxes.</p> <p>We've determined that the net investment returns for ANZ Smart Choice Employer Super is promoting members' financial interests on the basis that the majority of in-scope investment options have:</p> <ul style="list-style-type: none"> • passed the annual Your Future Your Super Performance Test; and • performed above the median for rolling 1, 3, 5, 7 and 10 year periods against their peer median.
Fees & costs	<p>These are the total costs. It includes administration and investment fees and costs, and transaction costs.</p> <p>We've determined that the fees and costs for ANZ Smart Choice Employer Super are promoting members' financial interests on the basis they are below median compared to peers.</p>
Level of investment risk	<p>This is a measure of the risk profile of your investment in relation to performance, benchmarks and objectives.</p> <p>We've determined that the investment risk for ANZ Smart Choice Employer Super is promoting members' financial interests on the basis that in-scope investment options have an appropriate risk compared to returns.</p>
Options, benefits & facilities	<p>This evaluates your member services & benefits, your experience in accessing the services, and whether the fees & costs you pay are commensurate to what's offered.</p> <p>We've determined that the options, benefits and facilities for ANZ Smart Choice Employer Super are promoting members' financial interests on the basis that a competitive offering in the marketplace is provided to members that is appropriately priced.</p>
Investment strategy	<p>This examines the investment objectives, asset allocations and associated risks of the investment options available to you to determine if they are on track to delivering your target returns in the future.</p> <p>We've determined that the investment strategy for ANZ Smart Choice Employer Super is promoting members' financial interests on the basis that the investment strategy for the Fund is reviewed and approved annually by the OPC 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.</p>
Basis for setting fees	<p>This determines whether the fee structure of the product is appropriate and fair.</p> <p>We've determined that the basis for setting fees for ANZ Smart Choice Employer Super is promoting members' financial interests on the basis that:</p> <ul style="list-style-type: none"> • there is a demonstrated fee equity between members indicating minimal cross subsidisation between members through 'user pays' fee structures and fee caps • large employers may negotiate discounts for members to reflect the benefits of bringing economies of scale to the Fund as a result of the efficiencies created; and • fees charged to members cover the costs of the Fund to ensure long term sustainability.
Scale	<p>This measures whether OPC has sufficient scale to promote the financial interests of members.</p> <p>We've determined that OPC has sufficient scale to sustain member outcomes into the future and is therefore promoting members' financial interests.</p>
Operating costs	<p>This measures OPC's costs in operating the fund.</p> <p>We've determined that our operating costs, as the trustee of Retirement Portfolio Service, are not promoting members' financial interests due to increases to average costs per member and the impact of integration costs on overall operating expenses. We have initiated strategic initiatives to simplify and rationalise both products and service provider arrangements which should reduce operating costs over the long term.</p>

Insurance strategy & fees

This assesses whether OPC's insurance strategy and provision of insurance is appropriate for members and beneficiaries and considers whether the fees (premiums) charged inappropriately erodes members' retirement savings.

We've determined that insurance strategy and fees for **ANZ Smart Choice Employer Super** are **promoting** members' financial interests on the basis that:

- We offer competitive products in the market; terms and conditions of the insurance offer are aligned to or better relative to comparable competitors.
- The average claim assessment duration is better than the market average against comparable segments and claim acceptance rates are within expectations.

OVERALL CONCLUSION

We've determined that, overall, ANZ Smart Choice Employer is promoting members' financial interests.

Fees and costs are competitive in the marketplace being below median when compared against peers.

The majority of in-scope investment options have met their stated objectives outlined in their Product Disclosure Statement and the net investment returns were generally above median when compared to our peers.

Default insurance is available and can be customised to meet your individual circumstance. Terms and conditions of the insurance offer are aligned to or of greater benefit to members relative to comparable competitors.

We have sufficient scale to support long term outcomes for you and all members of the product.

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

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Important information

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

The information is of a general nature and does not take into account the member's personal needs, financial circumstances or objectives. Before acting on this information a member must consider the appropriateness of the information having regard to their needs, financial circumstances and objectives. A member must also read the relevant Product Disclosure Statement (PDS), this information and other current disclosure documents.

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