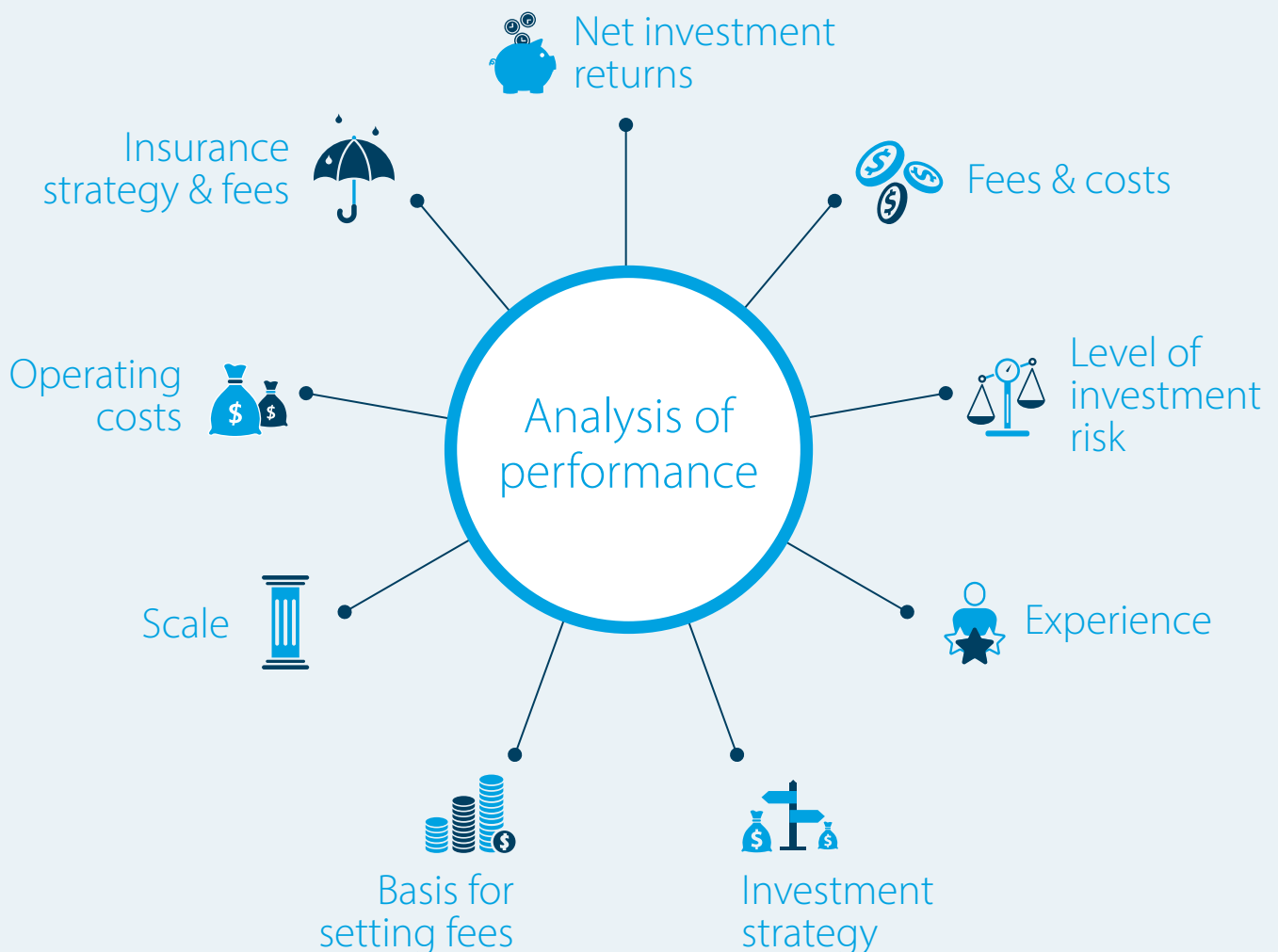


MEMBER OUTCOMES ASSESSMENT

THE INFORMATION IN THIS DOCUMENT RELATES TO
THE ANZ SMART CHOICE QBE MYSUPER PRODUCT
YEAR ENDED 30 JUNE 2021




Each year, OnePath Custodian 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. This product was closed to new members on 12 June 2021 and we're developing a transition plan for existing members.



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		
MySuper Performance test	APRA MySuper Performance Test August 2021	
Net investment returns	APRA December 2021 Heatmaps ²	
Fees & costs	APRA December 2021 Heatmaps APRA Quarterly MySuper Report	
Level of investment risk	Quarterly Investment reporting	
Experience	Chant West analysis	
Investment strategy	Investment Governance framework	
Basis for setting fees	Product Disclosure Statement	
Scale	APRA Annual Fund Level Statistics APRA Quarterly MySuper Report	
Operating costs	Annual financial report	
Insurance strategy & fees	Insurance Management framework Chant West member outcomes dashboard	



'Promoting' the financial interests of members



'Partially promoting' the financial interests of members












'Not promoting' the financial interests of members

¹ Data source/timing as at 30 June 2021 unless otherwise stated.


² The APRA Heatmap provides assessments of the performance of every MySuper product. The Heatmap uses a graduating colour scheme (white to red) to provide clear and comparable insights across three areas: investment performance, fees and costs, and sustainability of member outcomes.

PRODUCT COMPARISON, PERFORMANCE AND RATINGS

Net investment returns	<p>Net investment return is the return we deliver to you minus administration fees, investment fees and taxes.</p> <p> We've determined that the financial interests of members are being promoted. This is on the basis that:</p> <ul style="list-style-type: none"> • The higher growth oriented lifecycle stages have performed well against competitors over one, three and five-year periods (first & second quartiles). • The more conservative lifecycle stages have underperformed against competitors over the same periods (fourth quartile). This reflects a higher allocation to defensive assets than competitors. This approach has been adopted for members as they near retirement. • Recent changes to increase exposure to alternative assets is expected to result in improvements in investment returns for all lifecycles.
Fees & costs	<p>These are the administration fees and costs related to your superannuation account.</p> <p> We've determined that the product is promoting members' financial interests due to:</p> <ul style="list-style-type: none"> • The administration fees are competitive across all account balances. • Total fees across all account balances are performing around or above the benchmarks for a MySuper product (white on the APRA Heatmaps).
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 of the product promotes members' financial interests. This is on the basis that:</p> <ul style="list-style-type: none"> • All lifecycle stages have low risk relative to competitors, with the majority sitting in the 2nd quartile. • We're comfortable with the current level of risk.
Experience Options, benefits & facilities	<p>Experience relates to member services, including communications, call centre support, online information, tools and calculators and reporting services.</p> <p> We've determined that the options, benefits and facilities promote members' financial interests. This is based on the following factors:</p> <ul style="list-style-type: none"> • There is a broad range of services offered with a key strength being the digital experience. • Members who have used services (such as the call centre) have provided very high service scores. The service levels have also exceeded expectations through the COVID-19 period
Investment strategy	<p>This is an assessment of the appropriateness of investment objectives and examines whether asset allocation and corresponding risk exposure are consistent with achieving the investment objectives and on track to deliver the targeted level of performance in the future.</p> <p> We've determined that the investment strategy promotes members' financial interests. This is based on:</p> <ul style="list-style-type: none"> • The strategic asset allocation for the lifecycle stages is appropriate for the product. Members who want to construct a portfolio consistent with their risk and return objectives can choose from the broad range of investment options on offer. • Asset reallocation has been undertaken to improve member outcomes.

Basis for setting fees	<p>This determines whether the fee structures of the product is appropriate and fair.</p> <div>  <p>We've determined that, on the basis for setting fees, the product is promoting the financial interests of members and that, overall, the fee structures we offer are fair and reasonable, as:</p> <ul style="list-style-type: none"> • Administration fees are transparent and reflect the services offered, the underlying nature of the operating costs, and trustee and regulatory services. • Other fees, such as transaction fees and insurance premiums, are charged on a user-paid basis, deducted at the time incurred, and are applicable to the individual member's circumstances. • Members may receive discounts and rebates due to being in a large employer plan. </div>
Scale	<p>This measures whether OPC has sufficient scale to promote the best financial interests of members.</p> <div>  <p>We've determined that the product has sufficient scale to promote the financial interests of members. This is on the basis that:</p> <ul style="list-style-type: none"> • The products have material scale in membership and funds under management. There are opportunities to further improve options, benefits and facilities as part of Insignia Financial Group. • We have met the standard of sustainability as determined by the APRA Heatmaps. </div>
Operating costs	<p>This measures OPC's costs in operating the various superannuation funds.</p> <div>  <p>We've determined that the operating costs are promoting the financial interests of members. This is on the basis that the average cost per member has decreased over the year.</p> </div>
Insurance strategy & fees	<p>This assesses whether OPC's insurance strategy is appropriate for beneficiaries and whether the fees charged (premiums) inappropriately erode members' retirement savings.</p> <div>  <p>We've determined that the strategy and design of the insurance offering promotes members' financial interests. This is on the basis that:</p> <ul style="list-style-type: none"> • The default insurance cover and benefit design is flexible. • Insurance premiums are well below the recommended 1% of salary threshold for white and standard blue collar categories, protecting members' retirement savings from erosion. The heavy blue collar category is paying relatively higher premiums and we are considering ways to address these. • Members are able to tailor insurance to their individual circumstances. • Insurance arrangements are monitored robustly, with strong governance reporting. </div>

OVERALL CONCLUSION

	<p>We've determined that, overall, the product is promoting members' financial interests. This is based on:</p> <ul style="list-style-type: none"> • The ANZ Smart Choice QBE MySuper has been designed to change as members move through their working lives, the asset allocation becoming more defensive as members get near to retirement. The higher growth asset allocations which suit younger members, have performed well against competitors. Recent changes to asset allocations for all lifecycle stages are expected to result in improved outcomes for members. • Total fees members pay are competitive (white on the APRA Heatmaps). • The broad range of services on offer including insurance from one of Australia's leading providers. • As this product is closed, we're looking at a transition plan to benefit members.
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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 38 63 weekdays between 8.30am and 6.30pm (AEST)



customer@onepathsuperinvest.com.au

Important information

This document has been issued by OnePath Custodian 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, consisting 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.

