

# MEMBER OUTCOMES ASSESSMENT

THE INFORMATION IN THIS DOCUMENT RELATES TO  
ANZ SMART CHOICE SUPER AND PENSION

YEAR ENDED 30 JUNE 2024



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# AT A GLANCE ANZ SMART CHOICE SUPER AND PENSION

30 JUNE 2024



**\$5.3B**  
FUNDS UNDER  
ADMINISTRATION



**18 (SUPER)  
13 (PENSION)**  
NUMBER OF  
INVESTMENT  
OPTIONS



**108K**  
MEMBER ACCOUNTS  
IN ACCUMULATION



**654**  
MEMBER ACCOUNTS  
IN PENSION



**\$47.3K**  
MEMBERS' AVERAGE  
BALANCE IN  
ACCUMULATION



**\$274.8K**  
MEMBERS' AVERAGE  
BALANCE IN  
PENSION



**37K**  
MEMBERS INSURED



**GROUP**  
TYPE OF INSURANCE



## INDUSTRY RATINGS & AWARDS

SUPERRATINGS	RAINMAKER INFORMATION	CHANT WEST
SILVER	AAA	4 APPLES

## 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 our investment menu offering our members a more contemporary and diverse choice of investments.

As a product offering directly made available to the public through multi-channels, ANZ Smart Choice Super and Pension continues to be recognised by the industry with ratings of AAA by Rainmaker Information, 4 Apples by Chant West, and Silver by SuperRatings.

We believe the financial wellbeing of our members increases as their financial literacy improves so they can 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 FY2024 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 Super and Pension are promoting members' financial interests.

The majority of investment options examined under ANZ Smart Choice Super and Pension met their stated investment objectives and passed the peer relative performance assessments. All investment options passed the annual APRA performance test and heatmap results.

ANZ Smart Choice Pension has a strong fee position in the market when benchmarked against peers. On the other hand, the fees and costs of some options under ANZ Smart Choice Super appear to be less competitive against peers but overall, the product is adequately priced and has met the criteria for promoting a positive member outcome.

The range of member services and facilities we offer are competitive in the marketplace and appropriately priced.

Although insurance cover is optional for the members in ANZ Smart Choice Super, we have examined our insurance offer and found the premium rates to be competitive, and the product's terms and conditions are comparable to if not better than our peers.

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 Super and Pension 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.

As a retail offering, members with accounts in ANZ Smart Choice Super and ANZ Smart Choice Pension can directly customise their investment options according to their financial needs. Given the broad menu of investment options, 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 in this report achieved their investment objectives.

### INVESTMENT RETURNS PEER RELATIVE PERFORMANCE

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

We assessed the investment returns of the in-scope options of ANZ Smart Choice Super and Pension against

their relative peers based on external surveys<sup>1</sup> and the APRA published report on the superannuation products performance across the industry for FY2024<sup>2</sup>. Seventy percent of the in-scope options have performed above the peer median for the 1, 3, 5 and 10 year periods while the rest ranked within the third and fourth quartile.

### INVESTMENT RISK

We monitor the risk profile of our members' investment options in relation to performance, benchmarks and objectives.

The in-scope investment options for ANZ Smart Choice Super and ANZ Smart Choice Pension 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 applicable. 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. Overall, the investment options were found to have appropriate returns to their risk profile.

### ANZ SMART CHOICE SUPER AND PENSION<sup>3</sup>

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	35%	45%	20%	0%	35%	25%	40%	0%	25%	20%	40%	15%	20%	20%	35%	27%

<sup>1</sup>SuperRatings Fund Credit Rating Survey (FCRS) and Pension Credit Rating Survey (PCRS) , June 2024, supplemented by additional data from Morningstar where required

<sup>2</sup>APRA Comprehensive Product Performance Package, September 2024.

<sup>3</sup>SuperRatings FCRS and PCRS, June 2024

## FEES AND COSTS

**We have determined that fees and costs are promoting members' financial interests.**

We evaluated the fees and costs of the in-scope options for ANZ Smart Choice Pension and overlaid the results across various member's balance thresholds - \$10K, \$25K, \$50K, \$100K and \$250K. We found that all are competitively priced being below the market median.

Some of the in-scope investment options for ANZ Smart Choice Super, especially in the Growth asset classes, are not as competitively priced when compared to the peer median. However, when considered in relation to the investment performance results, we conclude that on balance, the fees and costs of ANZ Smart Choice Super are promoting members' financial interests.

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 members' financial interests.**

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. Our newsletters have been uplifted and aligned to our segmentation model with contents tailored to our members in accumulation, pre-retirement and retirement. The membership email communications program has received a boost to strengthen the members' Welcome and Nurture journey and drive deeper member engagement.

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 personal advisers<sup>4</sup>. 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.

<sup>4</sup>Data as of October 2024.

<sup>5</sup>APRA Life Insurance Claims and Disputes statistics, December 2023 (issued 16 April 2024).

## INSURANCE

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

Insurance cover in ANZ Smart Choice Super is optional. Insurance benefits are provided to the members through direct insurance applications subject to eligibility requirements. Members can tailor their insurance cover depending upon their personal circumstances. As of 30 June 2024, thirty-one percent of the members with accounts in ANZ Smart Choice Super have taken an insurance policy.

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 into members' retirement benefits. The average claim assessment duration is comparable to the market average and the claim acceptance rates are within expectations<sup>5</sup>.

## 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.



## 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.

The Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (ANZ) brand is a trademark of ANZ and is used by OPC under licence from ANZ. ANZ and companies within the Insignia Financial Group are not related bodies corporate. ANZ does not stand behind or guarantee the issuer or this product.