

Member Outcomes Assessment

The information in this document relates to
Grow Wrap Super and Pension Service

Year ended 30 June 2024

At a glance

Grow Wrap Super and Pension Service

30 June 2024



Funds under administration



Number of investment options



Industry Ratings and Awards



Members' average balance in accumulation



Members' average balance in pension



Member accounts in accumulation



Member accounts in pension

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.

Grow Wrap Super and Pension Service (Grow Wrap) is a seamless and flexible solution for wealth accumulation that adapts to the members various life stages – from their first job to retirement.

An adviser-intermediated product, it offers members a broad range of investment options through a centralised administration platform. Grow Wrap enables members to combine investments in managed funds, Separately Managed Accounts (SMAs), ASX listed securities and term deposits to effectively manage tax outcomes and simplify their reporting needs.

Grow Wrap's diverse investment menu includes some of our own managed funds which have been consistently recognised in the industry. In June 2024, the MLC MultiActive Growth won the Financial Standard Investment Leadership Award in its category for the fourth year in the row while MLC MultiActive Balanced won in its class for the third year in a row. The MLC MultiActive Moderate won the award in the Multi-Asset Capital Stable category.

Member services for Grow Wrap are managed by Macquarie Investment Management Limited (**MIML**). MIML's digital capabilities are comprehensive. Members can access their accounts online anytime on any device. The adviser portal covers a wide range of functionalities and tools to facilitate member engagement and simplify transactions.

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 Grow Wrap Super and Pension Service is promoting members' financial interests.

Strong investment governance ensures the wrap product provides a carefully selected and diversified choice of investment menu options which deliver adequate returns over the long term without exposing members' investment to inappropriate risk.

Our administration fees and costs are competitive in the marketplace. We offer discounts on the fees disclosed on the Product Disclosure Statement (PDS) through our aligned adviser network and for members who have multiple accounts or family accounts.

Members with accounts in Grow Wrap Super can avail of a retail insurance policy customised to their personal needs through their financial adviser.

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



Investment performance

Grow Wrap's platform performance is promoting the financial interests of the members.

We assessed the platform performance of Grow Wrap based on the quarterly reporting to the Investment Committee that includes the performance testing of investment options and the actions taken on approved recommendations with evidence provided. We took into account the requirements of Prudential Standard SPS 530 – Investment Governance in Superannuation. The Trustee's Investment Governance Framework, with its supporting investment policies, demonstrate full compliance with the regulations.

We also considered APRA's publication¹ on the performance results of all super products for the financial year 2024. All investment options passed the annual APRA performance test and heatmap results.

Fees and costs

We have determined that the fees and costs and basis for setting fees for Grow Wrap Super and Grow Wrap Pension are promoting members' financial interests.

We assessed the fees and costs of Grow Wrap Super and Grow Wrap Pension against peers based solely on administration fees as the investment fees are relatively standardised across all platforms in the market. We further considered fees and costs across various member's balance thresholds (\$10K, \$25K, \$50K, \$100K and \$250K) and the distribution of the member accounts across cohorts.

We found that a large percentage of our members cluster towards the lower balance thresholds and the fees they pay are highly competitive in the market. Close to 70% of members whose account balances are \$250K or more receive a discount on the headline fees published in the PDS through their financial adviser. Only less than 1% of the membership pay the full administration fees to access the complete investment menu for their portfolio.

We have also examined our basis for setting fees and have determined that they are appropriate. The Family Fee Aggregation discounts we offer to the members reflect the benefits of bringing economies of scale to the Fund. 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 we provide to the members are promoting their financial interests.

The external platform administrator hosts the digital member service facilities and provides contact centre support to both the members and financial advisers. Throughout the year, the external platform administrator maintained an average service level performance of 95.4%.

With a large percentage of the membership under advice, members' requirements and transactions are primarily managed by their financial advisers. Grow Wrap's Adviser Online portal covers all the standard functions offered in the market plus automated cash management and digital consent capabilities.

All members have access to the member hub which enables members who no longer have advisers to conduct their own transactions online. All unadvised members directly receive the communications sent to financial advisers especially on investment updates and corporate actions. An unadvised member can also request assistance in the buying and selling of options by writing to the external platform administrator.

Insurance

We have determined that the insurance strategy and fees for Grow Wrap are promoting members' financial interests.

Members with accounts in Grow Wrap Super can obtain a standalone insurance product known as OneCare Super. OneCare is only available through advisers who can guide the members in selecting the appropriate insurance cover for their needs either through a single or multiple policies. The members' insurance application and underwriting process are undertaken by the advisers directly with the insurance provider.

Upon assessment, we have determined that insurance provided to Grow Wrap members is promoting members' interests. The insurance strategy complies with all obligations under our Insurance Management Framework. OneCare as an insurance solution can be tailored to meet the members' needs and budget. We also found the insurance average claim assessment duration to be comparable to the market average and the claim acceptance rates are within expectations².

¹ APRA Comprehensive Product Performance Package, results as of June 2024 (issued September 2024)

² APRA Life Insurance Claims and Disputes as of December 2023 (issued April 2024)

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.

As the Trustee for the Fund, we have determined that our scale is promoting members' interests.

We demonstrate scale benefits to promote better outcomes for our members. We are able to optimise our bargaining power with service providers to provide more benefits to members and pool risk. Our financial sustainability metrics are within APRA's thresholds demonstrating our position to sustain member outcomes into the future.



