

MEMBER OUTCOMES ASSESSMENT

The information in this document relates to
OneAnswer Term Allocated Pension,
ANZ OneAnswer Term Allocated
Pension, and OptiMix Term Allocated
Pension
Year ended 30 June 2023

Issuer: OnePath Custodians Pty Limited
ABN 12 008 508 496, AFSL 238346 as trustee of
Retirement Portfolio Service ABN 61 808 189 263

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 at onepath.com.au

OnePath OneAnswer Term Allocated Pension, ANZ OneAnswer Term Allocated Pension and OptiMix Term Allocated Pension (collectively OPC TAPs) are retirement products that pay you tax-effective income periodically for a set period.

These three products are closed to new members and have been assessed together because they have similar characteristics.



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	OPC TAPs
Overall assessment		
Net investment returns	Internal Investment Performance Reports SuperRatings Fund Credit Rating Survey	
Fees & costs	Internal Investment Performance Reports SuperRatings Fund Credit Rating Survey	
Level of investment risk	SuperRatings Accumulation Volatility and Risk-Adjusted Return Survey	
Options, benefits & facilities	OPC Service Providers Performance Reports FY2023 Product Ratings (SuperRatings and Chant West)	
Investment strategy	Investment Governance Framework – Superannuation (OPC) – January 2024	
Basis for setting fees	Product Disclosure Statements (OneAnswer, 1 July 2007)	
Scale	APRA ² Fund-level Superannuation Statistics	
Operating costs	OPC Financial Reports FY2023	
Insurance strategy & fees		



'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 (eg, where there's no investment component in the product) or is not required to be assessed at this time

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

² Australian Prudential Regulation Authority (APRA)

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 OPC TAPs are not promoting members' financial interests. The majority of in-scope investment options failed to meet their stated objectives and their peer relative performance was assessed as below median.</p>
Fees & costs	<p>These are the total costs. It includes administration fees, investment fees and all other relevant fees and costs.</p> <p>We've determined that the fees and costs are not promoting members' financial interests due to peer relative performance being assessed as below median and the majority of in-scope investment options failing to meet their objective. However, major pricing changes were approved in FY2023 with implementation occurring over FY2024. Based on projections incorporating these changes, it is anticipated that these products will see improved member outcomes.</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 OPC TAPs is promoting members' financial interests on the basis that in-scope investment options have somewhat appropriate returns compared to their risk profile.</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 OPC TAPs are promoting members' financial interests on the basis that a standard offering in the marketplace is provided to members.</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 OPC TAPs 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 OPC TAPs is promoting members' financial interests on the basis that fees charged to members cover the costs of the Fund.</p>
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 various superannuation funds.</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>

OVERALL CONCLUSION

We've determined that, overall, the OPC Term Allocated Pension products are partially promoting members' financial interests.

The majority of in-scope investment options have not met their stated objective as outlined in their Product Disclosure Statement, and net investment returns and fees & costs have ranked below median relative to peers.

In FY2022, we commenced a program to remove underperforming legacy products. The Term Allocated Pensions are the last of the legacy products to be addressed and major changes to investments and fee structures were approved in FY2023 with implementation occurring in FY2024. Based on projections incorporating these changes, it is anticipated that these products will see an uplift in performance in the short to medium term.

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.

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Important information and disclaimer

This document has been issued by OnePath Custodians Pty Limited (OPC) ABN 12 008 508 496, AFSL 238346 as Trustee for 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. OnePath Life Limited (Insurer, OPL) is the insurer ABN 33 009 657 176, AFSL 238341.

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.