

# MEMBER OUTCOMES ASSESSMENT

The information in this document relates to

OneAnswer Frontier Personal Super  
OneAnswer Frontier Pension  
OneAnswer Term Allocated Pension  
ANZ OneAnswer Term Allocated Pension  
OptiMix Term Allocated Pension

Year end 30 June 2024



# AT A GLANCE

## ONEANSWER FRONTIER PERSONAL SUPER AND PENSION

30 June 2024

\$11.3b

Funds under administration

76

Number of investment options

42,138

Member accounts in accumulation

26,836

Member accounts in pension

\$141.7K

Members' average balance in accumulation

\$198.0K

Members' average balance in pension

## INDUSTRY AWARDS AND RATINGS

Heron Partnership: 5 Stars

Chant West: 4 Apples

SuperRatings: Gold

## ONEPATH TERM ALLOCATED PENSIONS PRODUCTS

30 June 2024

\$73.1m

Funds under administration

1,382

Member accounts

# 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 a 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 adviser-intermediated wealth accumulation and retirement solutions, the OneAnswer Frontier Personal Super and Pension

products continue to be recognised by the industry with ratings of 5 Stars by Heron Partnership, Gold by SuperRatings and 4 Apples by Chant West.

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 continue to uplift the portal for members and advisers. Member and adviser newsletters have been scaled up with increased focus on topics for pre-retirees and retirees.

Members who no longer have advisers can access general advice through the financial coaching program which we successfully launched towards the end of FY 2024.

## 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 OneAnswer Frontier Personal Super, OneAnswer Frontier Pension and the OnePath Term Allocated Pension products are all promoting members' financial interests.

**OneAnswer Frontier Personal Super is an accumulation product offered through advisers with a wide choice of investment options from the OnePath and OptiMix funds. Members can easily transition their investments to OneAnswer Frontier Pension. The OnePath Term Allocated Pension products are retirement solutions that pay tax-effective income to members periodically for a set period.**

The majority of investment options examined under OneAnswer Frontier Personal Super and Pension products met their stated investment objectives and passed the peer relative performance assessments over 1, 3, 5 and 10 years. Fees and costs for both super and pension are priced competitively against peers in the market.

Over sixty percent of options for OnePath Term Allocated Pension products showed returns above the peer median and met the benchmarks in their stated investment objectives. We assessed the in-house manufactured options to have competitive peer relative fees and found that the options performing higher than the peer median are externally managed funds.

Through their advisers, members can access insurance solutions that can be customised to their personal circumstances.

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 OneAnswer Frontier Personal Super, OneAnswer Frontier Pension and the OnePath Term Allocated Pension products are all promoting members' financial interests.

As choice products available through their advisers, members with accounts in OneAnswer Frontier Personal Super and 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 greater than 80% of members' funds under management. The majority of the in-scope investment options we assessed in this report achieved their investment objectives.

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.

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 OneAnswer Frontier Personal Super and Pension against their relative peers and the APRA published report on product performance across the industry for FY 2024<sup>1</sup>. More than half of the in-scope options delivered above peer median returns for the 1, 3, 5 and 10 year periods with more underlying options under OneAnswer Frontier Pension performing better.

## OneAnswer Frontier Personal Super and Pension<sup>2</sup>

Investment Horizon	One Year				Three Years				Five Years				Ten Years			
	Quartile Rank				Quartile Rank				Quartile Rank				Quartile Rank			
Asset Class	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
% of Options	28%	33%	18%	21%	33%	10%	31%	26%	28%	18%	33%	21%	24%	19%	38%	19%

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

The risk profile of the in-scope investment options for OneAnswer Frontier Personal Super and 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). 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. Less than half of the options for the super product met the required benchmarks while the options for OneAnswer Frontier Pension in general showed appropriate returns when compared to their risk profile.

Based on our assessment, the investment strategy and net investment returns of the OneAnswer Frontier Personal Super and Pension products are promoting members' financial interests.

### OnePath Term Allocated Pension

We also analysed the investment risk of the options in-scope for the Term Allocated Pension products based on their Sharpe Ratios and found that 89% have 'partially met ratings' or on average, 8bps below the peer median. This outcome led to the overall determination that the products' risk-adjusted returns are only partially promoting the members' interests.

More than 60% of the options for Term Allocated Pensions performed well against peers taking into consideration the age pension entitlements of the members which aligned the returns to those of the OneAnswer Frontier Pension.

<sup>1</sup> APRA Comprehensive Product Performance Package, June 2024 (issues September 2024).

<sup>2</sup> SuperRatings Fund Credit Rating Survey (FCRS) and Pension Credit Rating Survey (PCRS), June 2024, supplemented by additional data from Morningstar where required.

# FEES AND COSTS

**We have determined that the fees and costs of OneAnswer Frontier Personal Super, OneAnswer Frontier Pension and OnePath Term Allocated Pension products are promoting members' financial interests.**

We analysed the fees and costs of the in-scope options for OneAnswer Frontier Personal Super and Pension and all the OnePath Term Allocated Pensions against peers based on industry data. We then mapped the results against the distribution of members under the balance account thresholds - \$10K, \$25K, \$50K, \$100K and \$250K.

The majority of the options in-scope for OneAnswer Frontier Personal Super and Pension have competitive peer relative fees and costs. The majority of the underlying options for the OnePath Term Allocated Pension products are also competitively priced especially the internally managed funds.

We have examined our basis for setting fees and 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 we offer to our members are promoting their interests.**

Our members' wellbeing and engagement experience are driven primarily through interactions with their advisers. Aside from contact centre services, both members and advisers have access to digital portals to facilitate their daily transactions and reporting.

We have uplifted our communications and newsletters and aligned them to our segmentation model with contents tailored to members in accumulation, pre-retirement and retirement. Members who no longer have an adviser receive direct communications on investment updates and corporate actions. They now also have access to a financial coach for general advice services which we launched in late FY 2024.

# INSURANCE

**We concluded that the insurance offering for members in OneAnswer Frontier Personal Super is promoting members' financial interests.**

Insurance cover is provided through the retail or risk-only insurance product, OneCare Super which is offered only through advisers and fulfilled through direct application and underwriting with the insurer.

OneCare Super can be customised according to the needs of the members with terms and conditions that are highly competitive in the market. The average claim assessment duration is comparable to the market average and the claim acceptance rates are within expectations<sup>3</sup>.

# SCALE AND OPERATING COSTS

**The factors Scale and Operating Costs have been assessed at the Trustee level.**

**We have determined 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.

<sup>3</sup>APRA Life Insurance Claims and Disputes statistics, December 2023 (issued 16 April 2024).

## We're here to help

If you have any questions or would like further information about your account, please contact us.

### Contact details

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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.