

Ensurity Super

Member Outcomes Assessment
For the year ended 30 June 2024

28 February 2025



Table of contents

Item	
Introduction	3
Executive summary	5
Ensurity overview	7
Comparative assessment	9
Product appropriateness assessment	16



Introduction



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Introduction

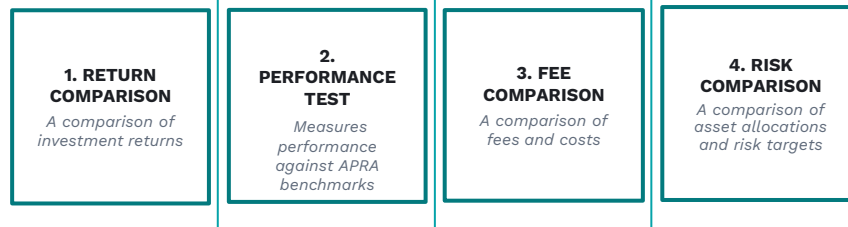
What is the Member Outcomes Assessment?

This document will focus on the key outcomes found within the assessment in relation to Ensurity Super; a part of the YourChoice Super sub-plan of OneSuper ('Ensurity Super'). It analyses how Ensurity Super's products compare to similar products and whether these products are serving the financial interests of the members. The document will present the final conclusions and summary, before going into detail on steps 1 and 2 of the assessment.

All data is reported in accordance with APRA requirements. This assessment was undertaken in February 2025 and is relevant for the financial year ended 30 June 2024.

Approach for this assessment

Step 1: Measure and compare products



Step 2: Assess product appropriateness

Assessment of product appropriateness against key factors that can affect superannuation

Section 52 (11)

1. Options, benefits and facilities
2. Investment strategy
3. Insurance strategy and fees

SPS 515

4. Scale
5. Operating costs
6. Basis for setting fees

Step 3: Publish determination

A publication with a determination for each product is required to assess whether the financial interests of the beneficiaries who hold the product are being promoted.

Executive Summary



Product Determinations

The Trustee has determined that it is promoting the financial interests of the beneficiaries of its **Accumulation product** and those of its **Pension product** on the basis that:

- For administration fees, Ensurity Super is lower cost than the relevant peer fund median on \$50,000, \$100,000 and \$250,000 account balances;
- Investment returns show strong performance for the majority of in scope investment options over all periods, one-year, five-year and ten-year; and
- The objective assessment factors, being Ensurity Super's options, benefits and facilities, investment strategy, insurance strategy and fees and the basis for setting fees, are considered appropriate for Ensurity Super's members and do not inappropriately erode their retirement balances.

The Trustee notes however that:

- Given YourChoice's relatively small size in the industry and negative growth rate, the Trustee is currently working with the Promoter on strategies for the future of the product.

Ensurity Super Overview

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Ensurity Super Overview

Ensurity Super is a part of YourChoice Super, a sub-plan of OneSuper. Ensurity Super offers 'wrap-style' accounts through its platform for members. Ensurity Super offers the following products:

- Accumulation Account
- Pension Account, being either an Account Based Pension (Allocated Pension) or Transition to Retirement Pension Account

For platform funds like Ensurity Super, members select investments in consultation with their financial adviser. The Trustee's investment strategy for these funds includes offering members a range of different investment options by return potential, risk profile and style to suit their individual circumstances and promote diversification of member strategies.

Through the Ensurity Super platform, members in consultation with their financial adviser, have access to a wide range of investment options. Members also have access to OneVue Managed Account 'Model Portfolios', which have been designed by professional model portfolio managers, and customised investments which may include:

- Managed Funds (Domestic and international)
- ASX securities
- International shares
- Cash
- Term Deposits
- Exchange Traded Funds ('ETFs') / Listed Investment Companies ('LICs')

For the purposes of this assessment, the analysis is focused on the 10 Ensurity Super investment options with the highest concentration of assets invested at 30 June 2024, with at least 5-years of return data. If you would like to know the performance of your Ensurity Super account for the year ended 30 June 2024, please refer to your Financial Year 2023/24 annual member statement.

From 20 December 2024, Ensurity Super stopped accepting new members into the fund.



Comparative Assessment



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Fees & Costs Comparison

For the purpose of this assessment, only Ensurity Super's administration fees are compared to peer fund median administration fees. As investment management fees are charged by the individual investment managers and deducted from the returns, these vary by the individual managed fund or ETF investment option selected and are not comparable to benchmarks based on pooled investment structures.

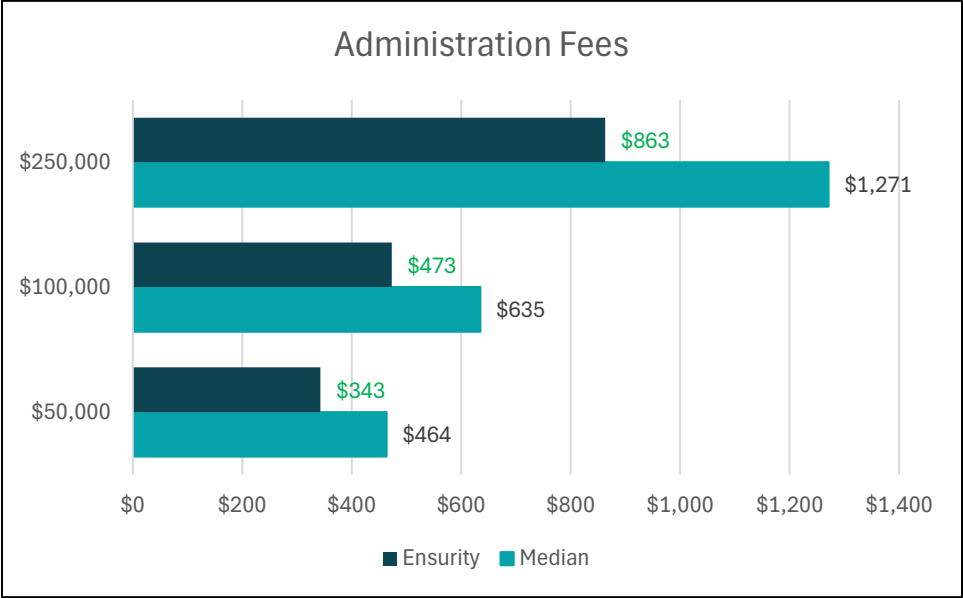
It is noted that this administration fee comparison is at the product level and being assessed against a peer group of similar platform superannuation products. On the following page, the Ensurity Super administration fees for Accumulation and Pension members using the full menu pricing is compared to the peer fund median administration fee which includes Ensurity Super and 10 other peer Platform funds.

Ensurity Super's administration fees are lower cost at a product level when administration fees are calculated on \$50,000, \$100,000 and \$250,000 account balances.

The average YourChoice Super member has a balance of \$140,000, so the modelled account balances are appropriate for assessing the relative competitiveness of Ensurity Super's administration fees for its membership.

On balance, the Trustee has determined it is promoting the financial interests of the beneficiaries as the administration fees for Ensurity Super at a product level are less expensive than the peer fund median.

Fees & Costs Comparison



Choice Investment Return Comparison

Ensurity Super's net investment returns for the investment options that have been assessed in this report are illustrated in the graphs contained on pages 13 and 14.

For platform funds like Ensurity Super, members select investments in consultation with their financial adviser. The Trustee's investment strategy for these funds includes offering members a range of different investment options by return potential, risk profile and style to suit their individual circumstances and promote diversification of member strategies.

For the purposes of this assessment, the analysis is focused on the Ensurity Super investment options with the highest concentration of assets invested in them at 30 June 2024, with at least 5-years of return data.

It is noted that the medians depicted in the following graphs are based on pooled investment options, with the relevant peer fund median selected based on the closest corresponding asset class to the relevant Ensurity investment option. Although not a perfect comparison, these medians represent a suitable proxy for assessing the performance of Ensurity Super's underlying investment options.

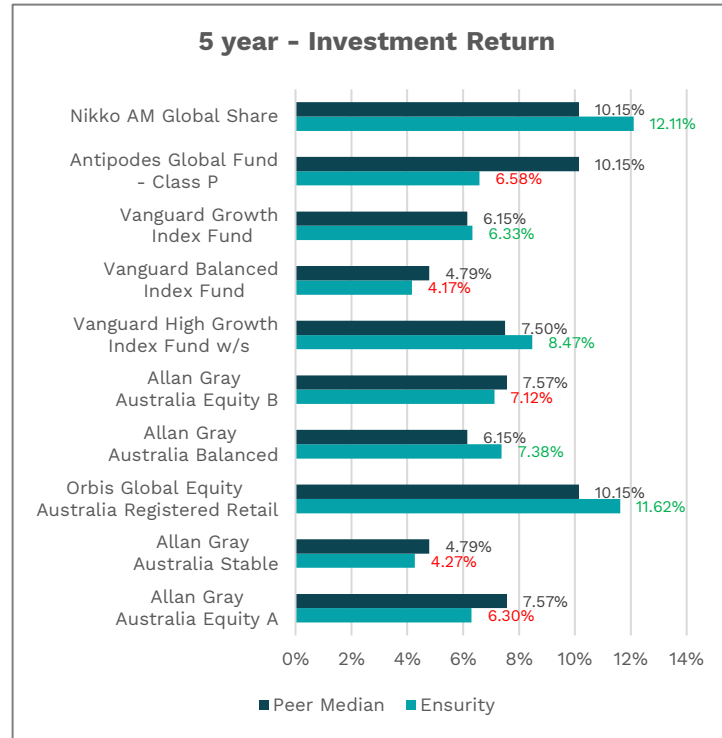
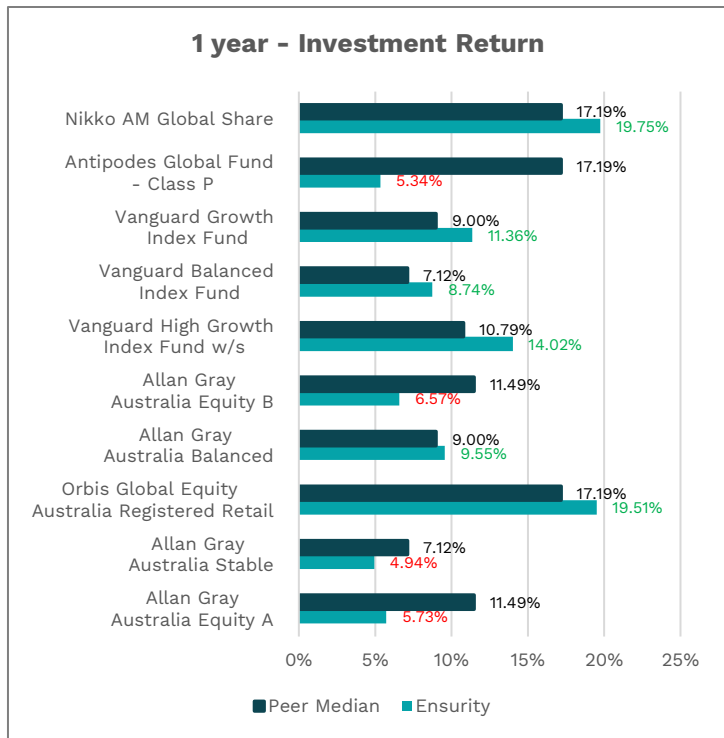
Over the one-year period to 30 June 2024, 60% of the in scope Ensurity Super investment options outperformed against their peer median and 50% over the five-year period.

Over the ten-year period to 30 June 2025, seven of eight of in scope Ensurity Super investment options outperformed against their peer median.

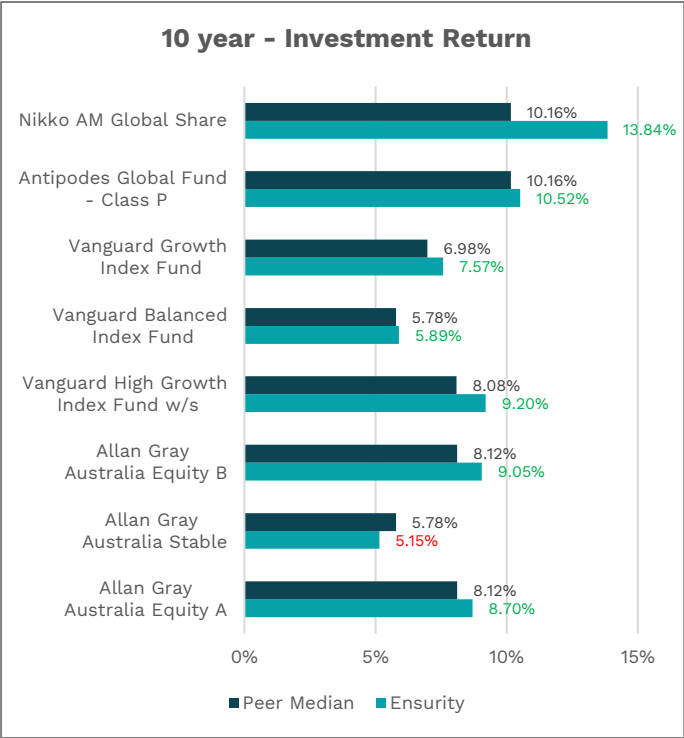
As superannuation is a long-term investment, longer dated performance is considered more significant. The Trustee has determined it is promoting the financial interests of the beneficiaries of its Accumulation product and its Pension product as the investment returns show strong performance for the in scope investment options over the longer ten-year period.

Noting that the investments a member chooses to invest in, is selected to suit the members' individual circumstances with the assistance of their adviser. The Trustee's role is to offer a wide range of investment options to choose from.

Investment Return Comparison



Investment Return Comparison



Choice Investment Risk Comparison

The level of risk and exposure to the various asset classes and investments are determined by the individual needs of each member in joint responsibility with their financial adviser. In addition, the trustee has governance processes that include the setting of investment limits for funds and conducts market risk stress testing for all investments on an annual basis.

Given the broad list of investment options available across the fund with different risk characteristics and investment objectives and the annual stress testing that is conducted for Prudential Standard SPS 530, the Trustee has determined it is promoting the financial interests of its beneficiaries in respect of investment risk.



Product Appropriateness Assessment



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OPTIONS, FACILITIES & BENEFITS

Ensurity Super offers a range of services and products to all members in order to assist them with engaging with their superannuation to optimise their retirement outcomes.

Members and their advisers have access to the Secure Online Portal where they can access a range of research market data, investment performance and Factsheets. They can also view their account, and transactions, run portfolio and member statement reports, purchase and sell assets, as well as FAQs. Ensurity Super also provides regular product updates, news and investment insights, quarterly fund commentary, and online webinars through its public website. The Ensurity Super website also provides Super Smart Tips for members, a solutions overview for advisers providing super solutions for members, and FAQs to help members understand more about the superannuation and retirement solutions offered.

Ensurity Super provides members with a 'one on one' client service offering via phone and email. This provides comfort to members knowing they have a personalised service enabling their enquiries to be dealt with efficiently. Explanations are provided to help members learn about fees, a video on understanding fees, and how the calculator worked, and a calculator which provides prospective members with an indication of the fee range in dollars and basis points when using certain variables. Users can see how investment choices made will determine the administration fees paid through Ensurity Super Superannuation before and when considering changes before they join the fund. The calculator is one way in which Ensurity Super demonstrates its transparency and belief in fee equality for all members.

The Trustee has determined that the options, benefits and facilities offered under the product are appropriate to members.

INVESTMENT STRATEGY

Members may choose to access managed portfolios with professional 'Managed Account' e.g. Managed Account Model Portfolio Managers. Members may also tailor their investment with access to the investment menu which includes international shares, Australian shares, international fixed income, Australian fixed income, property, infrastructure, alternatives, cash and diversified options with varying growth asset allocations.

New investments added to the investment menu are subject to approval by the Trustee's Investment Committee and are required to meet a certain rating from recognised third party research houses such as Lonsec, Morningstar and/or Zenith, or receive an approved rating from the Fund's asset consultant.

The appropriateness of the investments is monitored and reviewed on a quarterly basis with annual additional testing via asset consultants who check all managed funds against their determined benchmarks which provide a recommendation if any changes are required.

A majority of Ensurity Super's members' investment portfolios have been prepared with guidance from a financial adviser who developed a diverse portfolio of investments tailored to suit each members':

- personal circumstances;
- personal investment objectives and long-term goals;
- risk tolerance; and
- expected investment timeframe

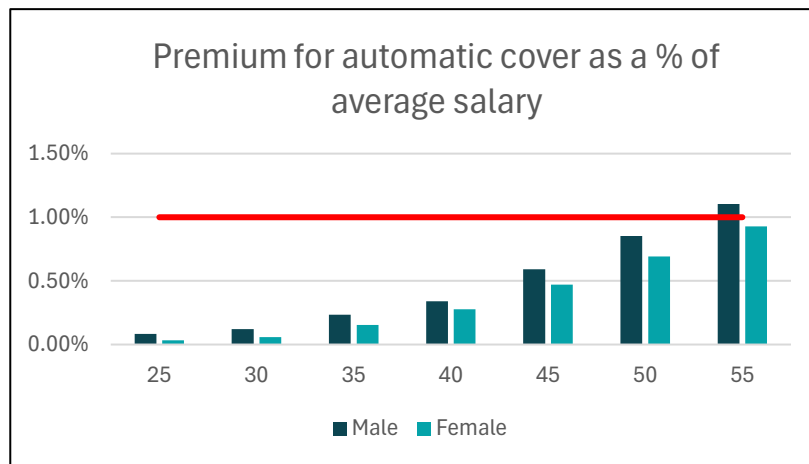
Based on the above, the Trustee has determined that the investment strategy for the product is appropriate for members.

INSURANCE STRATEGY & FEES

Ensurity Super provides insurance for members through MLC Limited with default cover available.

As insurance is offered on an opt-in basis, members in consultation with their financial adviser must consider their personal situation and needs. Therefore, the Trustee has determined that there is no inappropriate erosion of members' retirement income due to the impact of insurance premiums.

The following graph shows how Ensurity Super's premiums for Automatic Death and Total and Permanent Disability insurance cover compared to a 1% of average salary* erosion test across different ages. The test only exceeds 1% slightly for 55-year-old males.



Based on our analysis, the Trustee has determined that the insurance strategy for the product is appropriate for Ensurity Super's members, and that there is no inappropriate erosion of members' retirement income due to the impact of insurance premiums.

SCALE

YourChoice Super, of which Ensurity Super is a part, had 4,041 members with approximately \$567 million in funds under management as at 30 Jun 2024. Below are key growth metrics for YourChoice Super in the year to 30 June 2024.

- Funds Under Management ('FUM') declined by -51.17%, compared to the industry median of 9.63%
- Number of member accounts decreased by -79.65%, compared to the industry average of 1.10%
- Total net members' benefits flows were negative of -\$641.6M, compared to the industry median of \$3.7M
- Net Contribution flows decreased from prior year by -25.39%, compared to the industry of 14.31%
- Net Rollover flows changed by 65.67% from prior year, compared to the industry change of -64.67%
- Net members' benefit outflow ratio of 108.64% is less favorable, compared to the industry median of 89.20%

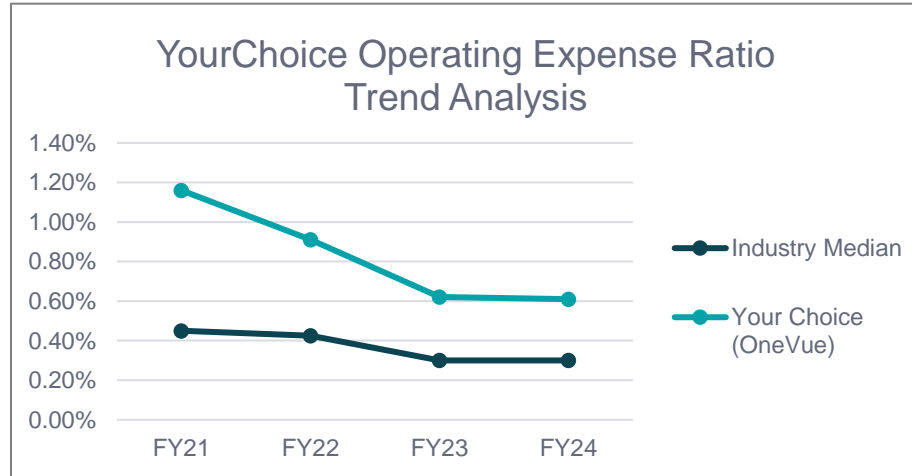
The above data indicates that YourChoice member growth was negative during FY24, although a significant number of the outflows can be attributed to the partial intra-fund transfer of YourChoice members to Smartsave during the year.

It is concluded that members may be disadvantaged due to the scale of YourChoice Super.

Given YourChoice Super's relatively small size in the industry and negative growth rate, the Trustee is currently working with the Promoter on strategies for the future of the product.

OPERATING COSTS

YourChoice Super (of which Ensurity Super is a part) operating expense to asset ratio trend is shown in the graph below compared to the industry fund median (derived from APRA data). It is noted that YourChoice Super's operating expense ratio was significantly decreased over the last three years, however, remains higher than that of the industry median.



Noting the smaller size of the Fund and the trend of the operating expense ratio, the operating costs are considered appropriate for YourChoice Super's members and do not inappropriately erode their retirement balances. However, the Trustee notes that there is an opportunity to improve this ratio in the future.

BASIS FOR SETTING FEES

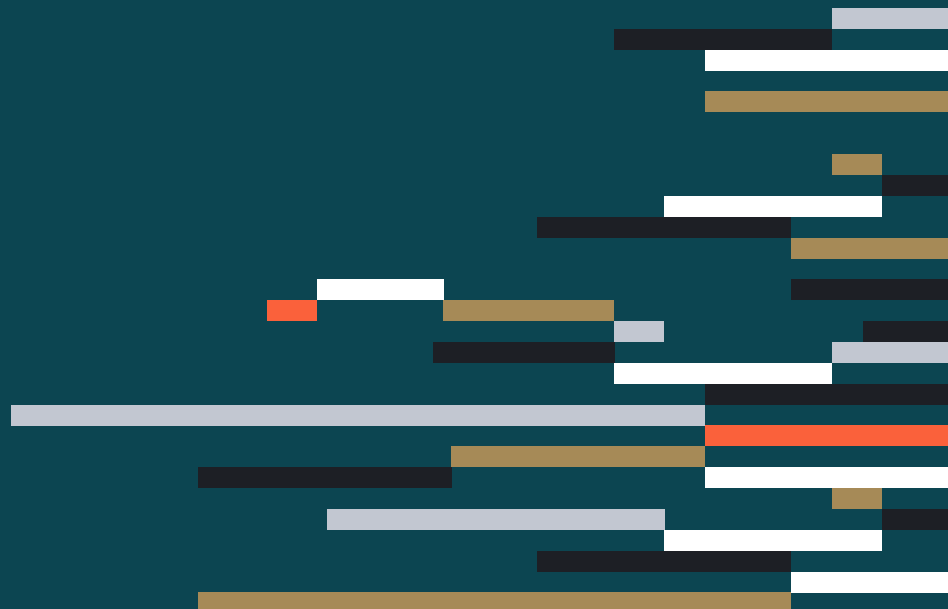
The administration fee structure applicable to Ensurity Super members consists of a flat dollar account keeping fee and an asset based fee on member balances with a regressive tier system to limit subsidisation by large account balances whilst ensuring coverage for operational costs and reserves.

Ensurity Super's administration fee is calculated on the average daily balance of members investments based on the full account balance which includes both cash and investments. The fees are charged monthly to ensure that the cost of maintaining a superannuation account is smoothed over the course of a year rather than members incurring a large impact to their balance at once. Hence, retirement balances are not eroded.

The basis for setting fees is considered appropriate for members and promotes their financial interests, while not inappropriately eroding retirement balances.

Asset-based Admin Fees		
From	To	Rate
\$0	\$250,000	0.23% p.a.
\$250,001	\$500,000	0.16% p.a.
\$500,001	\$1,000,000	0.11% p.a.
\$1,000,001	\$1,500,000	0.05% p.a.
Over \$1,500,001		Nil

Other Account fees		
Expense Recovery Basis Point Fee	0.03% p.a. (Nil after \$1m)	Charged Monthly Nil after \$1m
Expense Recovery Dollar Fee	\$50 p.a.	Charged Annually
Account Keeping Fee*	\$150 p.a.	Charged Monthly



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