

YourChoice Super

Member Outcomes Assessment
For the year ended 30 June 2024

28 February 2025

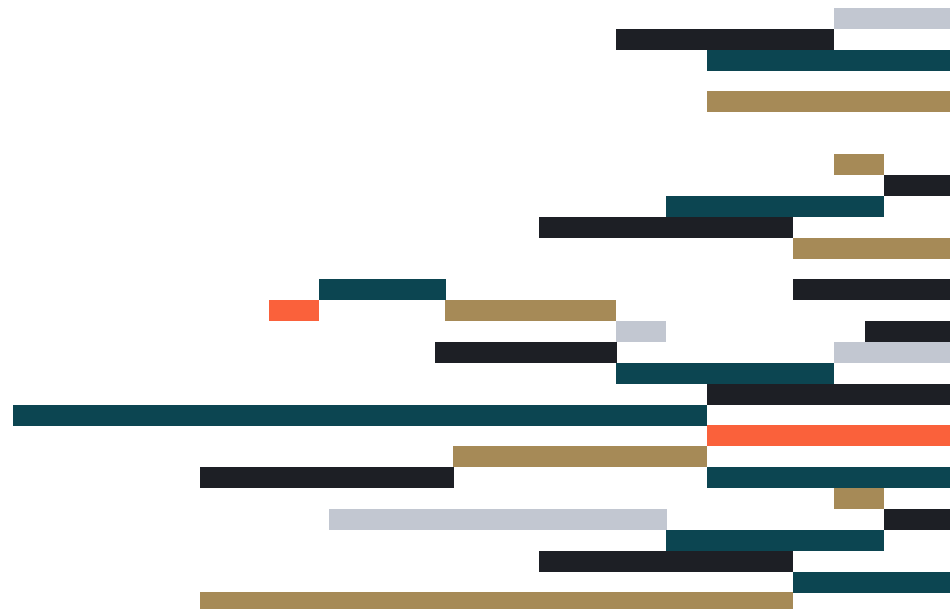


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Introduction



Introduction

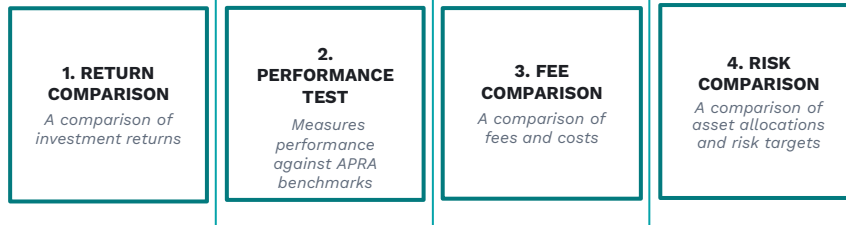
What is the Member Outcomes Assessment?

This document will focus on the key outcomes found within the assessment in relation to the YourChoice Super sub-plan of OneSuper (“YourChoice Super”). It analyses how YourChoice 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 invested in its **Accumulation product** and its **Pension product** on the basis that:

- The administration fees are less expensive than the peer fund median across \$50,000, \$100,000 and \$250,000 balance points;
- Investment returns show strong performance for the majority of in scope investment options over all measured periods, one-year, five-year and ten-year; and
- The objective assessment factors, being YourChoice Super's options, benefits and facilities, investment strategy, insurance strategy and fees, operating costs and the basis for setting fees, are considered appropriate for YourChoice Super's members and do not inappropriately erode their retirement balances.

The Trustee notes however that:

- 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.

YourChoice Overview



YourChoice Super Overview

YourChoice Super is a sub-plan of OneSuper. YourChoice Super is a superannuation fund that ‘caters for those who want to be in the driving seat for their super with all of the advantages but without the complexity of running their own super fund’. It provides a variety of investment options, optional insurance cover and 24/7 online access.

For platform funds like YourChoice 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.

YourChoice Super members are able to invest in a direct investment platform. Through the direct investment platform, members can invest in a Cash Hub, Managed Funds, Managed Account Model Portfolios, ASX Listed Securities and Term Deposits. The investments made through the direct investment platform, form part of a self-directed investment strategy.

The Fund offers accumulation and pension options.

To invest in YourChoice Super you must have a financial adviser who is registered with OneVue Wealth to use the Secure Online Portal. You must also appoint your financial adviser as your Nominated Representative to exercise the rights to operate your Account on your behalf (except the right to transfer the authorisation to another person, close your Account or change your Nominated Bank Account details) – that appointment includes your financial adviser’s authorised employees (if any).

For the purposes of this assessment, the analysis is focused on the 10 YourChoice 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 YourChoice Super account for the year ended 30 June 2024, please refer to your Financial Year 2023/24 annual member statement.

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



Comparative Assessment

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 *YourChoice*
Super



Fees & Costs Comparison

For the purpose of this assessment, only YourChoice Super 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 Exchange Traded Fund (ETF) investment option selected and are not comparable to benchmarks based on pooled investment structures.

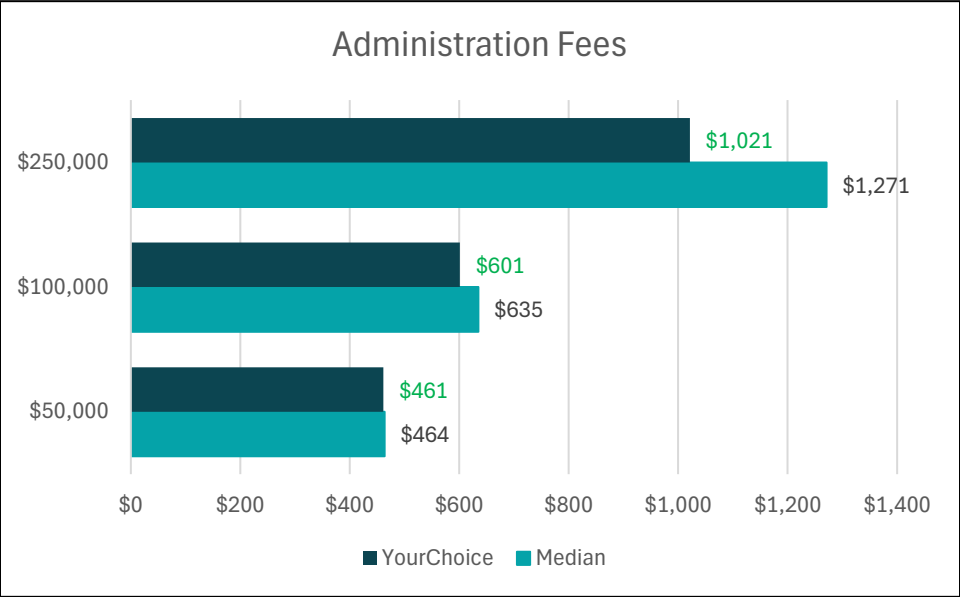
It is noted that this administration fee comparison is at the product level and being assessed against a peer group of similar platform superannuation products. On the following page, the YourChoice Super administration fees for Accumulation and Pension members is compared to the peer fund median administration fee which includes YourChoice and 19 other peer Platform funds.

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

The average YourChoice Super member had a balance of \$140,017 at 30 June 2024, so the modelled account balances are appropriate for assessing the relative competitiveness of YourChoice Super's administration fees for its membership.

The Trustee has determined it is promoting the financial interests of the beneficiaries as the administration fees at a product level are lower cost than the peer fund median.

Fees & Costs Comparison



Source: Peer median is derived from 20 similar platform products, which includes 19 Peers and YourChoice Super. Administration fees are inclusive of any cost of recovery fees or Operational Risk Financial Requirement reserves.

Choice Investment Return Comparison

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

For platform funds like YourChoice 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 YourChoice 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 YourChoice investment option. Although not a perfect comparison, these medians represent a suitable proxy for assessing the performance of YourChoice Super's underlying investment options.

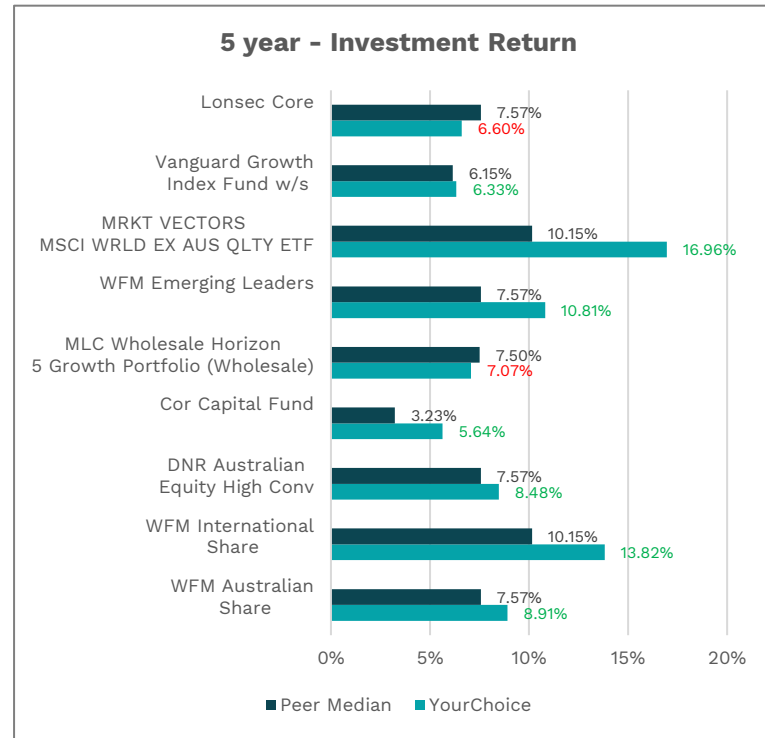
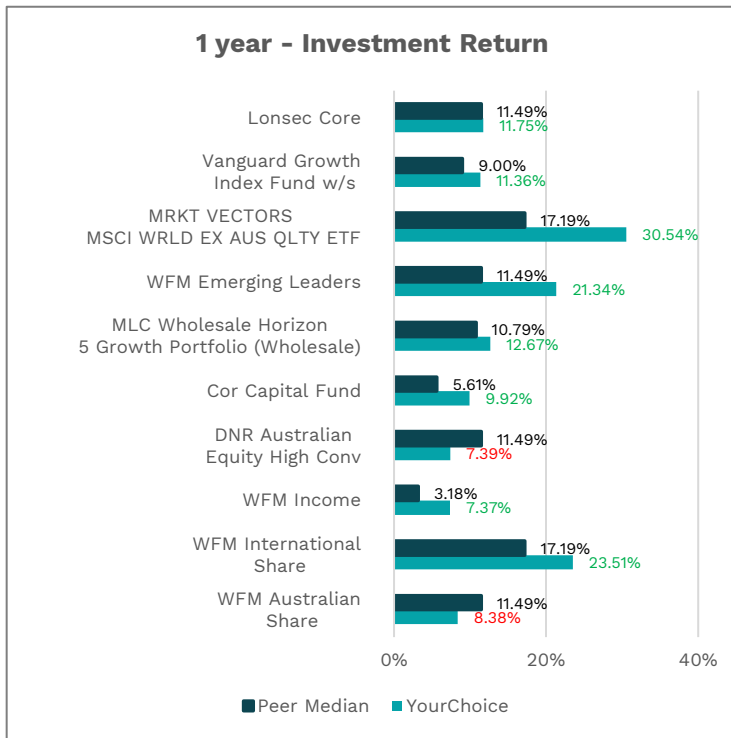
Over both the one-year and five-year periods to 30 June 2024, 80% of the in scope YourChoice Super investment options outperformed against their peer median.

Over the ten-year period to 30 June 2024, six of the eight in scope YourChoice Super investment options outperformed against their peer median.

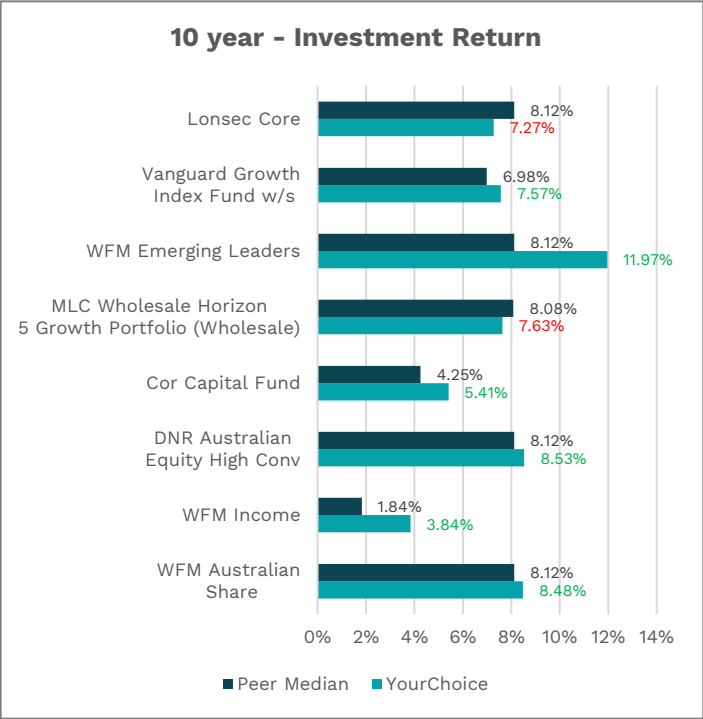
The Trustee has determined it is promoting the financial interests of the beneficiaries of its Accumulation product and its Pension product as the investment returns show strong performance for the in scope investment options over the all periods.

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.

Choice Investment Return Comparison



Choice Investment Return Comparison



Source: SuperRatings Fund Crediting Survey – 30 June 2024 based on the closest corresponding asset class to the relevant YourChoice investment option.

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



OPTIONS, FACILITIES & BENEFITS

YourChoice 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.

YourChoice Super's focus on driving improvements to the quality and usage of communication and member engagement tools has resulted in above average member engagement. Members and their Advisors have access to the digital online portal for reviewing and updating their investments. As well as the ability to purchase and sell pooled investments and direct assets members have access to comprehensive market data and extensive reporting functionality to assist them into making informed decisions and to help them monitor the superannuation account portfolio of assets.

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

INVESTMENT STRATEGY

Members have access to a direct investments platform, available through the Managed Accounts, where they can invest in a Cash Hub, Managed Funds, Managed Account Model Portfolios, ASX Listed Securities and Term Deposits.

As part of YourChoice Super's commitment to help members achieve better retirement outcomes, the investment menu was reviewed and it was decided to close the Pooled Investment Options in June 2024. This decision aligned with YourChoice Super's product design with the core focus being to provide members with a direct investment platform, enabling them to control their investments in conjunction with their financial adviser by allocating funds into the Cash Hub, Managed Funds, Term Deposits and Managed Account Model Portfolios.

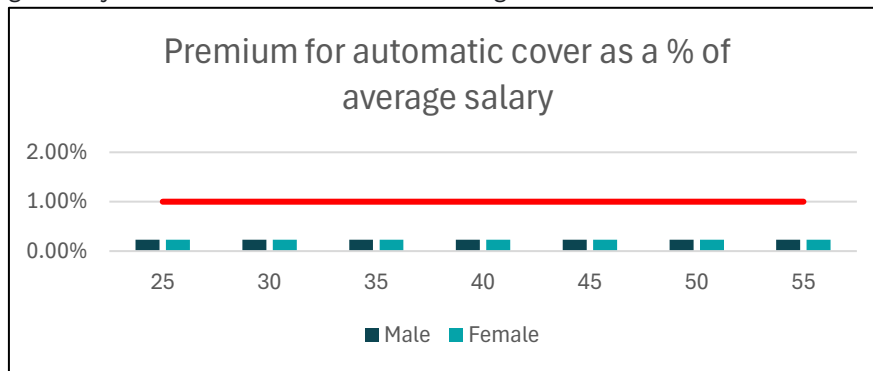
Based on the above, the Trustee has determined that the investment strategy and investment menu is appropriate for members.

INSURANCE STRATEGY & FEES

YourChoice Super provides insurance for members through MLC Limited. Advisers join members up using the Personal Division, where the members opt into insurance cover. Default cover is available for Death & TPD, as well as underwritten, and transfer in cover. Salary continuance cover is available as opt in voluntary (underwritten) cover only. As insurance is offered on an opt-in basis, members must consider their personal situation and needs.

YourChoice Super Employee Division Default insurance cover amount of cover is determined by your age and is fixed at \$4.38 p.w. for Death and TPD, which maintains affordability. Personal Division Default amount of cover is also determined by your age, gender, and is fixed cover. For underwritten income protection cover, your occupation is considered.

The following graph shows how YourChoice 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.



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

SCALE

YourChoice Super had 4,041 members with approximately \$567 million in funds under management as at 30 June 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%

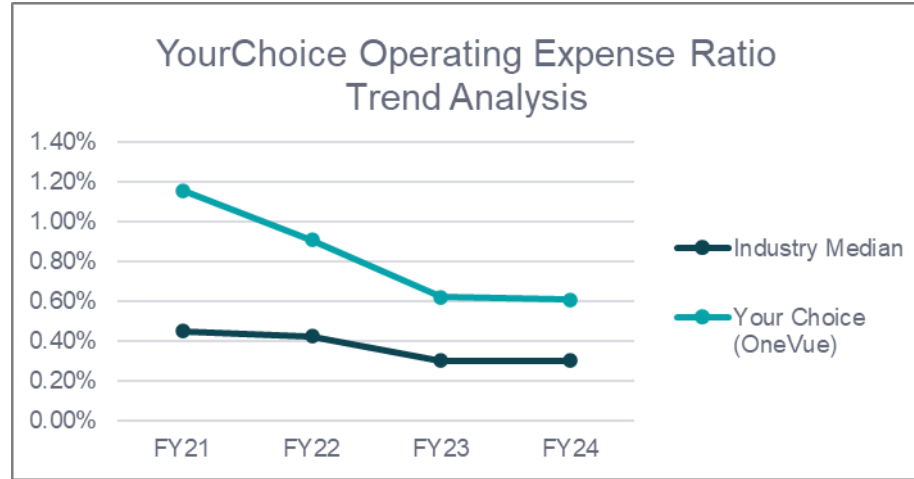
The above data indicates that YourChoice member growth was negative during FY24, although a significant number of the outflows can be attributed to the partial intra-fund transfer of YourChoice members to Smartsave during the year.

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.

* Figures include the Australian Practical, RetireSelect and Ensurity Super white labels of YourChoice Super.

OPERATING COSTS

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

The administration fee is comprised of a tiered asset-based fee, an account keeping fee, and an expense recovery fee (tables for these fees are shown below). The combination of minimum fees and a reducing asset-based fee with larger account balances ensures that the costs of services available to all members are appropriately shared across the fund membership base.

The investment fees are lower for the passively managed options reflecting the lower cost of managing the investment.

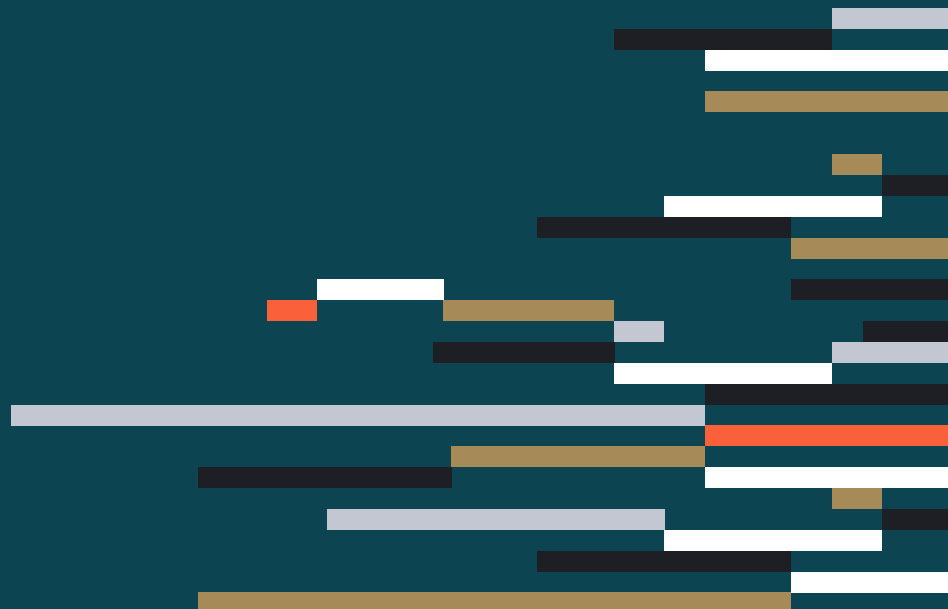
Administration fees are charged to members on a monthly basis and investment fees are factored into unit price. This ensures that the cost of maintaining a superannuation account is smoothed over the course of a year rather than members incurring a large impact to their balance at once. Hence, retirement balances are not eroded.

Asset-based Fees		
From	To	Rate
\$0	\$249,999	0.60% p.a.
\$250,000	\$1m	0.55% p.a.
Over \$1m		Nil

Expense Recovery fee	
0.03% p.a. + \$50 p.a.	
Account keeping fee	
Core Menu	\$150 p.a.
Full Menu	\$250 p.a.

The logo icon consists of three horizontal bars of varying lengths, stacked vertically, in a gold color.

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