# Australian Practical Superannuation

## Member Outcomes Assessment
For the year ended 30 June 2024

28th 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 Australian Practical Superannuation; a part of the YourChoice Super sub-plan of OneSuper (‘AusPrac’). It analyses how AusPrac'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**

**1. RETURN COMPARISON**
*A comparison of investment returns*

**2. PERFORMANCE TEST**
*Measures performance against APRA benchmarks*

**3. FEE COMPARISON**
*A comparison of fees and costs*

**4. RISK COMPARISON**
*A comparison of asset allocations and risk targets*

**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 and Pension product** on the basis that:

- The administration fees are slightly more expensive or the same as 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 periods, one-year, five-year and ten-year; and
- The objective assessment factors, being AusPrac's options, benefits and facilities, investment strategy, insurance strategy and fees, operating costs and the basis for setting fees, are considered appropriate for AusPrac'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.

# AusPrac Overview

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# AusPrac Overview

AusPrac is a part of YourChoice Super, a sub-plan of OneSuper. AusPrac offers both Accumulation and Pension products, where members are able to invest in a range of investments in a direct investments 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.

To invest in AusPrac 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 platform funds like AusPrac, 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 10 AusPrac 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 if your AusPrac account for the year ended 30 June 2024, please refer to your Financial Year 2023/24 annual member statement.

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

# Comparative Assessment

# Fees & Costs Comparison

For the purpose of this assessment, only AusPrac 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.

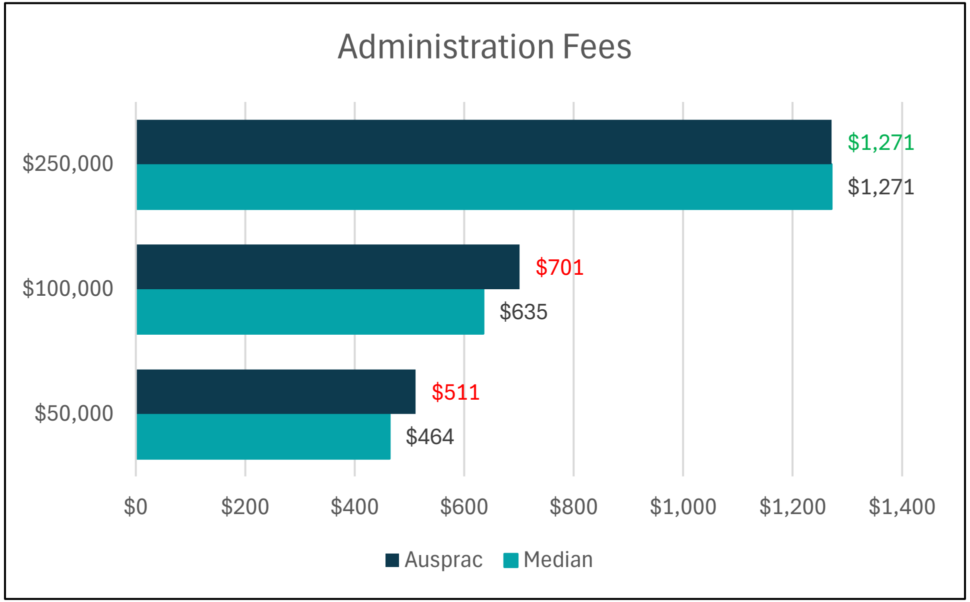
It is noted that this administration fee comparison is at the product level and being assessed against a peer group of similar platform superannuation products. On the following page, the AusPrac administration fees for Accumulation and Pension members is compared to the peer fund median administration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

AusPrac's administration fees are slightly higher cost at a product level when administration fees are calculated on a $50,000 and $100,000 balances and the same as the peer median on a $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'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 slightly higher or the same cost than the peer fund median.

# Fees & Costs Comparison

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

# Choice Investment Return Comparison

AusPrac’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 AusPrac, 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 10 AusPrac investment options with the highest concentration of assets invested 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 AusPrac investment option. Although not a perfect comparison, these medians represent a suitable proxy for assessing the performance of AusPrac’s underlying investment options.

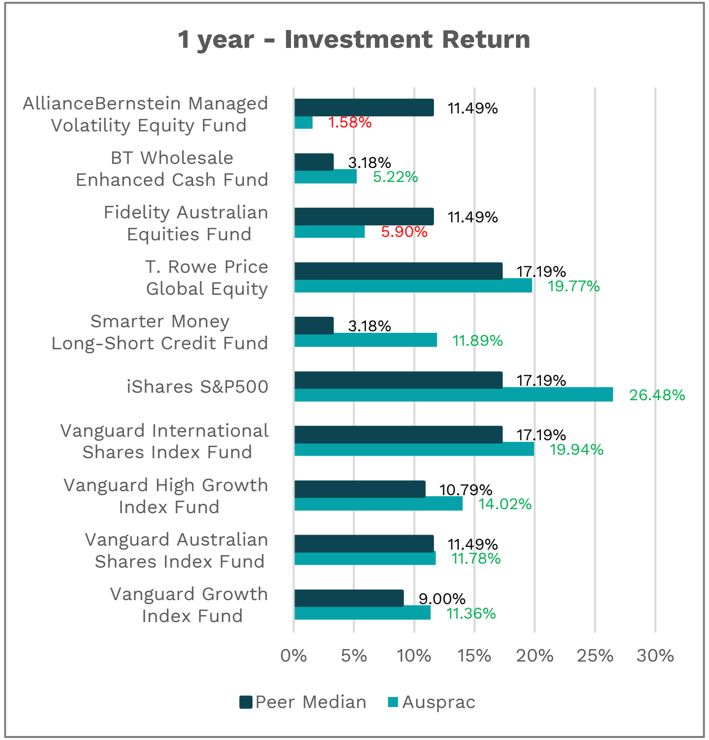
Over the one-year period to 30 June 2024, eight of the ten in scope AusPrac investment options outperformed against their peer median.

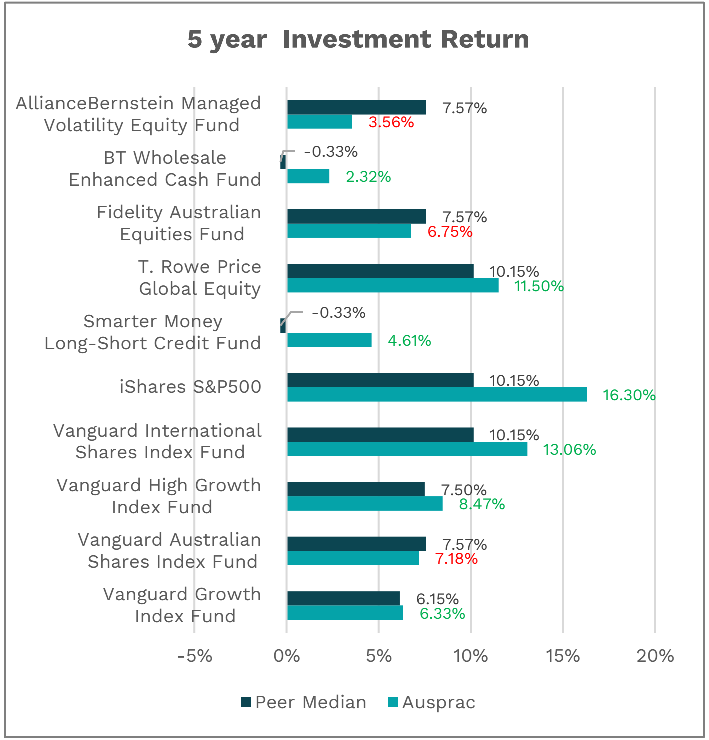
Over the five-year period to 30 June 2025, six of the ten in scope AusPrac investment options outperformed against their peer median, and over the ten-year period to 30 June 2025, seven of the nine in scope AusPrac investment options outperformed.

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 a majority of the in scope investment options over all three 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

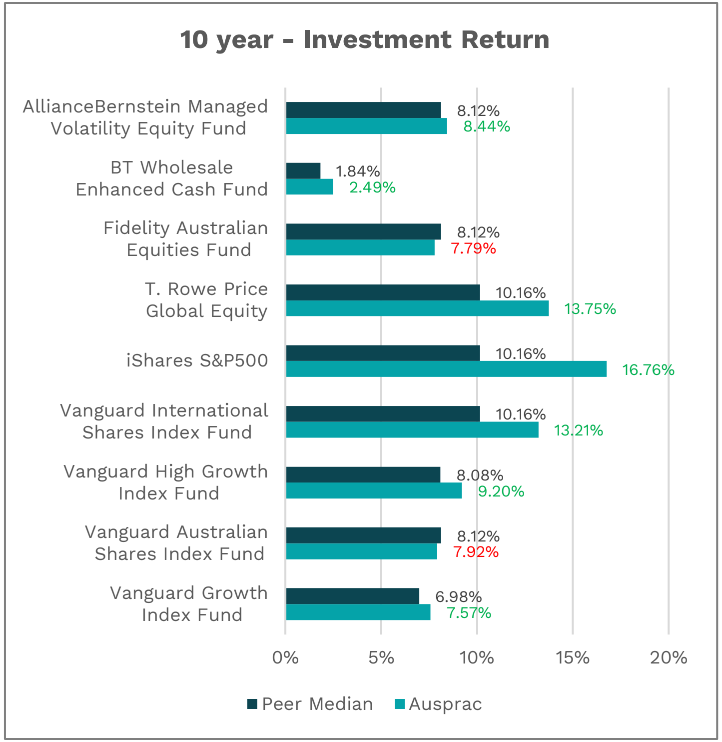





*Source: SuperRatings Fund Crediting Survey – 30 June 2024 based on the closest corresponding asset class to the relevant AusPrac investment option.*

# Choice Investment Return Comparison






*Source: SuperRatings Fund Crediting Survey – 30 June 2024 based on the closest corresponding asset class to the relevant AusPrac 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

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## OPTIONS, FACILITIES & BENEFITS

AusPrac 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.

AusPrac'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 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.

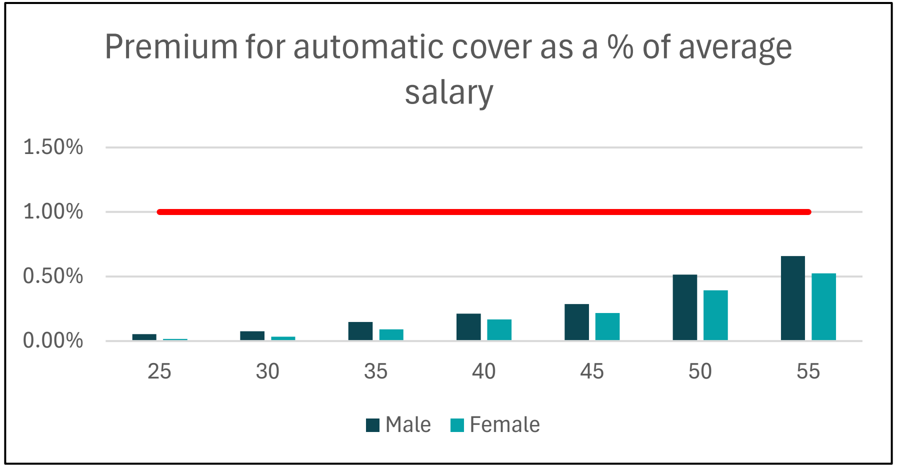
As part of AusPrac's commitment to help members achieve better retirement outcomes, the investment menu was reviewed and it was decided to close the Pooled Investment Options in June 2024. This decision aligned with AusPrac's product design with the core focus being to provide members with a direct investment platform, enabling them to control your investments through their financial adviser and allocate 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

AusPrac provides insurance for members through MLC Limited with default cover available to eligible members when they join. The default cover default includes Death & TPD cover. Underwritten and transfer in of cover Death & TPD insurance cover available to eligible applicants.

The following graph shows how YourChoice'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 that the insurance strategy for the product is appropriate for AusPrac's members, and that there is no inappropriate erosion of members' retirements income due to the impact of insurance premiums.



**Average salary is based* Australian Bureau of Statistics average weekly earnings for May 2024

## SCALE

YourChoice Super, of which Ausprac 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 favourable, compared to the industry median of 89.20%

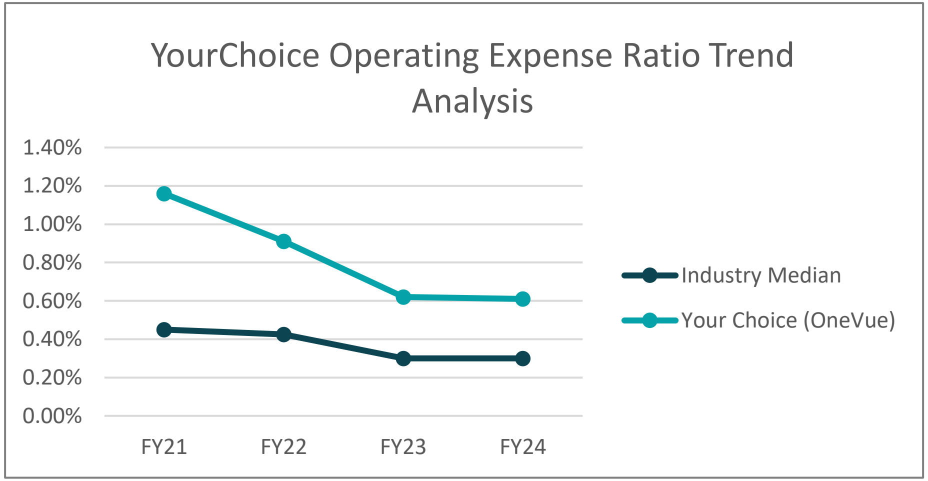
The above data indicates that YourChoice member growth was negative during FY24, although a significant number of the outflows can be attributed to the partial intra-fund transfer of YourChoice members to Smartsave during the year.

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

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.

## OPERATING COSTS

YourChoice Super (of which AusPrac 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 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 flat account keeping fee, an expense recovery fee and asset-based fee, calculated as a percentage of the account balance (tables shown below). The combination of a minimum fee and reducing asset-based fee on larger account balances ensures that the costs of services, which are 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. The average AusPrac member has an account balance of over $100,000 balance and fees collected at the average account balance cover the expense ratio.

| Asset-based Fees | | |
|---|---|---|
| **From** | **To** | **Rate** |
| $0 | $250,000 | 0.35% p.a. |
| $250,000 | $1,000,000 | 0.25% p.a. |
| Over $1m | | Nil |

| Account Keeping fee |
|---|
| $250 p.a. |

| Expense Recovery fee | |
|---|---|
| **Rate** | **Flat** |
| 0.03% p.a. | $50 p.a. |

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