

MEMBER OUTCOMES ASSESSMENT

Year in Review 2020

We are required to assess our performance and, based on that assessment, make an annual determination that members' interests have been promoted, in accordance with superannuation laws and standards.

Summary

The 2019-2020 financial year was an unprecedented year with challenges arising from prolonged drought conditions, the worst bushfire season on record, and the onset of COVID in February 2020 which impacted business and communities on a global scale.

Whilst facing these challenges, we are proud to have maintained our core values of excellent customer service and taking care of our members, whether they be in hardship or have a low account balance. It is our priority to be accessible to our members and to help all members save for their retirement.

Many of our members suffered financial hardship because of lockdowns caused by COVID-19. MobiSuper (the "Fund") was there to assist with early release payments of up to \$10,000 to members in financial hardship.

We have also been working hard behind the scenes. We have reduced our fees in the MobiSuper Cash Investment Option, and we have launched True Blue. True Blue is our latest investment option, designed for those who want to put Australia first today and into the future by investing in Australian companies.

MobiSuper remains committed to better member outcomes. We have worked with our providers to reduce fees on all investment options for the betterment of members. This change took effect in December 2020 and we are currently making changes to our investment portfolio.

Please look out for our new app when it is released, we hope to have more news on this early next financial year.

Determination

Based on the assessment of the outcomes achieved and evidence contained in this summary, we have determined that:

- members' interests have been promoted;
- the basis for the setting of fees is appropriate for our members,
- members have not been disadvantaged due to the scale of, and within, the Trustees' business operations;
- the operating costs of the Trustees' business operations are not inappropriately affecting the financial interests of our members;
- the options, benefits and facilities offered under the product are appropriate to our members;
- the investment strategy for the product, including the level of investment risk and the return

target, is appropriate to members; and

- the insurance strategy for the product is appropriate to our members and undergoing regular reviews.

Details of this assessment are outlined below.

Investment returns and risk

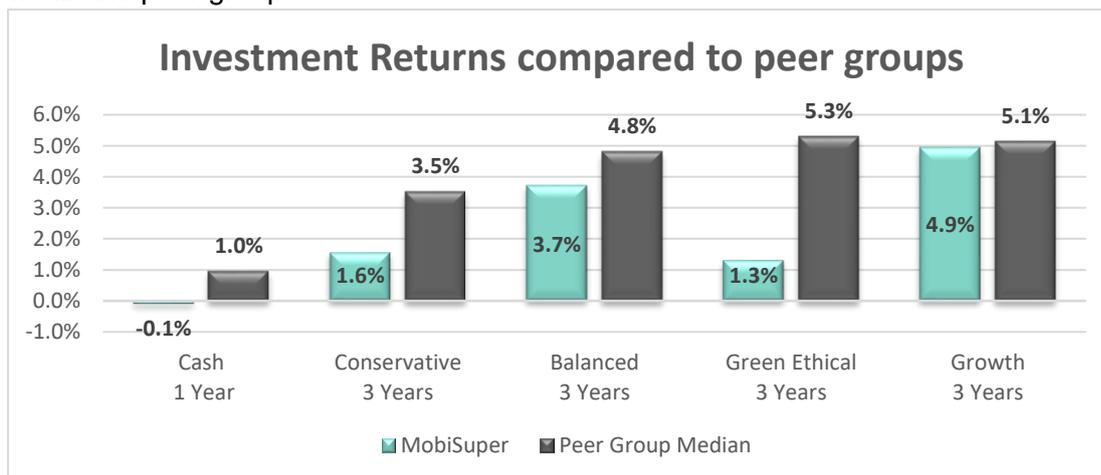
Investment Return

The investment objectives are designed to maintain an index-only investment strategy taking advantage of highly liquid assets.

We also offer a sustainable option called the ‘Green Option’ with a focus on sustainable solar, geothermal, wind and hydroelectric energy companies as well as not investing in companies that exploit children or adult workers.

We used survey data from SuperRatings as the basis for our assessment of our investment options. SuperRatings specialise in ratings and research for the super industry and compare funds across a range of quantitative and qualitative factors.

The options¹ were measured against its peer median² using comparable investment options within the peer group.



Apart from the Cash option, we have assessed our investment portfolios on a three-year annual return for the purpose of this requirement. True Blue is less than one year old and was not assessed. Past performance is not a guarantee of future performance.

We have observed the three-year annual returns for our Balanced and Growth investment options were within expectations exceeding their determined benchmarks. However, our Conservative and Green investment options have underperformed. We have been undertaking a review of the investment strategy, ensuring that the investment options, their benchmarks, and risk objectives remain appropriate. As a result, we are changing the underlying investments to shift from index only funds to more actively managed funds with the expectation of better results.

Level of Investment Risk

¹ Returns are net of all investment fees, administration fees and taxes, excluding member direct fees. Returns are calculated using changes in the unit price. Past performance should not be relied upon as an indication of future.

² Peer Group - (Industry Public offer, Industry – Personal, Master Trust – Corporate and Master Trust – Personal as classified by SuperRatings).

As a choice product, MobiSuper currently offers 6 investment options so that members can select investments that suit their individual investment circumstances. This provides members with access to investments with differing levels of investment risks.

When comparing investment performance for our options, we have benchmarked against products with a similar risk return profile.

We believe that the investment strategy and risk and the return target is appropriate for our member cohort.

Fees and Costs

When considering fees, it is important to keep in mind that the level of service and facilities offered by funds are different. Our goal is to create a better superannuation experience for members, with excellent customer service and innovation through technology. We continue to review the costs of our business operations and are working on enhancing our products including further reductions to administration fees. There were 4 investment options (Balanced, Growth, Green & Conservative) with the same level of administration fees whilst the Cash option and TrueBlue investment options have lower fees as per the below table:

Fee Type	4 options	Cash Option	TrueBlue
Admin Flat Fee	\$93.60	\$93.60	\$93.60
Admin Asset Fee	1.50%	0.80%	0.99%

We do not charge investment fees with the exception of the Green Option. The administration fee is a combination of flat fee and percentage fee which was chosen to take into account that MobiSuper has a wide range of account balances and ensuring that all members receive the same level service.

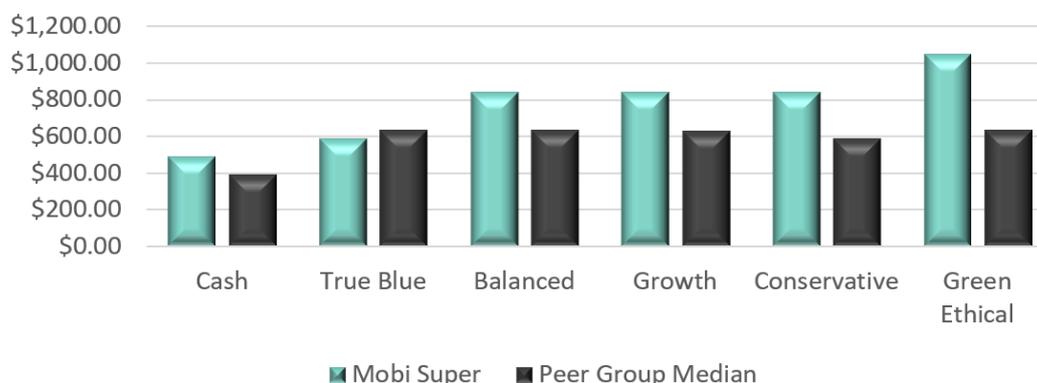
In order to better understand an individual member's account, we have conducted testing of members' fees charged per annum on the fee structure in place at 30 June 2020 for all investment options based on the \$50,000 account balance.

We used data from SuperRatings as the basis of this assessment and measured the fees against the peer³ using comparable investment options within the peer group.

The below graph demonstrates that our fees remained above median in comparison to the peer group except for the True Blue investment option which is lower than the median. Fees have been reduced since and we are working on further improvements to the member outcomes.

³ Peer Group - (Industry Public offer, Industry – Personal, Master Trust – Corporate and Master Trust – Personal as classified by SuperRatings).

Total Fee Comparison to Peer Group (\$50,000 account Balance)



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We have also measured our costs by calculating the operating expense ratio of the Fund against all superannuation funds using the publicly available statistics issued by APRA (Australian Prudential Regulation Authority). The results reveal that mobiSuper's operating expense ratio is 2.19% which is above median of 0.60% for retail funds. This high ratio is mainly due to higher expenses incurred during the year and we are reviewing our business operations to ensure we deliver scale and improve member's outcomes.

In December 2020, MobiSuper members were transferred as part of the transfer of the Tidswell Master Superannuation Plan to a new trustee, Diversa Trustees Limited. The Trustee leverages its scale across its entire operations, and scale and costs of our business operations do not impact our members.

Member services and product options

We launched our product in late 2016 and at 30 June 2020, we had close to 7,000 members with 81% of them active and around \$185M in funds under management. Our objective is to know our members. We have been actively engaging with our members. Each member has an individual account manager who contacts them on a bi-annual basis and ensures that their account is up-to-date and any queries they may have are answered

We believe that we met our objective to provide value add products. We always strive to provide the best, and informative customer service to all our members. This can be further reflected in the positive feedback from many of our members throughout their experiences with us.

We have assessed that we have promoted the financial interests of our members and we have met our objective to provide value add products, services and facilities.

Insurance

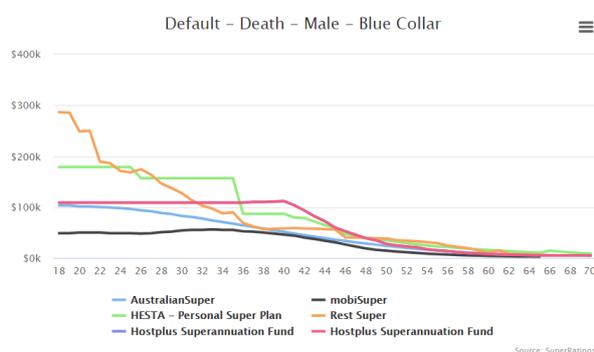
MobiSuper provides Group Life Insurance, Total and Permanent Disablement and Income Protection insurance for Australian Resident members between the ages of 16 and 60, subject to conditions and exclusions. We also offer Retail Cover in case members require additional coverage.

Due to the legislative changes effective 1 April 2020, any member who joined prior to this would have been offered default cover. However, from 1 April 2020 any new member must opt in in order to be given cover.

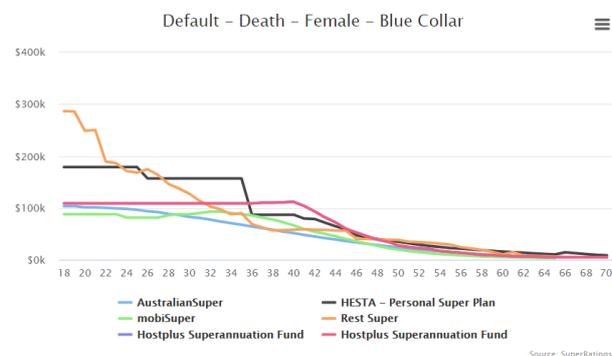
As cover going forward is voluntary, new members must opt in and consider their personal situation and needs. Therefore, there will not be inappropriate erosion of members' retirement income due to the impact of insurance premiums.

Our objective is to maintain an insurance offering that is appropriate and meaningful to our member cohort and is not eroding retirement benefits of members. The erosion of member benefits due to the impact of insurance premiums is most common where multiple fund accounts are held, and/or insurance premium levels are high.

Around 1/3 of our membership has insurance cover. In our assessment we considered a comparison to other funds and we provide below charts comparing insurance cover for a \$1 week. The below graphs show that the amount of cover for \$1 premium paid provides less cover to younger members in MobiSuper in comparison to other funds but are comparable to other funds for older members. The average insured member's age is 42.



Source: SuperRatings



Source: SuperRatings

Whilst mobiSuper has not opted into the Insurance in Superannuation Voluntary Code of Practice, the recommended benchmark of 1% of annual salary is still considered.

Here is the typical profile of members with default insurance cover:

- Male, 42 years of age, Standard occupation rating, \$92,596.40⁵
- Female, 42 years of age, Standard occupation rating, \$76,393.20

⁵ Average Weekly Earnings, Australia as at May 2020 published by the Australian Bureau of Statistics published 1 August 2020. The private sector average weekly earnings is \$1,780.70 for males, and \$1,469.10 for female. These figures have been annualized for the purposes of calculating the cost of default IP for the typical male and female mobiSuper member. The typical member determined using data from May 2020.

The above information uses information published using the Australian Bureau of Statistics as we do not collect members' salary information. A typical mobiSuper member would pay the following annual premiums for their default cover:

- Male – 42 years of age; Death and TPD cover \$1,029.60p.a. IP cover \$834.28
- Female – 42, years of age; Death and TPD cover \$983.40p.a. IP cover \$1,215.40

The total annual default cover insurance premium as a percentage of annual salary is 2% for a typical male member and 2.8% for a typical female member. This means that we have not met the benchmark of 1% of salary for either male or females.

Claims

We understand that when it is time to make a claim, it can be an emotional time for our members, that is why we try to ensure that they are kept informed throughout the whole process from start to finish.

As insurance is a case-by-case basis and in order to best assess a member's situation we may require information from various sources, such as doctors, employers or other specialists. This can take anywhere from a few weeks to a few months. However, after the insurer has made an assessment, and we have the required documentation, mobiSuper generally makes payment within 48 hours.

Based on our analysis, we have determined that that the insurance strategy for the product is appropriate to our members, and that there is no inappropriate erosion of members' retirement income due to the impact of insurance premiums and we will continue reviewing the appropriateness of the cover.

mobiSuper Pty Limited (ABN 64 613 581 981) is a corporate authorised representative (No. 001246226) of ZIB Financial Pty Limited (ABN 80 609 197 971 AFSL No. 482464). The issuer of mobiSuper is Diversa Trustees Limited (ABN 49 006 421 638 AFSL 235153 RSEL L0000635) as Trustee of the Tidswell Master Superannuation Plan (ABN 34 300 938 877).