



Zuper Super

Year in Review 2020

Summary

Thank you for reading the Zuper Super (Zuper, Plan) product summary which includes the product determination, a summary of our annual member outcomes assessment and comparison for the 2019-2020 financial year.

The Trustee's strategic objective is to deliver quality, value for money outcomes for members, achieving sustainability and success over the long term, and helping individuals meet their superannuation needs over a required time horizon.

Zuper was established in May 2018 to give you power, control, visibility and choice when it comes to managing your super. Everything about Zuper Super has been designed to help you grow your balance through easy, empowering, and transparent investments that seek to provide options which align with your values.

Members of Zuper were transferred as part of the larger LESF Super transfer into OneSuper¹ on 30 June 2020. At the time of the transfer, there were 304 members in the Plan. This transfer enabled members to take advantage of greater efficiencies through being part of a larger fund, which is expected to ultimately lead to improved member outcomes. Zuper offers an accumulation superannuation product.

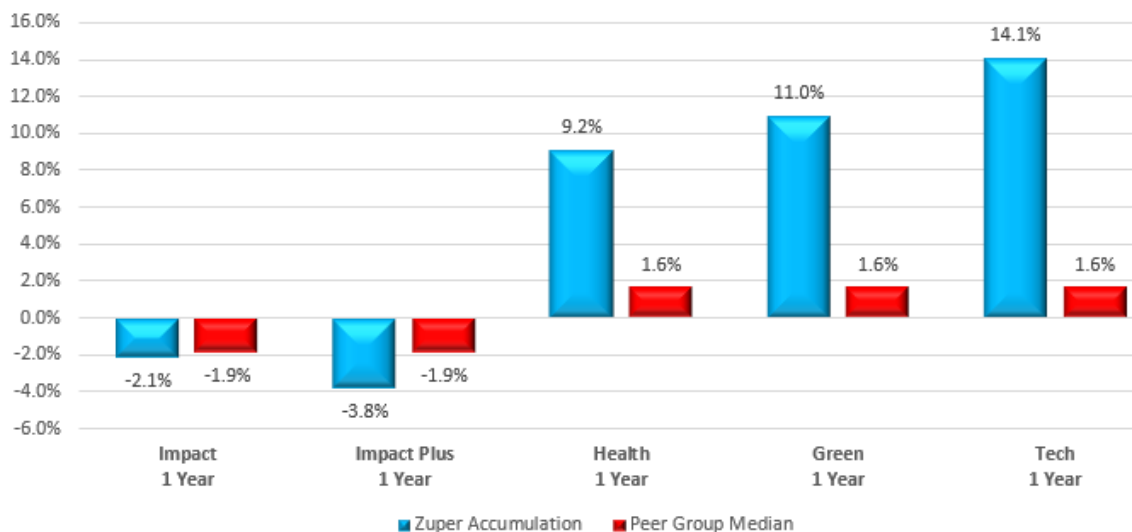
The 2019-2020 financial year was an unprecedented year with challenges arising from prolonged drought conditions, the worst bushfire season on record, and the onset of COVID-19 in February 2020, which impacted business and communities on a global scale.

To support our members, we've focused on delivering exceptional investment returns to our members when compared against our peer² group on comparable investment options based on our asset allocation. We believe that we have achieved this for the majority of our investment options, as evidenced in the below graph.

¹ Members were transferred into OneSuper ABN 43 905 581 638 (formerly known as Smartsave 'Member's Choice' Superannuation Master Plan) by way of Successor Fund Transfer (SFT).

² Peer Group is defined as all Master Trust – Personal, Master Trust – Corporate, Industry – Personal, and Industry Public Offer Corporate – Personal products with data sourced from SuperRatings. For investment returns, we have used comparable investment options within our Peer Group previously defined, in order to calculate the peer group median.

Investment Returns Compared to Peer Group



*Past performance is not a reliable indicator of future performance

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

- members' interests are being promoted;
- the basis for the setting of fees is appropriate for members;
- members are not 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 members;
- the options, benefits and facilities offered under the product are appropriate to 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 members.

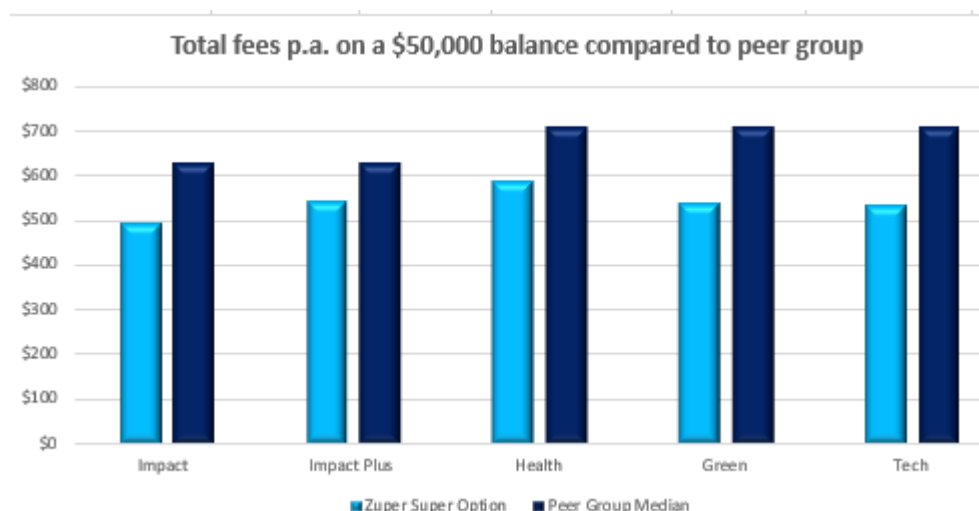
Fees and investment returns

Where we have used the median in our comparisons, benchmarks or measurements, the median is defined as the middle of a sorted list of values. For example, take this list of numbers: 2, 10, 12. The average is found adding all of the numbers together and dividing the total by the number of items in the set: $(2 + 10 + 12) \div 3 = 8$. The median is just the middle number: 10 in the range of values.

We have used the median either calculated using APRA statistical data, or provided by SuperRatings³, a company which specialises in ratings and research for the super industry and compares funds across a range of quantitative and qualitative factors. We benchmarked our fees, returns and level of investment risk against our peers.

³ Fee medians are sourced from SuperRatings and are as at 30 June 2020.

Fees



The above graph shows that we are less expensive than our peers across all of our investment options. The average balance of a Zuper member is \$ 30,617. We charge percentage-based fees which is appropriate for members given the average account balance.

Our operating expense ratio is 4.15% p.a., which is above the median of 0.60 % for retail funds and above the median of 0.40% p.a. for the whole industry. This is reflective of the higher operating costs of a superannuation plan which is relatively new, and incurs larger start-up costs, has a small membership and relatively low average member account balance.

We acknowledge that for the financial year, our fees and operating expense ratio were high when compared against the peer group median. We believe this will improve in future years with Zuper being part of an umbrella fund with funds under management of over \$1.15 billion⁴. The Trustee is also closely monitoring to ensure that the operating costs of the Trustees' business operations are not inappropriately affecting the financial interests of our members

Returns

As noted above in the Summary section, we have far exceeded the median return of our peers for the majority of our investment options. More work is required to improve the performance of the Impact and Impact Plus investment options.

The focus for ZUPER in the last year was driving greater outcomes for its members through delivering investment returns higher than the median and keeping our fees low. Taking into consideration our low fee cost structure and the high investment returns delivered, on balance, we have determined that the financial interests of members are being promoted.


Member services and product options

Zuper offers its members an engaging, easy to use app and online platform that gives every user full control and transparency of their superannuation. This includes the ability for members to calculate their administration fees based on their chosen investment options, before they make a decision.

⁴ Figure is as at 30 June 2020

Zuper Fee Finder


Think of your Zuper like a pizza, first you choose a base, then your toppings. Select the base you want and the toppings below and your fee will be displayed.

☒


Impact

Our lowest cost option with a growth orientated base that excludes investments in tobacco and nuclear weapons.

[Learn More](#)


☐


Impact+

All the goodness of Impact, but we've done our best to remove things like gambling, pornography, alcohol and carbon intensive fossil fuels.

[Learn More](#)


Now add toppings.

☒


Health

Invest your super in global companies who research and provide health related products and services.


[Learn More](#)

☐


Green

Invest your super in clean energy companies who focus on wind farms, solar technology, and more.

[Learn More](#)

☒


Tech

Invest your super in future focused companies like Apple, Amazon, Tesla, Nvidia, iRobot and Google.

[Learn More](#)

Your fee will be 1.08% of your account balance per year.
If your balance is \$50,000 your annual fee would be \$540*

*Not taking into account insurance premiums or other fees you choose.

Members can choose from 2 core investment options and 3 tactical tilt options which allows members to invest their super according to their values. Zuper's tilt options include Health, Green and Tech. All of Zuper's investment options are tobacco free.

Members get access to exclusive discounted courses and professional development opportunities from a new breed of education providers who are helping up-skill the employees of the future, such as General Assembly, Upskilled, Academy Xⁱ and Zambesi.

Members have access to educational material published on our wealthness website on behaviour, wellbeing, career, money, relationship and community.

Members who meet the eligibility criteria and opt-in to receiving insurance can access death, terminal illness, and total and permanent disability insurance without the need to provide medical evidence.

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

Investment strategy and risk

- Impact – Ensures that members' monies are not invested in companies involved in tobacco or manufacturing nuclear or other controversial weapons.
- Impact+ – Ensures that members' monies are not invested in companies involved in tobacco or manufacturing nuclear or other controversial weapons, as well as companies that deal with gambling, pornography, alcohol, or who use carbon intensive fossil fuels like coal to generate electricity.
- Health – Provides members with the ability to invest in companies that are creating life-enabling medicines, curing the scariest forms of disease, fighting antibiotic-resistant bacteria and generally keeping us all safe.
- Green – Provides members with the ability to invest in pioneering companies around the world working to solve our energy challenges — as well as those that are taking charge of efficient waste management innovations, water purification and conservation.
- Tech – Provides members with the ability invest in large and small companies alike who are trying new things in the technology sphere. They're helping humankind live smarter, making our day-to-day routines easier and allowing us all to be a bit lazier — err — we mean more efficient.

All of Zuper's investment options have a risk level of high with a minimum suggested timeframe of 10 year. The average age of our members is 34, taking this into consideration, the investment options provided to members is appropriate given the long investment timeframes they have.

Based on the above, the Trustee has determined that the investment strategy for the product, including the level of investment risk and the return target, is appropriate to members.

Insurance

ZUPER aims to provide its members with a diverse range of insurance options to enable them to tailor their insurance to meet their specific needs. Zuper offers default Death and TPD cover on an opt-in basis, that is members must actively tell us they would like to take up default cover after considering their personal situation and needs. As such, the Trustee does not look to measure the impact of insurance eroding members' retirement income for members with Personal Cover.

Taking into consideration the above, the Trustee has determined that the insurance strategy for the product is appropriate to our members, and that there is no inappropriate erosion of members' retirements income due to the impact of insurance premiums.