



PERSONAL CHOICE
PRIVATE

MEMBER OUTCOMES ASSESSMENT

Personal Choice Private

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 businesses and communities on a global scale.

Whilst facing these challenges, the Personal Choice Private ("the Fund") was able to promote its members' best interests as required under superannuation law and continue to support its selling proposition to offer members and advisers a complete investment and administration service. The administration facility allows members to 'wrap' their superannuation account and invest in cash, term deposits, an extensive range of managed investments and shares listed on the Australian Securities Exchange (ASX). The Fund offers two account types: Super and pension.

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.

The Fund's net assets are over \$234M, with 1,037 members of which close to 85% are active with an average balance of \$225,000.

Determination

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 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 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 and undergoing regular reviews.

Details of this assessment are outlined below.

Investment returns and risk

Investment Return

Our investment objective is to provide members with a range of different investments by potential return, risk profile and style to suit members' individual circumstances and promote diversification of strategies and to achieve competitive investment returns for members commensurate with risk.

Members can invest in an extensive range of managed investments, securities listed on the Australian Securities Exchange with 853 different investment options as at 30 June 2020.

The Fund is an advised product, that is, it is only available through a financial adviser who has a best interest duty to ensure that the product will assist their client in meeting their objectives, financial situation and needs. This includes whether the investments are appropriate to the member.

Each member's investment portfolio has been prepared for a member with guidance from their financial advisor who developed a diverse portfolio of investments tailored to suit member's:

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

We measure the appropriateness of the investment offering on a regular basis with additional annual testing. All Managed Funds are checked for appropriateness for the purpose of continuing investment. As at 30 June 2020 it was confirmed that each option met the standard required and remains appropriate to stay on the platform.

We believe we have met our objectives to provide a range of investments for members who, with the help of the advisers, can construct and implement an appropriate investment strategy. The adviser is responsible for selecting a member's investments. We regularly review the overall investment strategy ensuring a suitable list of investments is available.

Level of Investment Risk

Members can access a wide range of Investment Options. Members together with their adviser can decide on the level of investment risk they wish to take, as the Fund does not have a default investment option model. The labelling of the diversified options and the aligned Standard Risk Measure label is consistent with other comparable funds.

The Trustee has determined that the investment options, levels of risk and returns are appropriate for members.

Fees and Costs

Our aim is to maintain a fee structure that ensures member services can be appropriately delivered.

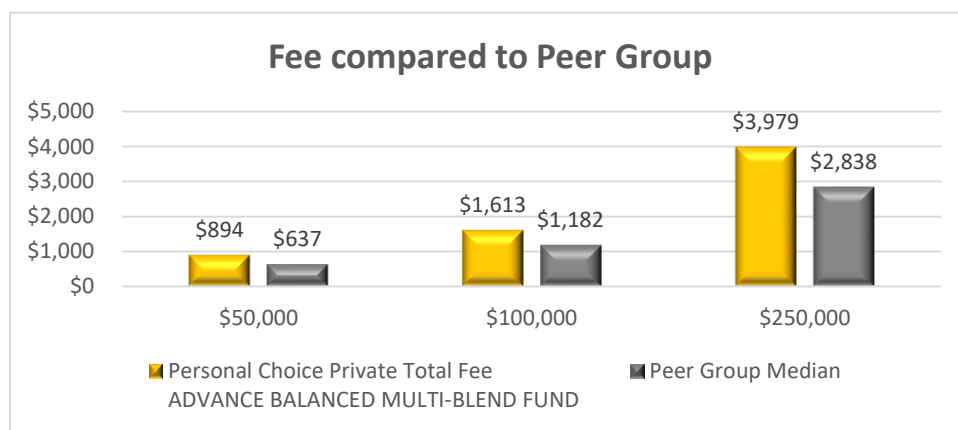
The Fund charges a mix of fixed and percentage-based fees. Our percentage-based administration fee is tiered and reduces when the account balance reaches \$250,000, further reductions take effect at different account balances. Please refer to the PDS for a full break down of the tiers.

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 using the Advance Balanced Multi-Blend Fund. This option is used in the model member fee example in the PDS.

We used data from SuperRatings as the basis of this assessment. We have measured this investment option against its peer median¹ using comparable investment options.

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 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.

The graph shows the total fee applicable, of a member's account balance at \$50,000, \$100,000 and \$250,000 that is fully invested in the Advance Balanced Multi-Blend Fund. This example shows that the Advance Balanced Multi-Blend Fund is more expensive in comparison to the peer median.



We measured the investment and operating expense ratio of the Fund against all superannuation funds using the publicly available statistics issued by Australian Prudential Regulation Authority (APRA). The results reveal that the Fund's investment and operating expense ratio is 0.70%p.a. This is the same as the median of 0.70%p.a. for retail funds.

The above investment and operating expense ratio comparison however does not consider the cost of individual members which may vary due to different account balance or different investment fees applicable on chosen investment options. As this is an advised product the financial adviser can ensure that the product is suitable for the member. This includes whether the fees charged are appropriate. Taking into account where we are placed in comparison with the median and the required engagement by our members with a financial adviser, the Trustee has determined that the basis for the setting of fees is appropriate for our members.

¹ Peer Group - (Industry Public offer, Industry – Personal, Master Trust – Corporate and Master Trust – Personal as classified by SuperRatings).

Based on the benchmark comparisons of investment and operating expense ratios we have determined that our members are not disadvantaged due to the scale of, and within, the Trustees' business operations, and, in addition, the operating costs of the Trustees' business operations are not inappropriately affecting the financial interests of members.

Member services and product options

At 30 June 2020, we had over 1,037 members with \$234M in members' benefits. The fund has maintained its membership during the year recording a movement in members' accounts down by 3% in comparison to the industry of fall of 11.7%. Our objective is to design a fund for members who work closely with their advisers to reach their financial objectives.

As a choice platform, it is important that the Fund provides a broad range of investment options, covering diverse asset types, for members and advisers to select from in order to create the portfolio that is most suitable for the member's circumstances and needs.

We have implemented some enhancements to the online member portal. Members can create and submit a pre-populated insurance opt-in e-form including new status displays where insurance is cancelled due to inactivity.

Considering the product benefits and improvements we implemented during the year, we have assessed that we have promoted the financial interest of our members and we believe we have met our objective to provide value add products, services, and facilities to ensure members receive appropriate services for the fees paid.

Insurance

Our objective is to maintain an appropriate insurance offering that is available to members via consultation with their financial adviser. The Fund offers Retail Insurance Cover with terms that are specific to the retail's insurer's product disclosure statement. The advisers can tailor the cover to a member's specific needs. They are able to align the insurance cover to a member's personal circumstances, ensuring the premiums charged appropriately reflect the cover they require.

As financial advisers determine the appropriateness of the insurance and the cost of the cover, as such, the Trustee does not look to measure the impact of insurance eroding members' retirement income for members.

Based on the above, 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' retirements income due to the impact of insurance premiums.

Important information

This Product Summary is issued by CCSL Limited ('the Trustee') ABN 51 104 967 964 RSE L0000758 AFSL 287084. CCSL Limited is the Trustee of the Personal Choice Private eWRAP Super and Personal Choice Private eWRAP Pension which are part of the Personal Choice Private Fund ABN 50 159 477 169 ('Fund'). Asgard Capital Management Ltd ABN 92 009 279 592 AFSL 240695 ('Asgard') is the Custodian and Administrator of the Personal Choice Private eWRAP Super and Personal Choice Private eWRAP Pension Account. The investment information or general advice provided in this publication does not take into account your personal objectives, financial situation or needs and because of that you should consider the appropriateness of the information or advice having regard to these factors. In deciding whether to open, or to continue to hold, an Account, you should consider the relevant Product Disclosure Statement (PDS) for that Account. Copies can be obtained from Asgard or your financial adviser.