

RetireSelect

Member Outcomes Assessment
For the year ended 30 June 2024

28 February 2025

 **diversa** *RetireSelect*

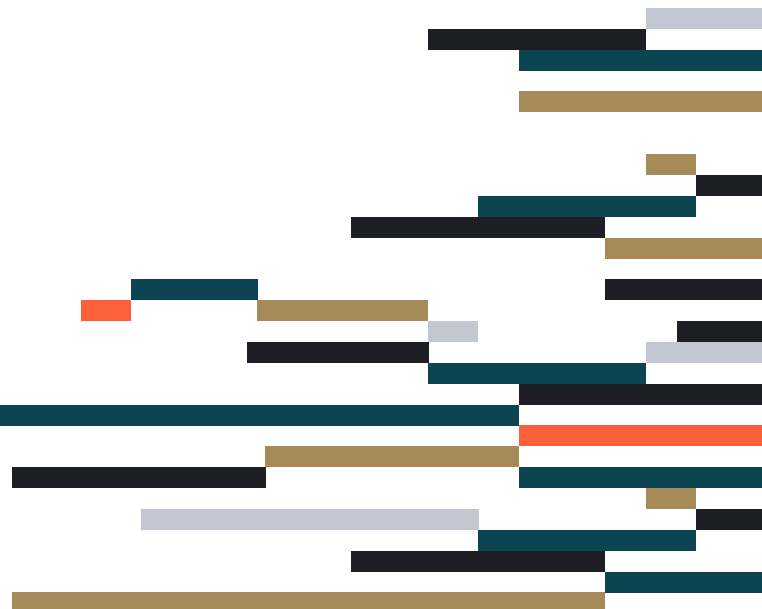


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Introduction



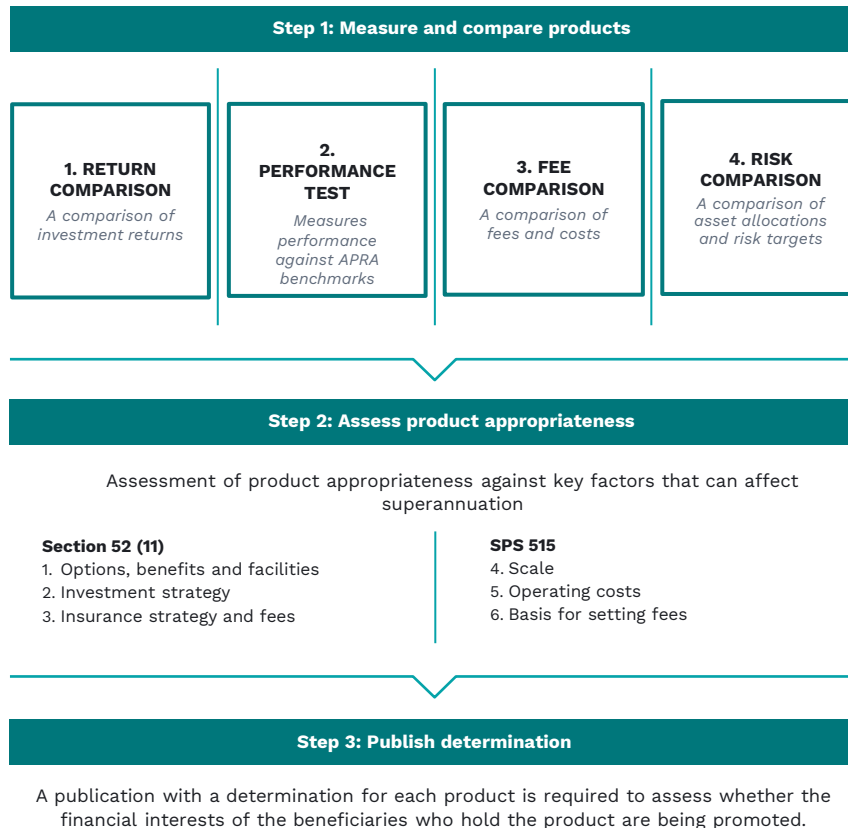
Introduction

What is the Member Outcomes Assessment?

This document will focus on the key outcomes found within the assessment in relation to RetireSelect which is a part of the YourChoice sub-plan of OneSuper ('RetireSelect'). It analyses how RetireSelect'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





Executive Summary



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RetireSelect

Product Determinations

The Trustee has determined that it is promoting the financial interests of the beneficiaries invested in its **Accumulation product** and in its **Pension product** on the basis that:

- RetireSelect's administration fees are lower cost than the as the peer median when fees are calculated on a \$250,000 balance and only a slightly higher cost for \$50,000 and \$100,000 balances;
- The investment returns for a majority of investment options outperformed the peer fund median across the one-year and ten-year timeframes. Although over the five-year period, six of the ten in scope RetireSelect investment options underperformed against their peer median, as superannuation is a long-term investment, the longer dated ten-year performance is considered more significant; and
- The objective assessment factors, being RetireSelect's options, benefits and facilities, investment strategy, insurance strategy and fees, operating costs and the basis for setting fees, are considered appropriate for RetireSelect'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.

RetireSelect Overview

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RetireSelect

RetireSelect Overview

RetireSelect is a part of YourChoice, a sub-plan of OneSuper. RetireSelect is branded as a superannuation fund that ‘makes super simple with a variety of choice’ where members can self-manage their own investments.

For platform funds like RetireSelect, 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.

RetireSelect offers both Choice Accumulation and Pension products, where members are able to invest 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 RetireSelect 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 RetireSelect 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 RetireSelect account for the year ended 30 June 2024, please refer to your Financial Year 2023/24 annual member statement.

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



Comparative Assessment

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RetireSelect



Fees & Costs Comparison

For the purpose of this assessment, only RetireSelect 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.

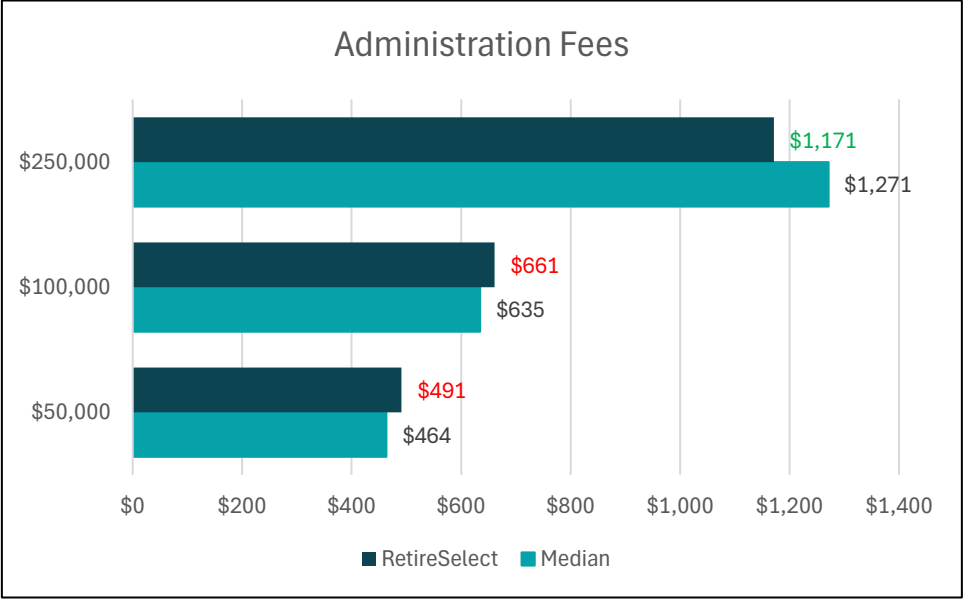
It is noted that this administration fee comparison is at the product level and being assessed against a peer group of similar platform superannuation products. On the following page, the RetireSelect administration fees for Accumulation and Pension members is compared to the peer fund median administration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

RetireSelect's administration fees are lower cost than the peer median at a product level when fees are calculated on a \$250,000 balance and slightly higher cost on the \$50,000 and \$100,000 balance compared to the peer median.

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 RetireSelect'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 for the \$250,000 balance and in-line with peer fund medians at other modelled balances.

Fees & Costs Comparison



Choice Investment Return Comparison

RetireSelect'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 RetireSelect, 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 RetireSelect 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 RetireSelect investment option. Although not a perfect comparison, these medians represent a suitable proxy for assessing the performance of RetireSelect's underlying investment options.

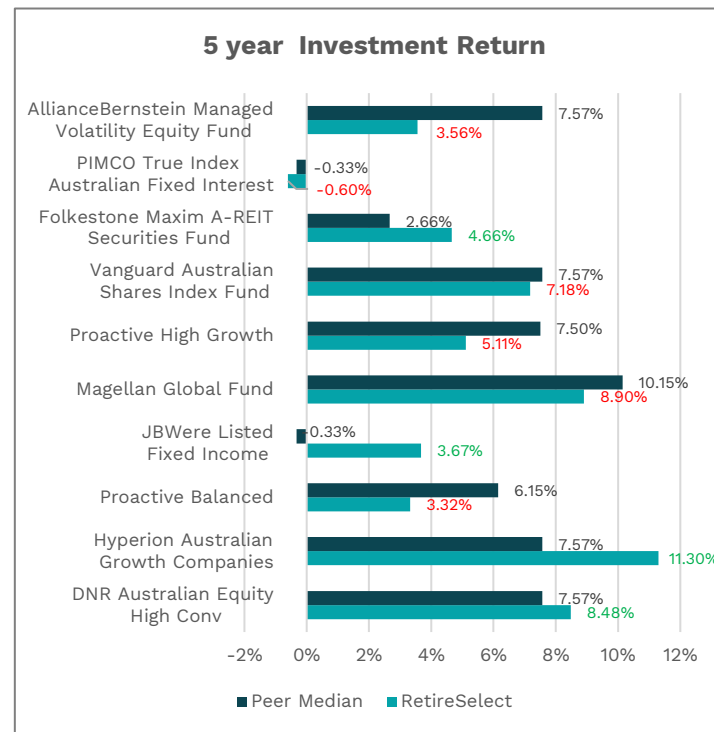
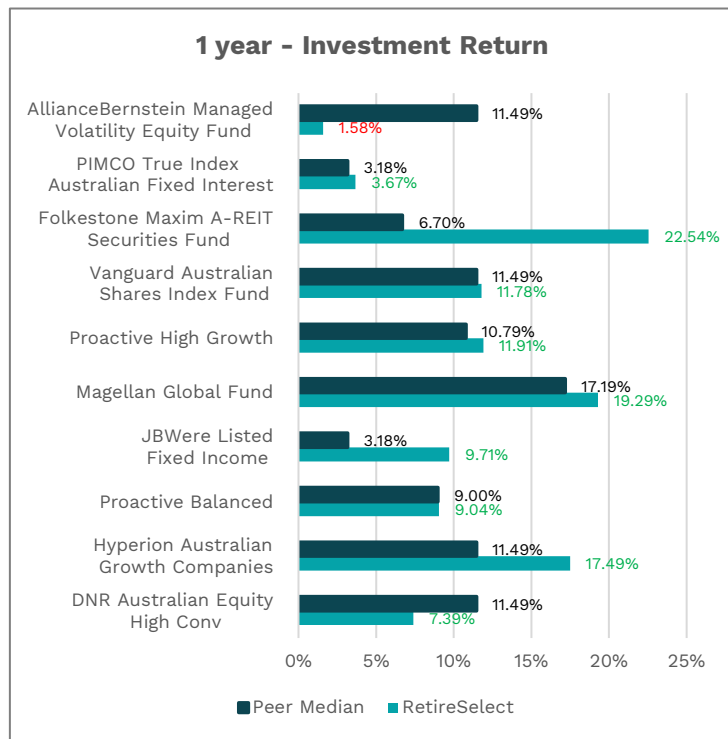
Over the one-year period to 30 June 2024, 90% of the in scope RetireSelect investment options outperformed against their peer median and 70% outperformed over the ten-year period to 30 June 2025.

For the five-year period to 30 June 2024, four of the ten in scope RetireSelect investment options outperformed against their peer median.

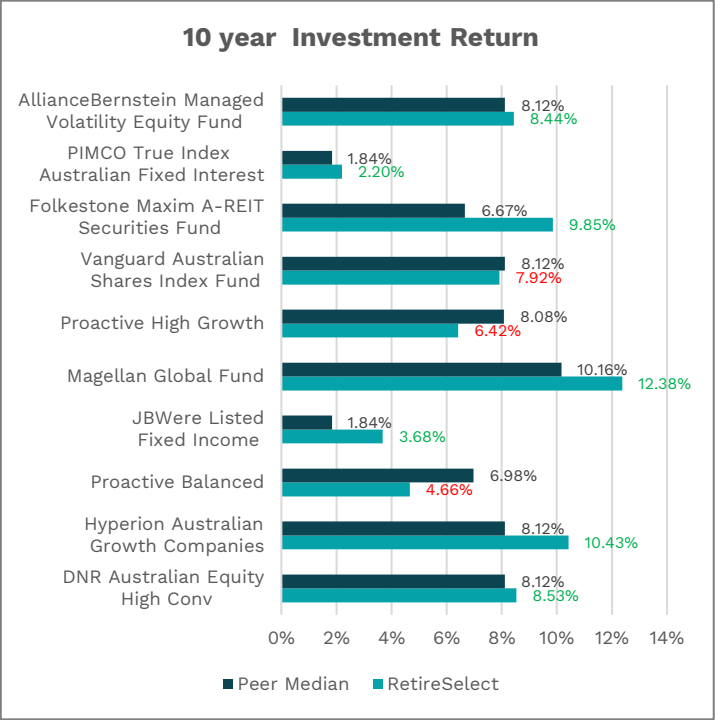
As superannuation is a long-term investment, longer dated performance is considered more significant. The Trustee has determined it is promoting the financial interests of the beneficiaries of its Accumulation product and its Pension product as the investment returns show strong performance for the in scope investment options over the longer ten-year period.

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



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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RetireSelect



OPTIONS, FACILITIES & BENEFITS

RetireSelect 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.

RetireSelect'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 the RetireSelect'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 RetireSelect'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.

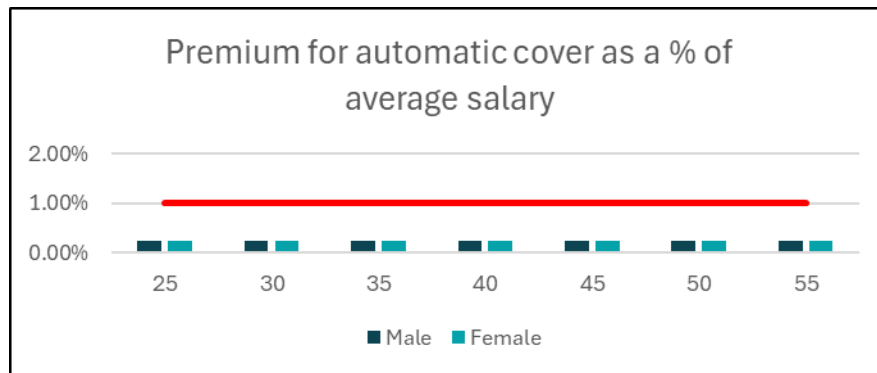
Based on the above, the Trustee has determined that the investment strategy and investment menu is appropriate for members.

INSURANCE STRATEGY & FEES

RetireSelect provides insurance for members through MLC Limited. Insurance is available to members via both the Employer and Personal Division. There are no members of participating employers using the Employer Division Default insurance cover. 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.

RetireSelect 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. RetireSelect has 5 occupational categories available.

The following graph shows how RetireSelect'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 RetireSelect's members, and that there is no inappropriate erosion of members' retirements income due to the impact of insurance premiums.

SCALE

YourChoice Super, of which RetireSelect 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 favorable, compared to the industry median of 89.20%

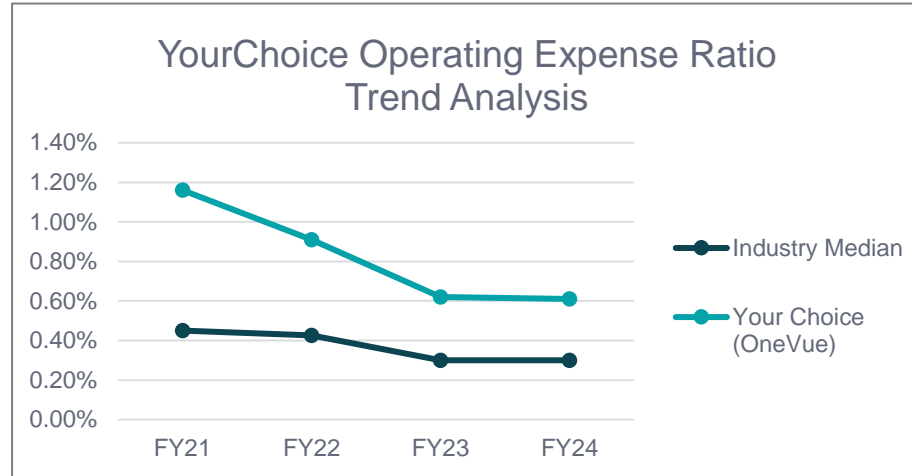
The above data indicates that YourChoice member growth was negative during FY24, although a significant number of the outflows can be attributed to the partial intra-fund transfer of YourChoice members to Smartsave during the year.

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.

OPERATING COSTS

YourChoice Super (of which RetireSelect 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'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 applicable to larger account balances ensures that the costs of services available to all members are appropriately shared across the fund membership base.

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 would not be eroded.

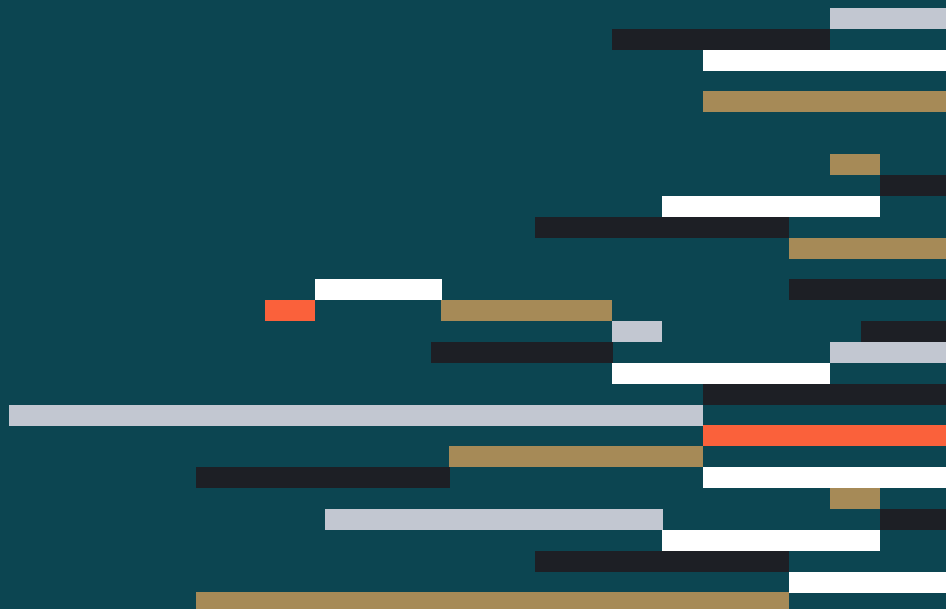
Asset-based Fees		
From	To	Rate
\$0	\$250,000	0.31% p.a.
\$250,001	\$500,000	0.21% p.a.
\$500,001	\$1m	0.18% p.a.
Over \$1m		Nil

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

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