



ClearView **WealthFoundations**

**Super and Pension
Member Outcomes Assessment
for the year ended June 2021**

25 March 2022

We're pleased to share the annual Member Outcomes Assessment of ClearView WealthFoundations Super and Pension (WealthFoundations) against our objectives for the year to 30 June 2021. This Assessment considered whether the outcomes that the Trustee sought to provide Members were met in this period, and how they could be improved in the future.

Determination

The Trustee has determined that the financial interests of beneficiaries are being promoted in WealthFoundations for the year to 30 June 2021, for the following reasons:

Fund Assessment and Comparison with other super funds



Investment strategy, returns and risk

Investment strategy and returns

The investment options available to Members have various risk profiles and investment styles and enable Members to select the risk and return profile that best suits their needs.

The investment strategy focused on preserving capital and reducing potential losses, by actively managing risk, while seeking consistent returns through careful selection of investments and investment managers. This strategy has been consistently applied, with a long-term focus.

The Trustee assessed the investment returns of each investment option against the returns of comparable super funds over one and five year periods. The average returns of our investment options have been below the average returns of comparable super funds.

For the year to 30 June 2021, the target returns for each investment option (except for the cash options) were met. These objectives are based upon a specified return above the inflation rate (for example, CPI + 4%).

The Trustee's determined that the investment strategy and investment options were appropriate in promoting Members' financial interests.

However, relative to the returns of other multisector super funds, the majority of the options were below the median returns of comparable super funds as reflected in the APRA Choice Heatmap and on a five-year basis, the Dynamic portfolios were also mostly below the median returns of their comparable funds.

A Table showing a comparison of our investment returns with those of other multisector super funds is provided in the Appendix.

Investment Risk

The level of investment risk in the investment options was assessed and for the year to 30 June 2021, risk management was (and continues to be) the primary focus, with most investment options positioned for a market downturn and whilst this impacted performance over this past year, as well as some longer-term performance, the Trustee determined this

approach was appropriate in promoting Members' financial interests.

Strategies implemented to preserve capital and reduce potential losses, included: an underweight allocation to growth assets that are vulnerable to market corrections (Dynamic options); a preference for value-style managers, who target investments trading at prices below their real value (Active options); and an unhedged position to currency (exposure to exchange rate movements) for any international assets across all portfolios.

Risk is assessed based on the Standard Risk Measure (SRM) attributed to each investment option. The options all achieved a result either equal to or below (lower than) their risk benchmark, and the portfolios are positioned to deliver long-term returns, in line with each investment options' long-term objective.

The Trustee has commenced a strategic review of the investment function, with a focus on the investment philosophy, objectives, process and management, to improve Member outcomes in different market conditions.



Fees

The investment menu provides Members with a range of fee options and the Trustee considers the fees are competitively priced and are appropriate.

The Trustee has assessed the fees charged to Members against the fees charged by comparable super funds and determined that on average, our administration fees are amongst the lowest 25% of comparable funds, with total fees sitting below median levels of comparable funds.

Fees have been set based upon market competitiveness and are a function of the investment options selected by each Member and the value of the Member's account.

Basis for setting fees

The fund's fees are percentage-based and specific to each investment option. There are no fixed-dollar fees applicable to a Member's account. Upon assessment, Member fees were determined to be simple, transparent and appropriate.

We continue to monitor the fee structures within WealthFoundations, focusing on market competitiveness and the best financial interests of Members. A Table showing a comparison of our fees to those of other multisector super funds is provided in the Appendix.



Insurance

The Trustee has assessed the insurance strategy for the fund and determined not to offer insurance. It considers this is appropriate as most Members are advised, and with their adviser, they can choose appropriate insurance, to prevent their balance being inappropriately eroded. Members can choose life insurance cover from any provider and pay for these premiums through their WealthFoundations Super account.



Member services

The Trustee has assessed the options, benefits and facilities offered by the fund and determined the Member services are appropriate taking account of the competitive environment and level of administration fees and costs charged by the fund.

The Trustee focused on providing high levels of client service through its own dedicated, local Client Service team, It has improved its Member online services with some additional transactions added that are able to be completed online enabling us to better respond to Member needs.

Future plans to upgrade the portal and further enhance the functionality will ensure most transactions can be completed online and provide additional resources for Members.

These plans are well advanced for launch in 2022, ensuring Members have access to appropriate online services, relative to comparable super funds.



Fund scale and operating costs

WealthFoundations is part of the ClearView Retirement Plan and is supported by the resources of the ClearView Group. The Trustee assessed its operating expenses, cash flows, costs and inflow/outflow sustainability metrics and as these were above benchmark compared to other similar super funds, based on Chant West's analysis of data, the Trustee determined them to be appropriate in promoting Member's financial interests.

The Trustee focused on simplifying and streamlining its administration, to continue to improve its scale.

We continue to deliver enhancements to online functionality that will drive efficiencies in our administration and improve the overall sustainability of the fund. We plan to continue to grow WealthFoundations by adding additional product and service features identified to be in Members' best financial interests.

A comparison of the fund's operating expenses, cash flows and inflow/outflow metrics with those of other comparable super funds for the year to 30 June 2021, is provided in the Appendix.



Jane Paskin

Chair, ClearView Life Nominees

25 March 2022

Appendix

Investment returns

The data set out below, compares the returns of the WealthFoundations investment options with the average multi-sector returns of a range of comparable industry and retail superannuation funds (before fees and tax).

Returns are set out below, using Morningstar peer comparison return data¹ for one and five-year periods and identify where each investment option sits relative to the average returns of similar funds. It also identifies the positioning of all of our funds' returns, on average, relative to other comparable funds.

Legend

1st	Above 75%	Well above average
2nd	50%-75%	Above average
Median	50%	On average
3rd	25%-50%	Slightly below average
4th	0-25%	Well below average

One-year investment returns to 30 June 2021 – Source: Morningstar Direct

Pension Multisector Moderate	Quartiles	Superannuation Multisector Moderate	Quartiles
IPS Active Dynamic 30	4th	IPS Active Dynamic 30	4th
IPS Index Dynamic 30	4th	IPS Index Dynamic 30	4th
IPS Active Strategic 30	3rd	IPS Active Strategic 30	3rd
IPS Index Strategic 30	4th	IPS Index Strategic 30	4th
Pension Multisector Balanced	Quartiles	Superannuation Multisector Balanced	Quartiles
IPS Active Dynamic 50	4th	IPS Active Dynamic 50	4th
IPS Index Dynamic 50	4th	IPS Index Dynamic 50	4th
IPS Active Strategic 50	4th	IPS Active Strategic 50	4th
IPS Index Strategic 50	4th	IPS Index Strategic 50	4th
Pension Multisector Growth	Quartiles	Superannuation Multisector Growth	Quartiles
IPS Active Dynamic 70	4th	IPS Active Dynamic 70	4th
IPS Index Dynamic 70	4th	IPS Index Dynamic 70	4th
IPS Active Strategic 70	4th	IPS Active Strategic 70	4th
IPS Index Strategic 70	4th	IPS Index Strategic 70	4th

Pension Multisector Aggressive	Quartiles	Superannuation Multisector Aggressive	Quartiles
IPS Active Strategic 85	4th	IPS Active Strategic 85	4th
IPS Index Strategic 85	4th	IPS Index Strategic 85	4th
IPS Active Dynamic 90	4th	IPS Active Dynamic 90	4th
IPS Index Dynamic 90	4th	IPS Index Dynamic 90	4th
IPS Active Strategic 100	4th	IPS Active Strategic 100	4th
IPS Index Strategic 100	2nd	IPS Index Strategic 100	3rd
Average across all risk profiles	4	Average across all risk profiles	4

Five-year investment returns to 30 June 2021 – Source: Morningstar Direct

Pension Multisector Moderate	Quartiles	Superannuation Multisector Moderate	Quartiles
IPS Active Dynamic 30	2nd	IPS Active Dynamic 30	3rd
IPS Index Dynamic 30	1st	IPS Index Dynamic 30	2nd
Pension Multisector Balanced	Quartiles	Superannuation Multisector Balanced	Quartiles
IPS Active Dynamic 50	3rd	IPS Active Dynamic 50	3rd
IPS Index Dynamic 50	2nd	IPS Index Dynamic 50	2nd
Pension Multisector Growth	Quartiles	Superannuation Multisector Growth	Quartiles
IPS Active Dynamic 70	4th	IPS Active Dynamic 70	4th
IPS Index Dynamic 70	2nd	IPS Index Dynamic 70	2nd
Pension Multisector Aggressive	Quartiles	Superannuation Multisector Aggressive	Quartiles
IPS Index Dynamic 90	4th	IPS Active Dynamic 90	4th
IPS Index Dynamic 90	3rd	IPS Index Dynamic 90	3rd
Average across all risk profiles	3	Average across all risk profiles	3

Net return comparisons are set out below, using Chant West peer comparison net return data², based upon a super account balance of \$100,000 invested in the diversified investment options across various investment risk profiles (Conservative, Moderate, Growth, High Growth and All Growth) for the year to 30 June 2021.

The return is net of admin fees, and depicts the overall amount received when investing in these options. The net return timeframes vary depending on the inception date for the investment options.

For all investment options, the net returns were in the third and fourth quartiles when measured against comparable super funds over a one-year period, as well as over longer time periods.

Legend

1st	Above 75%	Well above average	Best quartile
2nd	50%-75%	Above average	Second quartile
Median	50%	On average	Median
3rd	25%-50%	Slightly below average	Third quartile
4th	0-25%	Well below average	Worst quartile

	Net return (\$100,000)
Average across all risk profiles	4

Super investment options

Conservative (21-40% growth assets)	Net return (\$100,000)	Net return period
IPS Active Dynamic 30	4th	5 years
IPS Index Dynamic 30	3rd	5 years
IPS Active Strategic 30	4th	2 years
IPS Index Strategic 30	4th	2 years

Moderate (41-60% growth assets)	Net return (\$100,000)	Net return period
IPS Active Dynamic 50	4th	5 years
IPS Index Dynamic 50	3rd	5 years
IPS Active Strategic 50	4th	2 years
IPS Index Strategic 50	4th	2 years
IPS Index Base 50	4th	1 year

Growth (61-80% growth assets)	Net return (\$100,000)	Net return period
IPS Active Dynamic 70	4th	5 years
IPS Index Dynamic 70	4th	5 years
IPS Active Strategic 70	4th	2 years
IPS Index Strategic 70	4th	2 years
IPS Index Base 70	4th	1 year

High Growth (81-95% growth assets)	Net return (\$100,000)	Net return period
IPS Active Dynamic 90	4th	5 years
IPS Index Dynamic 90	4th	5 years
IPS Active Strategic 85	4th	2 years
IPS Index Strategic 85	4th	2 years

All growth (96-100% growth assets)	Net return (\$100,000)	Net return period
IPS Active Strategic 100	4th	2 years
IPS Index Strategic 100	4th	2 years
IPS Index Base 100	4th	1 year

Source: Chant West - Retail Master Trust & Industry Fund comparison groups, net returns to 30 June 2021

Fees

Investment fees against comparable funds are set out below, using Chant West peer comparison fees data³, for a super account balance of \$100,000 invested in the diversified investment options across various investment risk profiles (Conservative, Moderate, Growth, High Growth and All Growth) for the year to 30 June 2021.

On average, our admin fees are in the first quartile (least expensive 25% of comparable super funds). Investment fees on average are in the third quartile, however they are offset by the low admin fees. Total fees paid for the active and index options:

- Index options: Total fees paid are predominantly in the first quartile (least expensive 25% of comparable super funds).
- Active options: Total fees paid are in the third and fourth quartiles (above the median of comparable super funds).

Legend

1st	Above 75%	Well above average
2nd	50%-75%	Above average
Median	50%	On average
3rd	25%-50%	Slightly below average
4th	0-25%	Well below average

	Admin fee	Investment fee	Total fees
Average across all risk profiles	1	3	2

Super investment options

Conservative (21-40% growth assets)	Admin fee	Investment fee	Total fees
IPS Active Dynamic 30	1st	4th	3rd
IPS Index Dynamic 30	1st	3rd	1st
IPS Active Strategic 30	1st	4th	3rd
IPS Index Strategic 30	1st	Median	1st

Moderate (41-60% growth assets)	Admin fee	Investment fee	Total fees
IPS Active Dynamic 50	1st	4th	3rd
IPS Index Dynamic 50	1st	3rd	1st
IPS Active Strategic 50	1st	4th	3rd
IPS Index Strategic 50	1st	3rd	1st
IPS Index Base 50	1st	1st	1st

Growth (61-80% growth assets)	Admin fee	Investment fee	Total fees
IPS Active Dynamic 70	1st	4th	3rd
IPS Index Dynamic 70	2nd	3rd	2nd
IPS Active Strategic 70	1st	4th	3rd
IPS Index Strategic 70	2nd	3rd	2nd
IPS Index Base 70	2nd	1st	1st

High Growth (81-95% growth assets)	Admin fee	Investment fee	Total fees
IPS Active Dynamic 90	1st	4th	4th
IPS Index Dynamic 90	1st	3rd	1st
IPS Active Strategic 85	1st	4th	3rd
IPS Index Strategic 85	1st	3rd	1st

All growth (96-100% growth assets)	Admin fee	Investment fee	Total fees
IPS Active Strategic 100	1st	4th	4th
IPS Index Strategic 100	1st	3rd	1st
IPS Index Base 100	1st	1st	1st

- 1 Morningstar provides data about a comprehensive range of super and pension investments across retail and industry superannuation funds. The investment options have been compared to the Morningstar Australia Super and Pension Multisector peer groups.
- 2 Chant West provides data about a range of super investments across retail superannuation funds, designed specifically for the Member Outcomes Assessment. The investment options have been compared to the Chant West Retail Master Trust & Industry Fund comparison groups, net returns to 30 June 2021.
- 3 Chant West provides data about a range of super investments across retail superannuation funds, designed specifically for the Member Outcomes Assessment. The investment options have been compared to the Chant West Retail Master Trust & Industry Fund comparison groups, fees to 30 June 2021.

Fund scale and operating costs

The Table below compares the fund's operating expenses, cash flows and inflow/outflow metrics based on Chant West's analysis of APRA data. The fund was better than the benchmark for the year ended 30 June 2021.

CRP result 30 June 2021	Item	How was it calculated from APRA data?
\$187	Operating expense per member	Total operating expense/Number of members
1.2%	Net cash flows	(Flows in + (Rollovers in - Rollovers out) - Flows out)/Net assets
89.8%	Benefit outflow ratio	(Flows out + Rollovers out)/(Flows in + Rollovers in)
4.6%	Net rollover ratio	(Rollovers in - Rollovers out)/Net assets
-70.2%	Membership base trend	Annual change in number of members compared to the previous year
83.7%	Active member ratio	Active members/Total members
0.11%	Total operating expenses to assets ratio	Total operating expenses/assets

Benchmark (based on APRA data)

The key performance indicators are shown as better than benchmark if they meet the following criteria:

- Operating expense: < median*
- Net cash flows: > 0%
- Benefit outflow ratio: < 100%
- Net rollover ratio: > 0%
- Membership base trend: > 0%
- Active member ratio: > median*
- Total operating expenses to assets ratio: < median*

*Refers to median of all funds excluding any employer plans

Source: Chant West, APRA

Disclaimer

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