



ClearView Superannuation and Rollovers and ClearView Pension Plan

Member Outcomes Assessment for the year ended 30 June 2020

We're pleased to share the first annual performance assessment of ClearView Superannuation and Rollovers and ClearView Pension Plan against our objectives and compared to other retail superannuation funds.*

ClearView Superannuation and Rollovers and ClearView Pension Plan were established many years ago and offered a 'high touch' service model. The products are closed to new members and the Product Disclosure Statement was last updated in 2012. We are currently assessing the service model with the key objective of reducing the overall fees charged to members. We expect this Transformation Project to be implemented before the end of 2021.

* See *Methodology* on page 3.

Based on this assessment, we have concluded that the financial interests of members are being promoted by ClearView Life Nominees Pty Limited as trustee of ClearView Superannuation and Rollovers and ClearView Pension Plan, considering the work being undertaken to ensure that the value to members is appropriate to the level of service they are receiving.

- The options, benefits, facilities and fees are appropriate for members who use the available services (noting that work is in progress to reduce the overall fees for these products) – see sections 1, 2 and 4
- The investment strategy, including investment risk and the return target, is appropriate (noting that the returns after fees will improve once fees are reduced as stated above) – see section 2
- The insurance strategy is appropriate and insurance costs do not inappropriately erode members' account balances – see section 3
- Members are not disadvantaged by the scale or operating costs of the fund – see section 5.

1. Fees and net returns

ClearView Superannuation and Rollovers and ClearView Pension Plan are not competitively priced for an average account balance of \$100k. Across all investment strategies, total fees are above median (3rd or 4th quartiles) for the Chant West Retail Master Trust group. Examples are shown in Appendix 1. The family fee rebate improves fee outcomes for balances over \$600k.

We note that ClearView Superannuation and Rollovers and ClearView Pension Plan provide access to a financial adviser within the product fee, while other funds in the benchmark group may facilitate separate adviser service fees to cover this service. To enhance outcomes for members, work is in progress to reduce product fees.

Objective: 1st or 2nd quartile
Status: not achieved

2. Investment risk and return

ClearView Superannuation and Rollovers and ClearView Pension Plan members are invested in 13 investment options with different risk profiles (based on the target allocation to growth and income assets). Six investment options are still open to switches and new investments, including Conservative, Cautious, Prudent, Assertive, Aggressive and Guaranteed Cash. This allows investors to select the risk and return profile that best suits their needs.

Managing investment risk

As the past year illustrates, successful investing involves a balance of managing risks and seeking returns. Our investment team manage risk and seek additional returns within the portfolios through asset allocation or active stock selection. ClearView Super and Rollovers and ClearView Pension Plan have achieved risk outcomes broadly in line with the median risk levels of the peer universe (see Appendix 2).

Objective: 1st or 2nd quartile
Status: not achieved

Investment returns

Compared to funds in the Morningstar Super and Pension Multisector categories, ClearView Superannuation and Rollovers and ClearView Pension Plan achieved above average (2nd quartile) returns for three open investment options, with the remaining open investment options achieving below average returns for the year ended 30 June 2020. When compared to funds in the Chant West Retail Master Trust group, in most categories, ClearView Superannuation and Rollovers and ClearView Pension Plan achieved below median returns for the year ended 30 June 2020. We note that the Morningstar peer group represents a broader range of funds than Chant West. Comparison examples are shown in Appendix 3.

The major contributors to the below median investment return results are the fees discussed above. These fees are deducted from the investment returns (therefore lowering the returns). Work is in progress to reduce the fees for these products.

3. Insurance

ClearView Superannuation and Rollovers no longer offers insurance, however a small number of members hold ClearView LifeSolutions insurance policies and pay the premiums from their super accounts. This is not default cover and each member was assisted by a financial adviser to set it up. Any members with inactive accounts are contacted to ensure account balances are not inappropriately eroded by insurance premiums.

Objective: insurance access
Status: achieved

4. Services

The service model is high touch, and includes access to a financial adviser, quarterly colour printed magazines, and twice-yearly printed statements. In 2018, online services were upgraded and members were also provided with an online portal to view account details and perform transactions. However, paper remains the primary communication channel which has higher costs and longer turnaround times than email or online services. The Transformation Project aims to improve service efficiency and cost in line with more contemporary funds.

Objective: service support
Status: work in progress

5. Sustainability

ClearView Super and Rollovers and ClearView Pension Plan are part of the ClearView Retirement Plan (CRP). Operating expenses, cash flows, growth and other sustainability metrics are top quartile based on Chant West analysis of APRA data for the CRP for the year ended 30 June 2020 (see Appendix 4). Members are therefore not disadvantaged by the scale or operating costs of the fund.

Our strategy is to continue to retain and grow membership of the CRP by improving products and services and work with other superannuation funds where appropriate.

Objective: 1st or 2nd quartile
Status: achieved



Jane Paskin

Chair, ClearView Life Nominees

25 February 2021

Methodology

To benchmark administration fees and other product features, ClearView use Chant West data for peer comparisons. To benchmark product features in the Chant West database, we compared ourselves to the retail master trust group, using an average balance of \$100k.

To benchmark investment performance and volatility, ClearView use Morningstar data for peer comparisons as they cover a comprehensive range of super and pension investments.





Appendix 1 - Fees and net returns

ClearView Superannuation and Rollovers and ClearView Pension Plan are not competitively priced for an average account balance of \$100k. Across all investment strategies, total fees are above median (3rd or 4th quartiles) for the Chant West Retail Master Trust group. Examples are shown below. The family fee rebate improves fee outcomes for combined balances over \$600k.

Moderate (41-60% growth assets)





ClearView Super and Rollovers Prudent

Fees and net returns






	Admin	Investment	Total	Net returns
	\$0	\$2,830	\$2,830	-\$1,300
				
Best quartile	\$104	\$585	\$1,086	-\$100
Median	\$200	\$830	\$1,239	-\$972
Worst quartile	\$703	\$1,070	\$1,502	-\$1,329

ClearView Pension Plan Prudent

Fees and net returns

	Admin	Investment	Total	Net returns
	\$0	\$2,430	\$2,430	-\$1,400
				
Best quartile	\$100	\$660	\$974	-\$398
Median	\$200	\$830	\$1,230	-\$1,060
Worst quartile	\$570	\$1,100	\$1,345	-\$1,417

Legend

	Best quartile
	Second quartile
	Median
	Third quartile
	Worst quartile

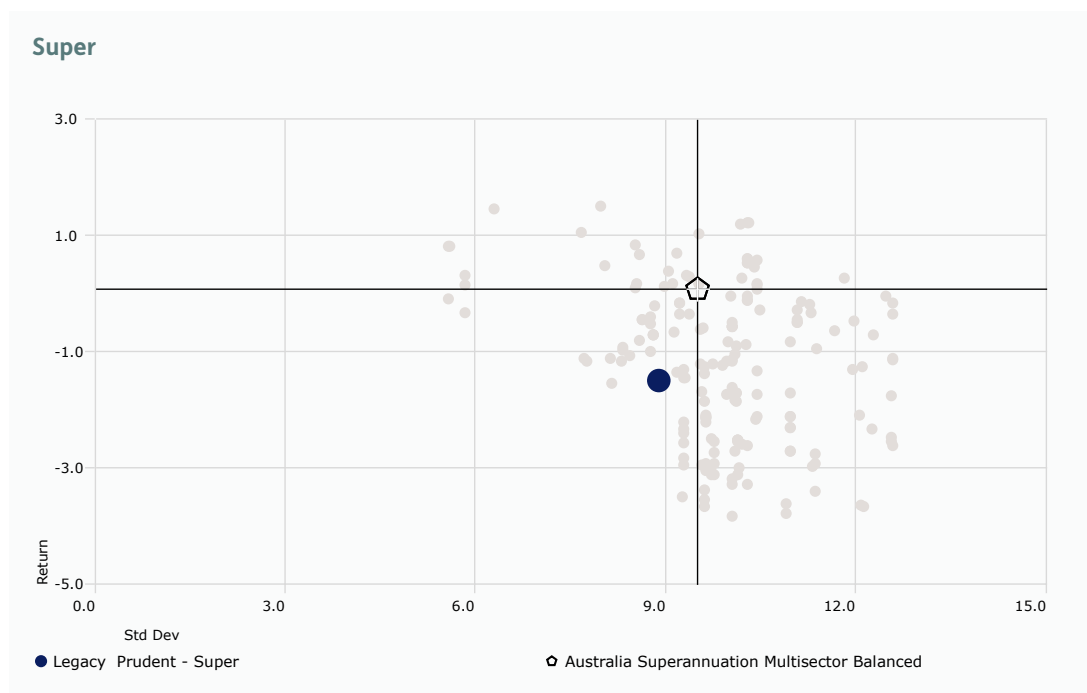
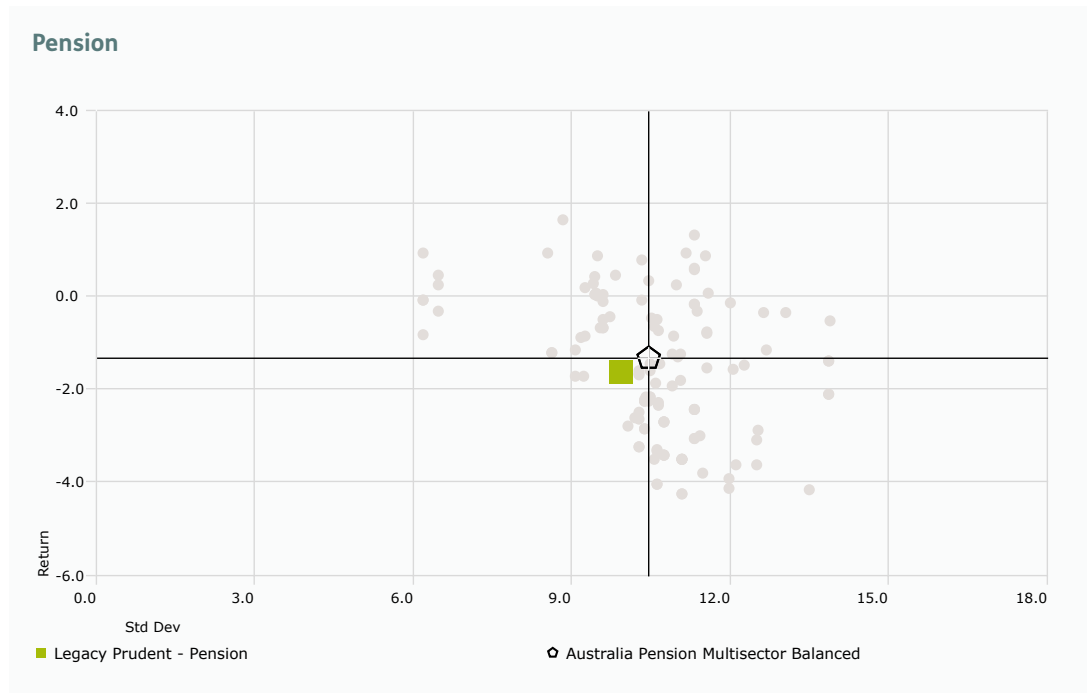
Note: The information in the top row reflects the performance of the ClearView investment option in each category (Admin, Investment, Total and Net Returns). The quartile information ranks each category separately e.g. a fund with a very low Admin fee ranked in the Best quartile may have their Investment fee ranked in the Worst quartile.

Source: Chant West - Retail Master Trust group for the year ending 30 June 2020

Appendix 2 - Managing investment risk

The charts below show risk in standard deviations (Std Dev) on the horizontal axis while the vertical axis measures annualised returns.

Prudent 50 (1 July 2019 to 30 June 2020)



Peer group (5-95%): Morningstar Insurance and Pension Funds - Australia - Pension / Superannuation - Multisector Balanced

Source: Morningstar Direct

Appendix 3 - Investment returns

Compared to funds in the Morningstar Super and Pension Multisector categories, ClearView Superannuation and Rollovers and ClearView Pension Plan achieved above average (2nd quartile) returns for three open investment options, with the remaining open investment options achieving below average returns for the year ended 30 June 2020.

When compared to funds in the Chant West Retail Master Trust group, in most categories, ClearView Superannuation and Rollovers and ClearView Pension Plan achieved below median returns for the year ended 30 June 2020. Examples are shown below.

One-year investment returns to 30 June 2020 – Source: Morningstar Direct

Pension Multisector Moderate	Quartiles	Superannuation Multisector Moderate	Quartiles
Cautious	4th	Cautious	4th
Pension Multisector Balanced		Superannuation Multisector Balanced	
Prudent	2nd	Prudent	3rd
Pension Multisector Growth		Superannuation Multisector Growth	
Assertive	3rd	Assertive	3rd
Pension Multisector Aggressive		Superannuation Multisector Aggressive	
Aggressive	2nd	Aggressive	2nd

One-year investment returns to 30 June 2020 – Source: Chant West, Retail Master Trust group

Pension Conservative	Quartiles	Superannuation Conservative	Quartiles
Cautious	4th	Cautious	4th
Pension Moderate		Superannuation Moderate	
Prudent	4th	Prudent	4th
Pension Growth		Superannuation Growth	
Assertive	4th	Assertive	4th
Pension High Growth		Superannuation High Growth	
Aggressive	3rd	Aggressive	2nd

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






Note: Quartiles based on one-year investment returns to 30 June 2020 net of investment fees and taxes.

Appendix 4 - Sustainability

Operating expenses, cash flows, growth and other sustainability metrics were top quartile, based on Chant West analysis of APRA data for the ClearView Retirement Plan (CRP) for the year ended 30 June 2020. Products in the ClearView Retirement Plan included ClearView WealthFoundations, ClearView WealthSolutions, ClearView Super and Rollovers, ClearView Pension Plan and ClearView LifeSolutions Super (ClearView LifeSolutions Super was included until 31 October 2020).

CRP result	Item	How was it calculated from APRA data?
\$56	Operating expense per member	Total operating expense / Number of members
7.1%	Net cash flows	(Flows in + (Rollovers in - Rollovers out) - Flows out) / Net assets
62.6%	Benefit outflow ratio	(Flows out + Rollovers out) / (Flows in + Rollovers in)
11.2%	Net rollover ratio	(Rollovers in - Rollovers out) / Net assets
11%	Membership base trend	Annual change in number of members compared to the previous year
92.8%	Active member ratio	Active members / Total members
0.12%	Total operating expenses to assets ratio	Total operating expenses / assets

Legend

	Best quartile
	Second quartile
	Median
	Third quartile
	Worst quartile

Quartiles (based on APRA data)

The key performance indicators are shown as better than benchmark (green) 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

Important information

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