

SMARTMONDAY PRIME - MYSUPER MEMBER OUTCOMES ASSESSMENT

INTRODUCTION

In this report, Equity Trustees Superannuation Limited (we, our, us) publishes the results of our annual assessment of how well the smartMonday PRIME - MySuper product (the Product) issued from Aon Master Trust (the Fund) provides member outcomes and promotes members' financial interests. The assessment is based on information as at 30 June 2021.

METHODOLOGY AND STRUCTURE

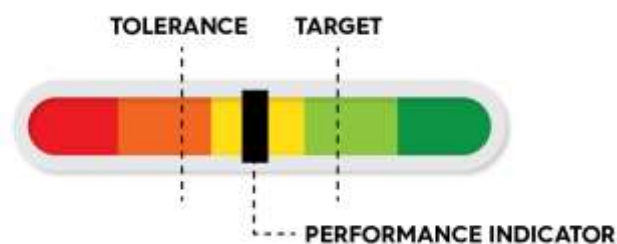
In conducting this assessment, we compared the Product to other MySuper products included in statistical data published by the Australian Prudential Regulation Authority (Comparable Products) using the criteria in Part 6 of the *Superannuation Industry (Supervision) Act 1993* and Prudential Standard SPS 515 *Strategic Planning and Member Outcomes*.

This report includes:

- our overall assessment of whether the Product provides optimal member outcomes and promotes their financial interests;
- a dashboard that depicts our assessment of the Product's market-relative performance for each outcome we aim to provide members;
- a table summarising the key metrics that we relied on when making this assessment; and
- our commentary on this performance that includes action items to improve suboptimal performance.

For each member outcome, the dashboard presents the relevant segment of market performance. The width of each segment is based on the range of market performance for each outcome and is specific to each outcome. The positioning of the black performance indicator bar against the colour coding is our assessment of how well the outcome has been delivered. The assessment of each member outcome is based on several equally-weighted metrics. Accordingly, if one metric is outside our tolerance level it doesn't automatically mean the entire member outcome is outside our tolerance level.

Example dashboard for illustrative purposes only



The target is generally the average position of the Comparable Products while the tolerance level is the trigger for us to consider any necessary actions to improve member outcomes.

Please visit our [website](#) to view a short video that provides more information about the operation of the dashboard.



OVERALL ASSESSMENT

Having carefully considered the comparisons of the Product with Comparable Products set out in this report, including the dashboards, metrics, commentary and other relevant information available to us at the time of writing, we have concluded that as a result of the following factors the Product is promoting members' financial interests:

1. the fees and costs that affect the return to members are appropriate having regard to their financial interests;
2. the net returns for the Product (i.e. returns after deducting all fees, costs and taxes) are consistent with market rates;
3. the level of investment risk for the Product is acceptable in relation to the net returns generated;
4. the investment strategy for the Product is appropriate;
5. the options, benefits and facilities offered in the Product are appropriate for members;
6. the insurance premium charged for the Product does not inappropriately erode members' account balances;
7. the insurance strategy for the Product is appropriate; and
8. the scale of the Product and the Fund does not disadvantage members.

DASHBOARD

STRATEGIC CONTEXT

Working together with the Fund's Promoter, smartMonday, our purpose is to support members to meet their financial goals and grow their superannuation savings through smart, easy to understand actions which contribute to the long-term growth of their savings.

To support this purpose, our goals for the Fund are to deliver long-term sustainable investment returns and fee structures, grow the fund organically and strategically, rationalise and simplify the operational structure, maintain strong governance, improve member engagement, and develop and offer innovative and needs-based solutions to improve member outcomes.

The Product is a MySuper product.



INVESTMENT RISK AND RETURN

Outcomes Investment risk and return for a \$50,000 account balance in the Product^{1.0} is consistent with market indexes.

The Product's
performance relative to
Comparable Products



Metrics	Ref	Metric Label	Value	Tolerance	Target
	1.1	1-year actual net return	17.84%	16.00%	19.23%
	1.2	3-year actual net return	8.36%	7.21%	8.29%
	1.3	5-year actual net return	8.10%	7.81%	9.01%
	1.5	Negative annual net returns over last 10 years	0.91	2.00	1.00

1.0 Investment returns and associated targets and tolerance levels are weighted averages for the Product. The weighted averages are based on the performance, asset allocation and funds under management of the investment options available in the Product. The table in Appendix 1 provides more information.
1.1 – 1.3 The Product's fee structure leads to different net returns for different account balances. The table in Appendix 2 provides more information.
1.5 Negative annual returns and associated targets and tolerance levels are weighted averages for the Product. The weighted averages are based on the performance, Standard Risk Measure and funds under management of the investment options available in the Product. Portions of years have been rounded up or down to a whole year.

Commentary

The performance indicator measures the average investment risk and return of the Product over one, three and 5-year periods and is based on an equal weighting of all the metrics in the above table.

Appendix 1 displays the returns for each age-based investment option available in the Product and the Product's weighted average returns over these periods. Each age-based investment option comprises an allocation to a High Growth and a Defensive portfolio in accordance with the Product's glidepath strategy:

- up to age 35, members are 90% invested in the High Growth portfolio and 10% in the Defensive portfolio; and
- thereafter, a member's allocation shifts gradually each year from the High Growth to the Defensive portfolio.

For example, as at 30 June 2021 a 40-year old member was 85% invested in the High Growth portfolio; a 50-year old member was 74% invested in the High Growth portfolio; and a 60-year old member was 58% invested in the High Growth portfolio.

The High Growth portfolio aims to achieve returns (after tax and fees) that exceed the Consumer Price Index by 3.5% over rolling 10-year periods. The Defensive portfolio aims to achieve returns (after tax and fees) that equal the Consumer Price Index over rolling 10-year periods.

This commentary focuses on the Product's three-year weighted average return to 30 June 2021, and the weighted average number of negative annual returns for since the Product's inception. When reading this commentary, it's important to bear in mind that past performance is not a reliable indicator of future performance.

Over the three years to 30 June 2021 the Product's weighted average investment return meets our target. Moreover, the returns for each age-based investment option were within our tolerance level. No remedial action is required as a result of this assessment.

As a result, we are comfortable that the Product's weighted net returns are consistent with market rates and therefore advance members' financial interests.

Investment risk, as measured by the weighted average number of negative annual returns since the Product's inception to



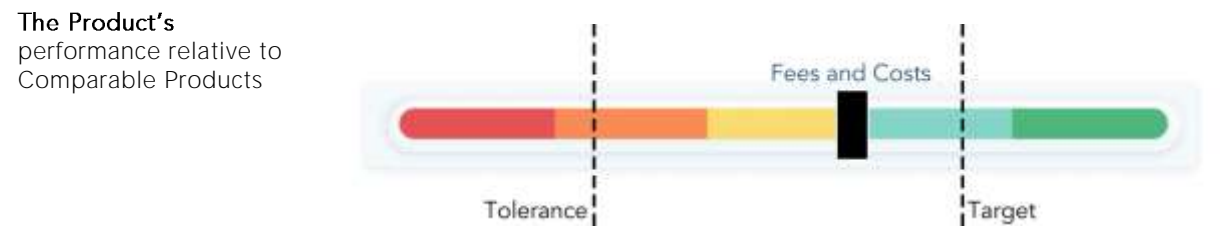
30 June 2021 meets our target. The age-based investment options for members aged 60 years or less have had 1 negative annual return in this period, while the remaining investment options had none due to their higher allocation to the Defensive portfolio. No remedial action is required as a result of this assessment.

Therefore, we consider the:

- investment strategy for the Product is appropriate because the weighted average returns over the 1 and 3 year periods are within our tolerance level; and
- investment risk is acceptable in relation to the net returns generated because the weighted average number of negative returns meet our target.

FEES AND COSTS

Outcomes Fees (gross of tax) for a \$50,000 account balance are consistent with market rates.^{3.0}



Metrics	Ref	Metric Label	Value	Tolerance	Target
	3.1	Administration fees	0.58%	0.50%	0.30%
	3.2	Investment fees	0.45%	0.85%	0.60%
	3.3	Total fees	1.03%	1.35%	0.90%

3.0 The Product's fee structure leads to different net returns for different account balances. The table in the Appendix 2 provides more information.

3.2 These fees include a weighted average investment fee that is based on the investment fees and funds under management of the investment options available in the Product.

Commentary

This table lists the Product's administration and investment fees. Other fees may be payable which are set out in the Product's disclosure documents.

The performance indicator measures administration and investment fees together against Comparable Products.

The performance indicator, which does not meet our target and is within our tolerance level is based on an equal weighting of each metric in the above table.

While we are comfortable that total fees and costs are consistent with market rates and are therefore appropriate having regard to members' financial interests, we note that administration fees are outside our tolerance level. We are in discussions with smartMonday about changes to administration fees that will be reflected in the Fund's Strategic Business Plan for the financial years 2023 - 2025.



INSURANCE CLAIM MANAGEMENT

Outcomes Valid claims are accepted and paid in a timely manner.

The Product's performance relative to Comparable Products



Metrics	Ref	Metric Label	Value	Tolerance	Target
	5.1	Insurer's declined claims ratio - life cover	3.08%	3.70%	2.42%
	5.3	Insurer's declined claims ratio - TPD cover	15.85%	17.30%	12.27%
	5.5	Insurer's declined claims ratio - IP cover	4.17%	7.80%	5.59%
	5.7	Insurance-related EDR complaints	1.73	2.37	1.01

5.3 TPD means "Total and Permanent Disablement".
 5.5 IP means "Income Protection".
 5.7 EDR means "External Dispute Resolution".
 5.7 This is the annual number of insurance-related complaints to the Australian Financial Complaints Authority per 10,000 member accounts.

Commentary

The performance indicator measures the acceptance of insurance claims and the quality of the claims process against Comparable Products.

The performance indicator, which meets our target, is based on an equal weighting of all the metrics in the above table.

The insured benefits in this Product are supported by group and retail life insurance policies from AIA Australia Limited, TAL Life Limited, OnePath Life Limited, Hannover Life Re of Australasia Ltd, and AMP Life Limited (for Life and TPD cover only). For this suite of policies, in the year ended 30 June 2021 the Fund's insurers:

- paid 126 death benefit claims and declined 4 death benefit claims;
- paid 138 TPD benefit claim and declined 26 TPD benefit claims; and
- paid 46 IP claims and declined 2 IP claims.

We review all declined insurance claims to make sure the insurer has acted fairly and reasonably, and consistently with the relevant policy terms and conditions. Based on these reviews, we are comfortable that the denied claims have been considered appropriately.

The number of insurance-related complaints that have been made to the Australian Financial Complaints Authority does not meet our target and is within our tolerance level. No remedial action is required as a result of this assessment.

As a result, we are comfortable that valid claims are accepted and paid in a timely manner.

We ensure that the cost of automatic insurance cover remains reasonable by reducing the amount of cover as members get older. We believe that the appropriate level of insurance cover is a balance between the amount of cover required (based on the maintenance of the member's, and their dependants', standard of living in the event of a claim) and the affordability of that cover for the member.

Members have the opportunity to seek personal financial advice if required, select their own level of insurance cover and cancel their cover if no longer required. Therefore:

- the insurance premiums charged for the Product do not inappropriately erode members' account balances; and
- the insurance strategy for the Product is appropriate.



MEMBER SERVICES

Outcomes Administration services satisfy member expectations.

The Product's performance relative to Comparable Products



Metrics	Ref	Metric Label	Value	Tolerance	Target
	7.1	Administration-related EDR complaints	0.92	4.82	2.07
	7.2	Service Level Achievement	99.97%	90.00%	95.00%

7.1 EDR means "External Dispute Resolution".
7.1 This is the annual number of administration-related complaints to the Australian Financial Complaints Authority per 10,000 member accounts.
7.2 Service level achievement measures the portion of new member, contribution and benefit payment transactions that were processed within our service level.

Commentary

The performance indicator measures the delivery of administration services against our service levels.

The performance indicator, which meets our target is based on an equal weighting of the above metrics.

Service level achievement (99.97%) meets our target. No remedial action is required as a result of this assessment.

The number of complaints about administration services that have been made to the Australian Financial Complaints Authority meets our target. No remedial action is required as a result of this assessment.

As a result, we are comfortable that administration services satisfy member expectations because of the high rate of service level achievement and the number of administration related complaints is within tolerance level. Therefore, we consider the options, benefits and facilities offered in the Product are appropriate for members.

SUSTAINABILITY

Outcomes The Product and Fund are sustainable and likely to deliver optimal outcomes in the future.

The sustainability of the Product and Fund relative to Comparable Products



Metrics	Ref	Metric Label	Value	Tolerance	Target
	8.2	Net member benefit flows p.a.	1.38%	-4.39%	-0.24%
	8.3	Average account balance	\$66,338	\$32,168	\$61,740
	8.5	Movement in member accounts p.a.	-8.17%	-17.16%	-8.10%
	8.6	Average member age	40.9	43.80	40.90

Commentary

The performance indicator measures the Fund's sustainability and likelihood of delivering optimal outcomes in the foreseeable future against other funds.

The performance indicator, which meets our target is based on an equal weighting of the above metrics.



Therefore, we are comfortable that the scale of the Product and the Fund does not disadvantage members.

LIQUIDITY

Outcomes	Benefit and rollover requests can be met in a timely manner from investments and/or insurance policies.
----------	---

The Product's
performance relative to
Comparable Products



Metrics	Ref	Metric Label	Value	Tolerance	Target
	9.1	Investment liquidity in a GFC scenario	87.48%	40.00%	80.00%
	9.2	Insurer financial strength rating	A+	BBB	AA

9.1 Liquidity is a weighted average that is based on the liquidity in a Global Financial Crisis scenario and funds under management of the investment options available in the Product. The table in Appendix 1 provides more information.

Commentary

The performance indicator measures the Fund's ability to meet benefit and rollover requests in a timely manner.

The performance indicator does not meet our target and is within our tolerance level. No remedial action is required as a result of this assessment.

We regularly monitor whether the investments and insurance policies would be able to meet cash requirements in extreme situations. Based on our analysis, we consider that benefits are supported by liquid investments and an insurer with a strong capacity to meet its financial commitments.

As a result, we are comfortable that the level of liquidity risk for the Product is acceptable.



APPENDIX 1 INVESTMENT OPTION INFORMATION

Name	Growth Ratio	Size (\$M)	Investment Returns (% pa)			
			1 Year	3 Years	5 Years	10 Years
smartMonday Aon MySuper Over 75	35%	\$23.3M	6.86%	5.37%		
smartMonday Aon MySuper Under 35	89%	\$354.8M	21.88%	9.35%	10.30%	
smartMonday Aon MySuper36	89%	\$61.5M	21.79%	9.33%		
smartMonday Aon MySuper37	88%	\$64.9M	21.57%	9.29%		
smartMonday Aon MySuper38	87%	\$72.3M	21.31%	9.22%		
smartMonday Aon MySuper39	86%	\$70.4M	21.01%	9.15%		
smartMonday Aon MySuper40	85%	\$81.4M	20.75%	9.10%		
smartMonday Aon MySuper41	84%	\$81.3M	20.47%	9.03%		
smartMonday Aon MySuper42	83%	\$82.0M	20.17%	8.96%		
smartMonday Aon MySuper43	82%	\$79.6M	19.90%	8.89%	9.83%	
smartMonday Aon MySuper44	81%	\$86.8M	19.58%	8.82%	9.61%	
smartMonday Aon MySuper45	80%	\$86.0M	19.27%	8.74%	9.38%	
smartMonday Aon MySuper46	79%	\$98.1M	18.98%	8.67%	9.16%	
smartMonday Aon MySuper47	78%	\$96.1M	18.66%	8.59%	8.92%	
smartMonday Aon MySuper48	77%	\$97.3M	18.34%	8.52%	8.70%	
smartMonday Aon MySuper49	76%	\$100.2M	18.00%	8.44%	8.46%	
smartMonday Aon MySuper50	74%	\$97.9M	17.64%	8.34%	8.22%	
smartMonday Aon MySuper51	73%	\$78.6M	17.28%	8.25%	7.99%	
smartMonday Aon MySuper52	72%	\$82.9M	16.88%	8.15%	7.74%	
smartMonday Aon MySuper53	70%	\$80.2M	16.50%	8.05%	7.50%	
smartMonday Aon MySuper54	69%	\$70.2M	16.10%	7.95%	7.26%	
smartMonday Aon MySuper55	67%	\$65.7M	15.65%	7.84%	7.01%	
smartMonday Aon MySuper56	66%	\$69.0M	15.20%	7.72%	6.76%	
smartMonday Aon MySuper57	64%	\$73.6M	14.72%	7.59%	6.50%	
smartMonday Aon MySuper58	62%	\$71.0M	14.20%	7.46%	6.24%	
smartMonday Aon MySuper59	60%	\$58.2M	13.65%	7.31%	5.97%	
smartMonday Aon MySuper60	58%	\$53.5M	13.06%	7.16%	5.69%	
smartMonday Aon MySuper61	56%	\$47.2M	12.44%	6.99%	5.41%	
smartMonday Aon MySuper62	53%	\$40.8M	11.78%	6.80%	5.12%	
smartMonday Aon MySuper63	50%	\$36.0M	11.00%	6.60%	4.81%	
smartMonday Aon MySuper64	47%	\$28.9M	10.18%	6.37%	4.49%	
smartMonday Aon MySuper65	44%	\$23.8M	9.38%	6.14%	4.18%	
smartMonday Aon MySuper66	43%	\$15.3M	9.04%	6.01%	3.92%	
smartMonday Aon MySuper67	43%	\$13.3M	8.78%	5.94%		
smartMonday Aon MySuper68	42%	\$7.5M	8.55%	5.86%		
smartMonday Aon MySuper69	41%	\$7.1M	8.30%	5.79%		
smartMonday Aon MySuper70	40%	\$9.1M	8.08%	5.72%		
smartMonday Aon MySuper71	39%	\$7.7M	7.83%	5.65%		
smartMonday Aon MySuper72	38%	\$2.0M	7.60%	5.59%		
smartMonday Aon MySuper73	37%	\$1.9M	7.35%	5.52%		
smartMonday Aon MySuper74	36%	\$1.7M	7.12%	5.44%		
Weighted Average	75%		17.84%	8.36%	8.10%	

This table provides information about the asset allocation, size and performance of the investment options available in the Product.



APPENDIX 2

ACCOUNT BALANCE-BASED INVESTMENT METRICS

Time Frame	Account Balance Value					
	\$10,000	\$25,000	\$50,000	\$100,000	\$250,000	\$500,000
1	17.3%	17.7%	17.8%	17.9%	18.0%	18.0%
3	7.8%	8.2%	8.4%	8.4%	8.5%	8.5%
5	7.5%	8.0%	8.1%	8.2%	8.2%	8.3%

This table illustrates how the Product's fee structure affects net returns for different account balances. The illustration is based on historic returns and the current fee structure.