

# XPLORE PENSION

## 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 Xplore Pension product (the Product) issued from Aracon Superannuation Fund (the Fund) provides member outcomes and promotes members' financial interests. The assessment is based on information as at 30 June 2021.

### METHODOLOGY AND STRUCTURE

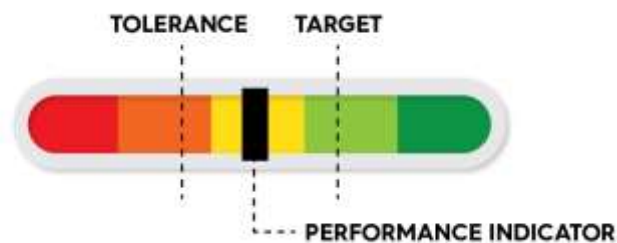
In conducting this assessment, we compared the Product to other choice superannuation products included in statistical data published by the Australian Prudential Regulation Authority (Comparable Products) using the criteria in Part 6 of the *Superannuation Industry (Supervision) Act 1993* and Prudential 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 options, benefits and facilities offered in the Product are appropriate for members; and
3. the scale of the Product and the Fund does not disadvantage members.

## DASHBOARD

### STRATEGIC CONTEXT

Working together with the Fund's Promoter, Aracon, and its sub-promoters, the Fund's purpose is to support members to effectively plan for their personal retirement needs with the choice and control that they desire through a combination of Sub Plans that:

- offer member directed investments through financial advisers;
- offer direct-to-consumer or business-to-business investment options through niche promoters utilising digital platforms; and
- use common operating models to generate size and scale within the Fund so to reduce costs to members.

To support this purpose, our goals for the Fund are to ensure ongoing sustainability and produce scale benefits for members, and to provide members with quality services and support at a competitive fee structure.

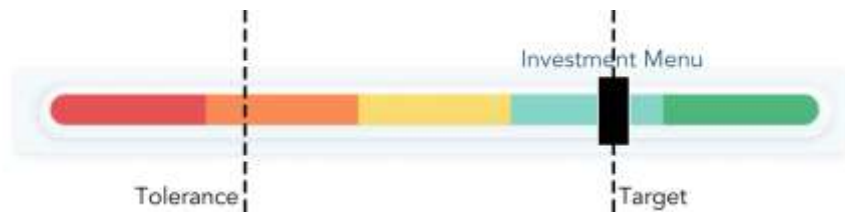
The Product is a choice platform product.



## INVESTMENT MENU

**Outcomes** The Product provides an appropriate range of suitable investments.

**The Product's**  
performance relative to  
Comparable Products



Ref	Metric Label	Value	Tolerance	Target
2.1	Investments above investment grade	100.00%	80.00%	100.00%
2.2	Coverage of key asset classes	100.00%	63.00%	100.00%

2.1 An investment is "investment grade" when it or its manager has been publicly recommended by a research house or recommended to us by an asset consultant or an investment manager.

### Commentary

We seek to provide members with a range of accessible investments to select from in order to achieve their investment goals and meet their targeted risk profile.

The performance indicator measures the range of accessible investments available through the platform.

The performance indicator is consistent with our target. No remedial action is required as a result of this assessment.

Therefore, we are comfortable that a sufficient range of accessible investments is available on the platform to enable members to achieve their goals within their targeted risk profile.

## FEES AND COSTS

**Outcomes** Fees (gross of tax) for a \$250,000 account balance are consistent with market rates.

**The Product's**  
performance relative to  
Comparable Products



Ref	Metric Label	Value	Tolerance	Target
3.1	Administration fees at \$250K	0.44%	0.80%	0.60%

3.1 Members pay platform administration fees, plus expense recoveries and the fees associated with their selected investment portfolio. We monitor the administration fees, which are shown here.

### Commentary

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

The performance indicator, which meets our target, measures administration fees against Comparable Products.

As a result, we are comfortable that fees and costs are consistent with market rates and therefore are appropriate having regard to members' financial interests.



## 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	0.00	4.82	2.07
	7.2	Service Level Achievement	100.00%	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 (100%) meets our target. No remedial action is required as a result of this assessment.

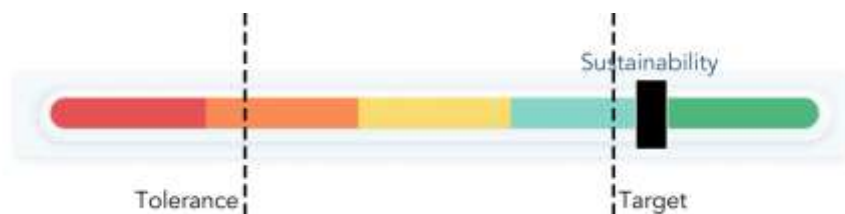
There have been no complaints made to the Australian Financial Complaints Authority about administration services during the period. No remedial action is required as a result of this assessment.

As a result, we are comfortable that administration services satisfy member expectations because of the high rate of service level achievement and that there have been no administration related complaints received during the period. 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.	33.50%	-29.51%	-1.52%
	8.3	Average account balance	\$354,724	\$23,530	\$124,315
	8.5	Movement in member accounts p.a.	50.66%	-36.39%	-8.01%
	8.6	Average member age	58.8	58.00	48.70



## 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.

While the Fund has grown rapidly, it is off a comparatively small base.