

HUB24 SUPER ACCUMULATION MEMBER OUTCOMES ASSESSMENT

INTRODUCTION

In this report, HTFS Nominees Pty Limited (we, our, us) publishes the results of our annual assessment of how well the HUB24 Super Accumulation product (the Product) issued from HUB24 Super 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

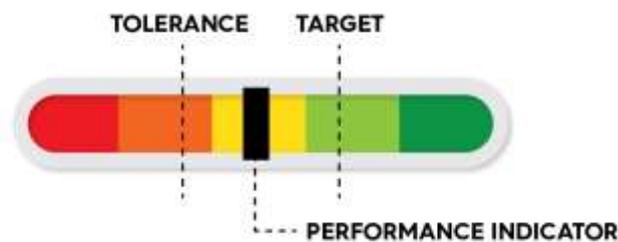
In conducting this assessment, we compared the Product to other choice superannuation products included in statistical data published by the Australian Prudential Regulation Authority (Comparable Products) using the criteria in Part 6 of the *Superannuation Industry (Supervision) Act 1993* and Prudential 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;
3. the insurance premium charged for the Product does not inappropriately erode members' account balances;
4. the insurance strategy for the Product is appropriate; and
5. the scale of the Product and the Fund does not disadvantage members.

DASHBOARD

STRATEGIC CONTEXT

Working together with the Fund's Promoter, HUB24, the Fund's purpose is to make a difference in members' lives by connecting them to innovative solutions that create better outcomes. The strategy for the Fund is focused on continued growth and investment in product and technology solutions that can help members better engage with and grow their superannuation.

To support this purpose, our goals for the Fund are to achieve greater economies of scale to enable ongoing improvements for members, increased member engagement through technology and innovation, and service excellence for members.

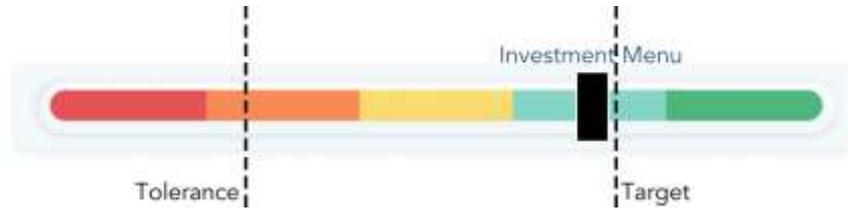
The Product is a choice platform product.



INVESTMENT MENU

Outcomes The Product provides an appropriate range of suitable investments.

The Product's performance relative to Comparable Products



| Metrics | Ref | Metric Label | Value | Tolerance | Target |
|---------|-----|------------------------------------|---------|-----------|---------|
| | 2.1 | Investments above investment grade | 97.54% | 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 does not meet our target and is within our tolerance level. 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



| Metrics | Ref | Metric Label | Value | Tolerance | Target |
|---------|-----|-------------------------------|-------|-----------|--------|
| | 3.1 | Administration fees at \$250K | 0.63% | 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 (e.g. transaction and other activity fees) may be payable which are set out in the Product's disclosure documents.

The performance indicator, which does not meet our target and is within our tolerance level, 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.



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 | 0.00% | 3.70% | 2.42% |
| | 5.3 | Insurer's declined claims ratio - TPD cover | 100.00% | 17.30% | 12.27% |
| | 5.5 | Insurer's declined claims ratio - IP cover | 0.00% | 7.80% | 5.59% |
| | 5.7 | Insurance-related EDR complaints | 1.41 | 2.37 | 1.01 |

5.3 – 5.4 TPD means "Total and Permanent Disablement".
 5.5 – 5.6 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 equal weighting of all the metrics in the above table.

The insured benefits in this Product are supported by a suite of policies issued by AIA, OnePath, TAL and Zurich. For this suite of policies, in the year ended 30 June 2021, the Fund's insurers:

- paid 1 death benefit claim and did not decline any death benefit claims;
- paid no TPD benefit claims and declined 1 TPD claim; and
- paid 6 IP claims did not decline any 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 claim was appropriately considered.

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.

All insurance cover is voluntary. 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 | 0.26 | 4.82 | 2.07 |
| | 7.2 | Service Level Achievement | 72.00% | 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 does not meet our target and is within our tolerance level is based on an equal weighting of the above metrics.

Service level achievement (72%) is outside our tolerance level. Although our 5-day service level has not been achieved, benefit payments are generally made within the longer (30-day) timeframe allowed under the superannuation law.

It is also important to note that the processing of benefit payment transactions can often be delayed due to factors generally outside of our control, such as, the availability of funds required in the Wrap Cash Account to process the transaction. This may have a direct impact on the achievement of our service level.

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.

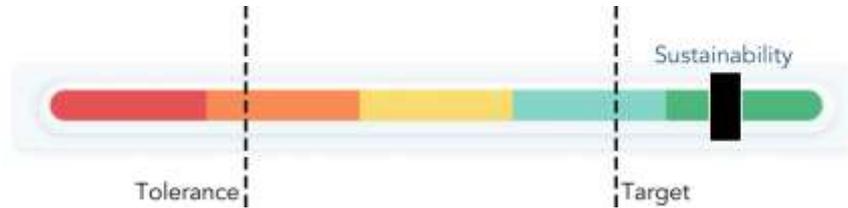
As a result, we are comfortable that administration services satisfy member expectations because the number of administration related complaints requiring external remediation meets our target, and transactions are being processed in accordance with our service level or the superannuation law. Therefore, 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. | 51.43% | -29.51% | -1.52% |
| | 8.3 | Average account balance | \$223,907 | \$23,530 | \$124,315 |
| | 8.5 | Movement in member accounts p.a. | 149.15% | -36.39% | -8.01% |
| | 8.6 | Average member age | 51.5 | 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.

The Fund has grown over 50% in the last 12 months and the average member account balance meets our target.

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 |
|---------|-----|-----------------------------------|-------|-----------|--------|
| | 9.2 | Insurer financial strength rating | A+ | BBB | AA |

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 insurance policies would be able to meet cash requirements in extreme situations. Based on our analysis, we consider that benefits are supported by insurers 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.



HTFS Nominees Pty Limited (ABN 000 880 553, AFSL 232500, RSE L0003216) (referred to in this Schedule as “Equity Trustees”) is part of the EQT Holdings Limited (ABN 22 607 797 615) group of companies, listed on the Australian Securities Exchange (ASX: EQT). This information is intended as a source of information only. No reader should act on any matter without first obtaining professional advice which takes into account an individual’s specific objectives, financial situation and needs.

Copyright © 2022 Equity Trustees, All rights reserved.