



WHOLE OF LIFE NON PROFIT 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 Whole of Life Non Profit product (the Product) issued from the Super Retirement Fund (the Fund) provides member outcomes and promotes members’ financial interests. The assessment is based on information as at 30 June 2021.

COVERAGE

There are three versions of this Product which are summarised in the following table. In this report we have assessed the first version of the Product (G07). Members holding the other versions of the Product can obtain further information by visiting <https://www.aia.com.au/content/dam/au/en/super-pensions/whole-of-life/a-guide-whole-life-endowment-policy-guide-etsl.pdf>.

Version	Product Code	Maturity	Profit share	Bonuses	Unpaid Premium Debt Feature	Policy Loan Feature	Advanced Contribution Account Feature	Paid Up Feature	Basic Sum Insured	Additional Insurance Rider Available	Child Advancement
1	G07 SRFWNP001	Death or age 99	No	No	Yes	No	Yes	Yes	Yes	Yes	No
2	G17 SRFWNP002	Death or age 99	No	No	Yes	No	Yes	Yes	Yes	Yes	No
3	N01 SRFWNP003	Death or age 99	No	No	Yes	No	Yes	Yes	Yes	Yes	No

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:

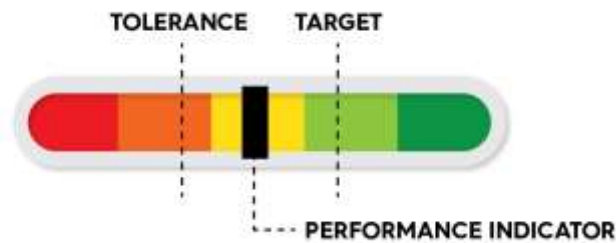
- our overall assessment of whether the Product provides optimal member outcomes and promotes their financial interests;
- a dashboard that depicts our assessment of the Product’s market-relative performance for each outcome we aim to provide members;
- a table summarising the key metrics that we relied 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 options, benefits and facilities offered in the Product are appropriate for members;
2. the insurance premium charged for the Product does not inappropriately erode members' account balances;
3. the insurance strategy for the Product is appropriate; and
4. the scale of the Product and the Fund does not disadvantage members.

DASHBOARD

STRATEGIC CONTEXT

Working together with the Fund's Promoter, AIA Australia (AIA), the Fund's purpose is to enhance retirement outcomes by providing products that allow members to accumulate retirement savings, receive retirement income and protect their assets.

To support this purpose, our goals for the Fund are to enhance members' retirement balances through reduced fees, provide members with confidence through reliable and clear delivery of regulatory compliance, satisfy members through engaging member service that assists them grow their account balances and grow member balances through competitive investment returns in line with stated objectives and targets.

The Product is a traditional superannuation product that is supported by a traditional, whole of life or endowment policy.



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%
	5.2	Insurer's average time to decision - life cover	0.75	2.03	1.37
	5.7	Insurance-related EDR complaints	1.30	2.37	1.01

5.2 The time to decision is measured in months.
 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, the timeliness of claim decision-making 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 retail life insurance policies. For this suite of policies, in the year ended 30 June 2021 the Fund's Insurer paid 29 death benefit claims.

No claims were denied and no remedial action is required as a result of this assessment.

As the average time to decision meets our target, no remedial action is required as a result of this assessment.

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	2.81	4.82	2.07
	7.2	Service Level Achievement	95.63%	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 (95.63%) 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 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 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	Movement in member accounts p.a.	-15.72%	-36.39%	-8.01%
	8.3	Average member age	60.0	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 does not meet our target and is within our tolerance level, is based on an equal weighting of the above metrics. No remedial action is required as a result of this assessment.

As the Fund is closed to new members, movements in member accounts and the average member age are expectedly below our targets. We expect these indicators will move further away from our targets as members move closer to retirement.

With total member benefits of \$3.0b and almost 46,000 members, the Fund retains sufficient scale to support member outcomes into the future. Nevertheless, we continue to monitor the impact that the expected reduction in Fund size may have on member outcomes.

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 insurance policies.



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 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.

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