

## Fiducian Superannuation Fund, incorporating the Fiducian Superannuation Service, Pearl Superannuation, Auxilium Superannuation Service, AMFG Superannuation, Loyalty Wealth Superannuation and I AM Superannuation (the Fund)

### Member outcomes assessment – annual determination at 30 June 2024

The Trustee, in accordance with Superannuation Prudential Standard SPS 515 – Strategic Planning and Member Outcomes, is required annually to assess its performance and make a series of determinations in relation to the promotion of financial interests of members.

This assessment considers a number of objectives and outcomes that the Trustee aims to achieve for members, and takes into account comparisons with comparable choice products across a range of fund design and performance criteria, including:

- Options, benefits and facilities
- Investment strategy and performance
- Overall size and scale
- Operating costs
- Insurance strategy and premiums

The objective of this assessment is to enable the Trustee to identify areas of improvement that can be factored into the Fund's strategic objectives to allow the enhancement of the Fund's business operations and improvements to the quality of outcomes provided to members.

The Trustee has assessed its performance against the outcomes sought for the year ending 30 June 2024, and has set out below a summary of the assessment of each of these areas.

### Options, Benefits and Facilities

As a member choice superannuation fund, the Fund offers a wide range of design features that members, in consultation with their financial planner, can select from to create a customized superannuation account.

These features include:

- A range of diversified and asset sector investment options
- Voluntary death, disablement and salary continuance insurance
- Consolidated online services including full account details and investment switching
- Distribution reinvestment option
- Six monthly member statements
- Tax parcel selection on investment sales
- Binding death benefit nomination option

The options, benefits and facilities (features) offered under the Fund have been reviewed by the Trustee. The review has considered the percentage of members utilising each feature, whether or not there is an additional cost associated with the use of the feature, and the Trustee's opinion as to whether the facility is appropriate in promoting the financial interests of members.

***Having reviewed the options, benefits and facilities offered under the Fund, the Trustee has determined that they promote the financial interests of beneficiaries, and are appropriate to those beneficiaries.***

## Investment Strategy and Performance

### Strategy

The Trustee's investment strategy for the Fund is "to ensure that there is a range of approved investment products available, sufficient to enable diversification across a range of asset sectors".

To cater for differing return and risk tolerances and preferences, the Trustee provides a range of investment products across the risk/return spectrum. In developing, offering and reviewing these investment products, the Trustee:

- Takes into account the relevant legislative requirements.
- Takes into account the characteristics of the Fund and its members.
- Considers that Fund members may have a range of possible risk tolerances and preferences
- Considers the size, business mix and complexity of the Fund.
- Ensures the investment products offered allow members to achieve adequate diversification.
- Considers the ongoing appropriateness of the investment strategies offered

The Trustee, through its Investment Committee, regularly reviews the ongoing short, medium and long term performance of each investment product, the (where applicable) external investment rating grade applicable to each investment product, and the ongoing appropriateness of the risk and return targets and risk label applied to each investment category.

### Performance

The Trustee's assessment of investment performance has measured the net investment returns of investment options over a range of periods ending 30 June 2024. The Trustee believes these provide a review over appropriate time frames to assess the ongoing performance of each investment option.

For each investment option, the Trustee, in consultation with its Investment Committee, has determined an appropriate benchmark against which performance can be assessed.

As a member choice superannuation fund, the Fund offers a range of diversified and asset sector specific investment options from which members may choose. Currently this range comprises, depending on the sub-fund to which a member belongs, between approximately 70 and 300 active options.

By way of example, detailed below are the short, medium and long term performance of all investment options which comprise 5% or greater of the total assets of the Fund.

Investment Returns and Rankings to 30 June 2024 (net of investment fees) For Investment Options Holding > 5% of the Fund							
Investment Option	% of Fund	1 Year to 30 June 2024		5 Years to 30 June 2024		10 Years to June 2024	
		Net return % pa.	Ranking or Index	Net Return % pa.	Ranking or Index	Net Return % pa.	Ranking or Index
Fiducian Active Moderate Growth Portfolio	25.4%	10.1%	18/121	5.8%	6/107	7.4%	2/85
Fiducian Active Conservative Growth Portfolio	15.0%	6.7%	18/42	2.8%	12/35	4.2%	4/30
Fiducian Active Growth Portfolio	13.1%	11.2%	51/163	6.6%	18/144	8.3%	4/126
Fiducian Active High Growth Portfolio	10.5%	13.3%	33/91	6.8%	42/75	8.7%	7/64
Fiducian International Shares Fund	7.2%	14.9%	19.9%	10.3%	13.0%	11.4%	13.1%
Fiducian Australian Shares Fund	6.7%	9.2%	11.9%	7.0%	7.2%	8.3%	8.0%

***Having reviewed the investment strategy of the Fund and investment options, the related considerations and monitoring processes and the Fund's overall investment performance, the Trustee has determined that the Fund's investment strategy, including the level of investment risk and the return target, promotes the financial interests of beneficiaries, and is appropriate to those beneficiaries.***

## Overall Size and Scale

The Trustee has, in assessing the impact of the overall size and scale of the Fund, considered the following range of factors and indicators of the Fund and Trustee's ability to continue to promote the financial interests of members:

- Investment opportunities
- Insurance arrangements
- Fees and costs
- Service provider bargaining power
- Staff attraction and retention
- Potential risk pooling
- Member profile and Fund growth potential

In addition, the Trustee compared the Fund against comparable choice products over a range of objective future sustainability metrics including:

- Net member benefit outflow ratio
- Net rollover ratio
- Membership growth
- Fund balance growth
- Net cash flow ratio

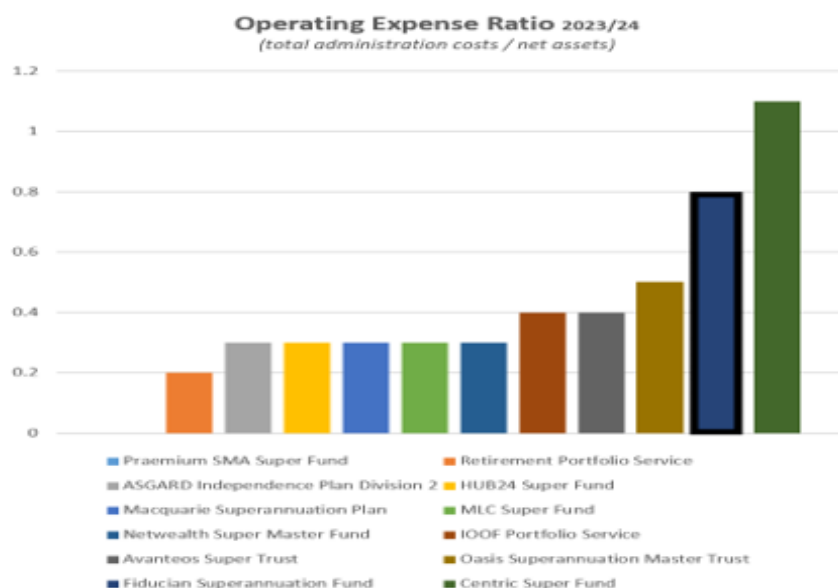
In the analysis of each of the future sustainability metrics the Fund achieved a positive result, and an above median ranking against comparable choice products.

***Having assessed the range of factors and future sustainability metrics above, the Trustee has determined that beneficiaries are not disadvantaged by the scale of its business operations, and that it is promoting the financial interests of those beneficiaries.***

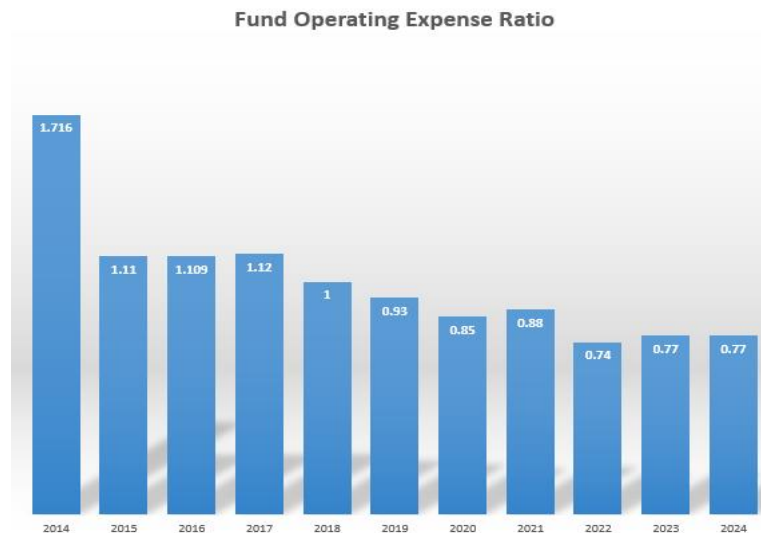
## Operating Costs

In assessing the appropriateness of the Fund's operating costs the Trustee has accessed publicly available data from the Australian Prudential Regulation Authority (APRA). This data provides annual details of the operating expense ratio (total administration costs / total fund assets) of funds regulated by APRA.

The Trustee has compared the operating expense ratio of the Fund against comparable choice products and reviewed the trend of the Fund ratio over the past 10 years. While the Fund ranks at the upper end of comparable fund fees, the Fund continues to provide a broad range of premium options and features beneficial to members.



As a standalone measurement of the Fund, the analysis shows that the operating expense ratio for the Fund has been generally trending downward for the past 10 years.



The Trustee notes that it is not involved in the sponsorship of any sporting or cultural events or activities, any sporting teams, and does not make payments to any political parties, unions or employer organisations.

The Trustee has reviewed the basis for the setting of the fees of the Fund and believes that the existing structure is appropriate.

***Having reviewed this analysis, the Trustee has determined that it is promoting the financial interests of beneficiaries, and that the operating costs and the basis of the costs of the Trustee's business operations are not inappropriately affecting the financial interests of those beneficiaries.***

## Insurance Strategy and Premiums

The Trustee's insurance strategy is to make available to members, on a voluntary opt in basis, a range of insurance options that are compliant with the SIS sole purpose test, common to superannuation funds in general, and which provide relevant and appropriate benefits. The insurance options available to members are death and terminal illness benefit, total and permanent disablement benefit, and salary continuance insurance.

***Having reviewed the Fund's insurance strategy, the Trustee has determined that it promotes the financial interests of beneficiaries, and is appropriate to those beneficiaries.***

As the Trustee's insurance strategy is to make available insurance cover on a voluntary, opt-in basis, there are no members who would be charged a premium for compulsory unwanted, unnecessary or inappropriate cover.

The Trustee sought an independent review in 2021 of the levels of insurance premiums charged in the Fund when compared with the premiums charged in a range of comparable choice products. The results of this review provided assurance to the Trustee that the premiums paid by members for their insured benefits are competitive with peer products.

***Having reviewed the insurance fees payable by Fund members the Trustee has determined it is promoting the financial interests of beneficiaries, and that the retirement income of those beneficiaries is not being inappropriately eroded.***