



MEMBER

OUTCOMES

ASSESSMENT

2020/21



**FIRST
super**

PUTTING MEMBERS FIRST



An Industry
SuperFund

EACH YEAR WE MUST COMPLETE AN ANNUAL MEMBER OUTCOMES ASSESSMENT TO DETERMINE IF OUR PRODUCTS ARE PROMOTING THE BEST FINANCIAL INTERESTS OF MEMBERS.

We have assessed our accumulation (including MySuper) and pension products for the financial year ending 30 June 2021 and can conclude each of these products promotes the best financial interests of our members.

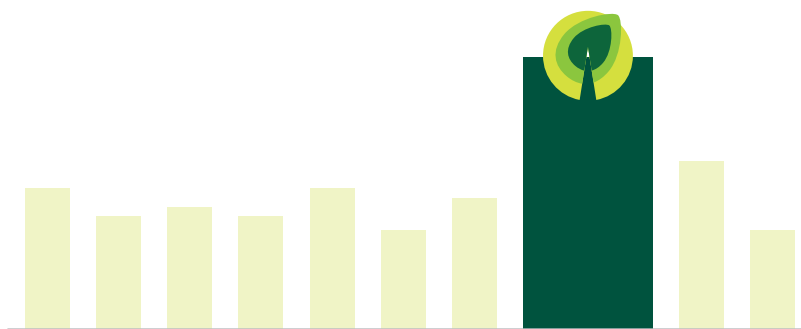
Our products include our MySuper (Balanced) option, which is the default product for members, and four additional choice products that have varying levels of risk and return targets. These are: Shares Plus, Growth, Conservative Balanced and Cash.

We assessed our products by focusing on two key areas:

- > **Fees and returns compared to other funds**
- > **Analysis of our other member benefits.**

ANNUAL PERFORMANCE TEST

In 2021 the Australian Prudential Regulation Authority (APRA) introduced an annual performance test for MySuper products (this will be expanded to include choice products in future years). First Super's MySuper product performed strongly, passing the test by a margin of 1.26%, which put us in the top 11 performing funds.



FEES AND COSTS



We compared First Super's MySuper product to all other MySuper products, while choice products were compared to products with a similar growth allocation, except for Cash. This was compared to publicly available investment data from other funds.

Total product fees remain competitive for accumulation and pension products. Our analysis shows that the difference between fees for First Super members and other fund members decreases as membership balances grow. This shows that the key difference is based on the weekly fixed costs (administration fees), rather than investment costs. Importantly, the administration fee was reduced by 17% in November 2021. This reduction will have a positive impact on member accounts going forward.

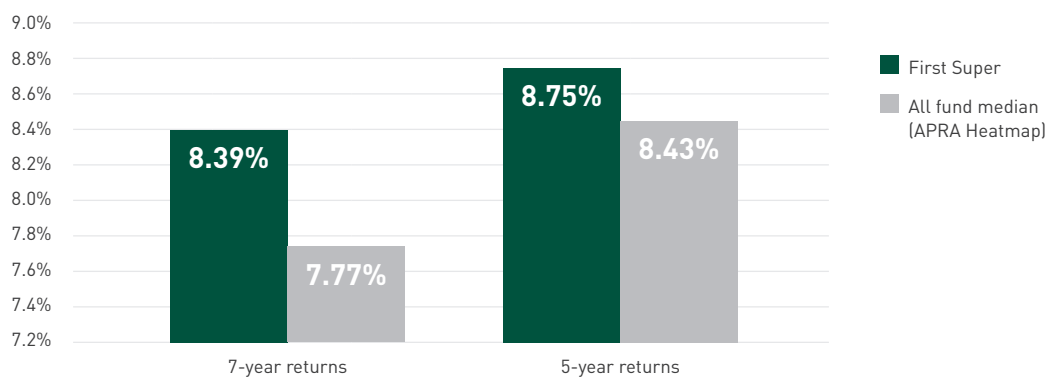


INVESTMENT RETURNS



First Super continues to generate higher than average net returns over the longer term, with returns above the peer group median for 5 and 7 years for the MySuper product.

FIRST SUPER MYSUPER NET RETURNS VS. MEDIAN



To compare our choice products for accumulation and pension, we looked at First Super's performance against peer group funds. This peer group was based on several factors including funds with a similar membership base and funds that are key competitors. Choice options were compared to peer group funds over time periods of up to 10 years.

Focusing on this longer-term performance, First Super's accumulation choice products outperformed the peer group in every option over 5 and 10 years.

The pension Shares Plus, Conservative Balanced and Cash options also outperformed over these timeframes. Only two pension options – Growth and Balanced – marginally underperformed the peer group. Over 10 years the difference was less than 0.5%.

INVESTMENT STRATEGY AND RISK



We invest for the long term, aiming to grow members' super over their working life, while protecting their savings. We do this by setting performance objectives for each of our investment options that seek to balance risk versus reward, and by constantly monitoring economic and investment conditions.

Most of First Super's return targets are above average relative to the risk of negative returns. This means that First Super sets higher than average goals for our investment options versus our peers for the same level of risk. First Super met its return targets for all options in the last financial year.

In addition, First Super's actual returns are above the peer group median, or in the case of the MySuper product, above the median of all other MySuper products.

1-YEAR RETURN TARGETS FOR ACCUMULATION OPTIONS

Option	First Super target	Other funds*	First Super return
Balanced	7.35%	8.43%	14.73%
Growth	7.60%	8.68%	18.47%
Shares Plus	7.85%	8.68%	22.16%
Cash	0.06%	n/a	0.44%
Conservative Balanced	5.85%	8.68%	9.78%

*This is the hardest (or most optimistic) return target set by the other funds analysed.

We also take steps to protect members' retirement savings against environmental, social and governance (ESG) risks by engaging with our equity managers about how the companies within their portfolios apply ESG factors.

OPTIONS, BENEFITS AND FACILITIES



INVESTMENT OPTIONS

First Super offers a range of investment options, giving members the opportunity to manage their investment risk and goals. The majority of members are invested in the Fund's default products.

HOW OUR MEMBERS ARE INVESTED

88%
Balanced



- Shares Plus
- Growth
- Balanced
- Conservative Balanced
- Cash

MEMBER BENEFITS

First Super members can manage their super in the secure firstonline portal and have access to a wide variety of education tools and hands-on support, including a dedicated contact centre, Member and Employer Services Coordinators, and Financial Advice Team.

While members of other funds are often charged for intrafund advice, First Super does not charge for this service. This gives more members easy access to advice that can help them make informed decisions about their retirement savings. In a recent SuperRatings assessment, the Fund's advice services were assessed as "excellent". (SuperRatings provides ratings, research and consulting for the superannuation industry.)

INSURANCE STRATEGY AND FEES



We review our insurance strategy annually to ensure it remains appropriate for members, focusing on quality of cover as a key driver.

We offer three types of insurance cover. Eligible members, and those who opt in, receive default levels of Death and Total and Permanent Disablement (TPD) insurance. Income protection cover is available on a voluntary basis.

Depending on a member's occupation, lower cost premiums may be available.

First Super's TPD offering is comprehensive compared to other funds, giving members a wider range of circumstances under which their claims may be paid out.

First Super has a rate guarantee with MetLife (our insurer) until April 2023, so the overall value of our offering to members will continue to become more competitive over time as other funds increase premiums.



SCALE AND EFFICIENCY



FIRST SUPER MANAGES

\$3.6 billion

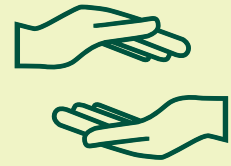
in retirement funds for around

46,000 members (at 30 June 2021).

We closely monitor the costs incurred as part of our ongoing operations and management to ensure we deliver a competitive net benefit to members.

Based on our analysis, our net investment returns remain competitive compared to peer group funds, including those with a larger scale (size), and our business model is judged to be sustainable according to APRA's Heatmap results. (APRA's Heatmaps give insights into investment performance, fees and sustainability.)

DETERMINATION



Based on the comparisons and analysis undertaken as part of the member outcomes assessment, we are pleased to conclude that members' financial interests are being promoted by First Super.



**WANT TO LEARN MORE ABOUT
BEING A FIRST SUPER MEMBER?**

HERE'S HOW TO REACH US.

Phone 1300 360 988
Email mail@firstsuper.com.au
Website firstsuper.com.au

