



Outcomes Assessment for Financial Year 2021/2022

Bendigo SmartStart Super[®]
Choice

Through Bendigo SmartStart Super (BSSS), we want to help you prosper in retirement, by keeping our fees low and delivering strong long-term investment performance.

Bendigo SmartStart Super (BSSS) members have the option to choose from 13 Choice investment options with differing risk and return profiles, as well as the MySuper investment option. The choice investment options also allow a choice between indexed lower cost investment options or more expensive active managed investment options. Members who don't make an investment choice will be invested in our default lifecycle investment option, Bendigo MySuper.




This Outcomes Assessment is an important review of how BSSS is delivering across areas that impact members' future retirement savings. This includes investment performance, fees and costs, insurance, benefits and facilities.

The process of this review and results of our outcomes assessment is outlined below in three parts. Firstly, we present the key data we used to compare ourselves across the assessment factors outlined above. We then present an analysis of each of these assessment factors, followed by a final summary (determination) around whether we have met our obligations to promote the financial interest of our beneficiaries. We used the following symbols to show whether we met an objective, partially met it, or did not meet it at all.

After completing a thorough assessment, we are pleased to report that we have continued to deliver members a simple low-cost super solution with long-term investment performance and customer service. The process of this review and results of our outcomes assessment for the choice product are outlined below.

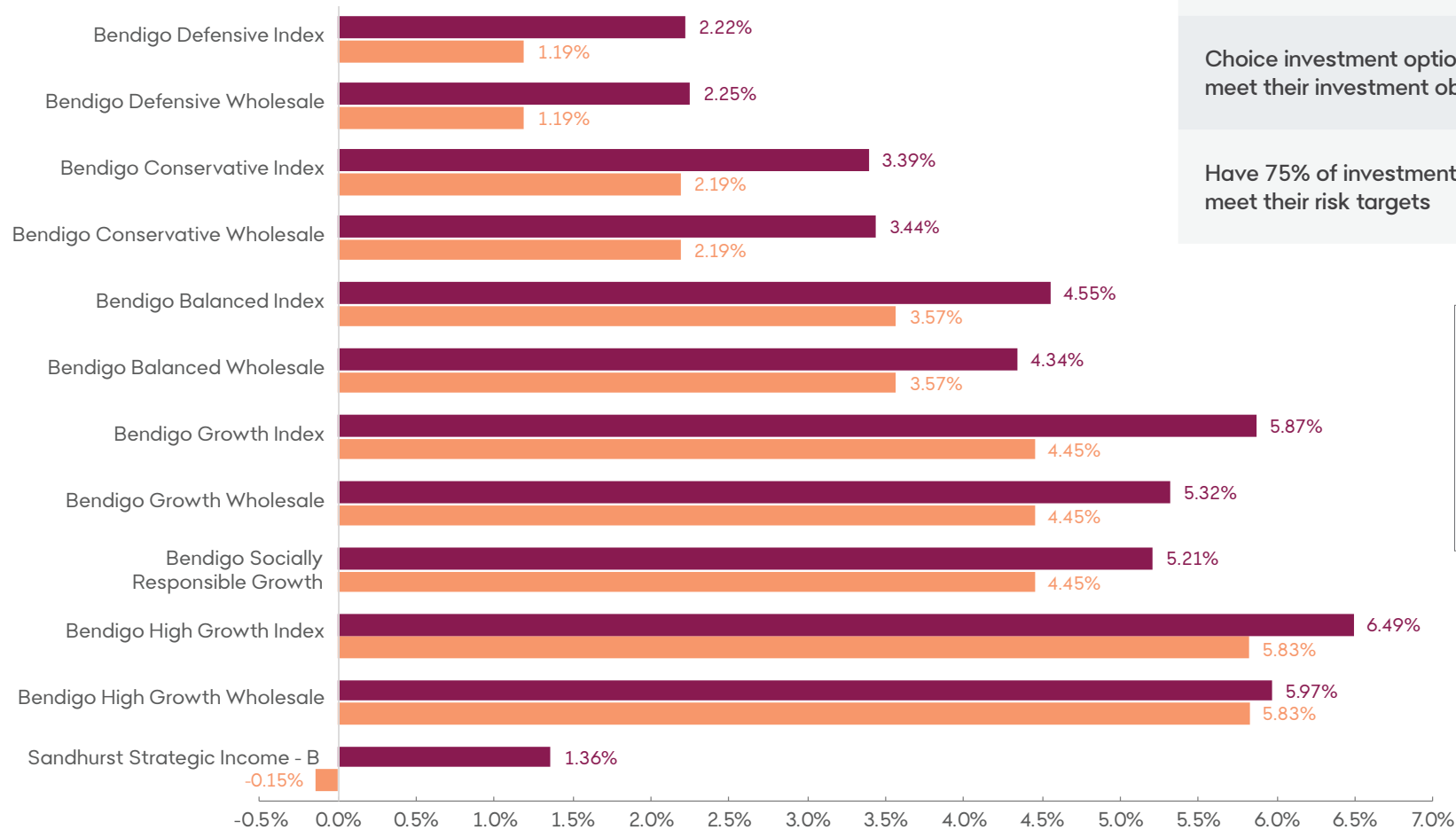
How we compare

Using data from APRA as well as third party research agencies such as Chant West and Morningstar, we compared the performance of our accumulation investment options against a peer group of super funds for the financial year ending 30 June 2022.

Objective was met	
Objective was partially met	
Objective was not met	

Investment returns and risk

BSSS Investment Options



Objectives

Results

Achieve net investment returns above the industry average over rolling five-year periods for all Choice investment options



Choice investment options to meet their investment objectives



Have 75% of investment options meet their risk targets



 Net Investment Return 5yr p.a.
 Morningstar Superannuation Peer group average (p.a.)

Some choice options, over 8 years, ranked in the third or fourth quartile when compared to MySuper funds with a similar allocation of Growth/Defensive assets (Source: APRA's Heatmap). In particular our Balanced Indexed and Balanced Wholesale Funds ranked in the third quartile and our Growth Wholesale Fund ranked in the fourth quartile. We are reviewing ways to improve investment performance.

The majority of investment options were within their investment risk targets.

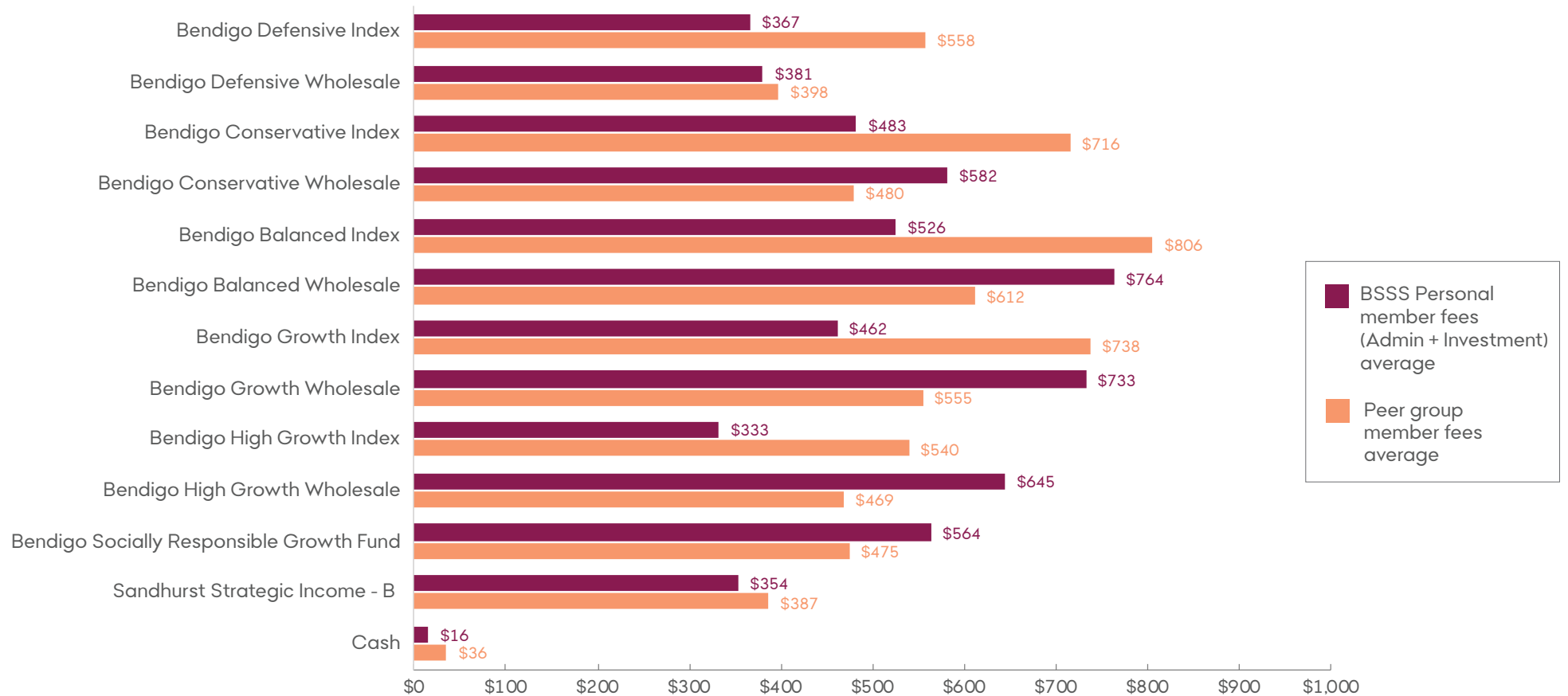
Member fees (Admin and Investment)

BSSS Investment Options

Objectives

Member fees no more than the peer group average

Results



This objective was met for 62% of BSSS Choice members paying lower member fees (administration and investment fees) than the peer group average. The Choice member fee average of \$769 is lower than the peer group average of \$899.

Whilst our Index Funds are priced competitively and compared favorably to our peer group, our actively managed wholesale funds had investments fees ranging from 0.11% to 0.53% p.a. higher than our chosen peer group. We are reviewing ways to improve net investment performance and we will continue to monitor the setting of our fees.

Insurance

Providing members with an appropriate level of insurance is an important part of helping our members financially in the event of an accident, serious illness or even death. However, we need to ensure that the cost of this cover isn't having a detrimental impact on future retirement savings.

The results benchmarking insurance fees relative to contributions indicates that overall, the premiums are set at a reasonable level.

Objectives

To provide a range of insurance options while containing premium costs to a level comparable with other comparable products

Results



We reached this conclusion by looking at the following factors:

Factor	Results
Cost of insurance does not have a detrimental impact on members retirement savings	<ul style="list-style-type: none"> · The average premium costs are significantly lower than 10% of annual Super Guarantee contributions. · The average cost of our default cover is significantly less than the industry benchmark of 10%. · For those not regularly contributing Super Guarantee the average premium cost to balance was 0.34% which is significantly lower than our objective. · The average default premium as a percentage of salary is 0.32%, well below the industry target of 1%.
Provide a claims admittance rate comparable to the industry average	<p>Our claims admittance rate for Death and TPD insurance has improved from last year but is still lower than the industry average due to the application of a pre-existing condition exclusion. This exclusion allows us to keep our premium costs competitive.</p> <p>Our claims admittance ratio for income protection insurance remains above industry average.</p>

Analysis of each of the assessment factors

An important part of this review is how we comply as Trustee in promoting the financial interests of our members across investment returns, risk, fees, costs, and the benefits and facilities offered.

Investment returns and risk

Our determination: The investment strategy, including the risk and return targets, promotes the financial interests of members.

We considered our Choice investment strategies and compared the risk and returns achieved throughout each investment option (and overall) against industry/peer group averages.

We reached this conclusion based on the following:

- We exceeded our objective of having 75% of investment options meet their investment objectives over ten years, with 100% of options exceeding their investment return objectives.
- All investment options exceeded their peer average net investment returns for the rolling 5-year period.
- For our Bendigo Growth Wholesale Fund and Bendigo High Growth Wholesale Fund, we are reviewing ways to improve net investment returns.

Fees and costs

Our determination: Fees and costs charged are not inappropriately impacting the future retirement savings of members and the basis for setting fees is appropriate.

We considered our business operating costs and whether they are inappropriately affecting the financial interests of members.

We reached this conclusion based on the following:

- Administration fees were very competitive against the comparable peer group average.
- The objective of having member fees (administration and investment) of no more than the peer group average has been met for 62% of choice members.
- Our investment menu offers a choice of investments with different fee levels and investment objectives.
- Operating costs charged to the fund or expense reserve are less than the average of the comparable peer group, and significantly below the industry average.

Insurance

Our determination: Insurance fees charged do not inappropriately erode future retirement savings across most of our members and that they are reasonable compared to actual claims paid out.

We looked at the appropriateness of our insurance strategy, and corresponding insurance costs were assessed, considering their impact on members' retirement outcomes.



Consideration was also given to the impact of different insurance arrangements and premiums for different products across Fund member cohorts. In assessing the erosion of retirement income, affordability measures were examined and benchmarked with comparable products.

Overall, we do not believe any insurance fees charged in relation to the product inappropriately erode the retirement income of those beneficiaries.

Benefits & facilities

Our BSSS Choice product is designed to be simple and cost effective. As such, our objective is to ensure that services we offer and how we engage with members is relevant and beneficial for members. This way we can continue to keep BSSS Choice product fees competitive.

Overall, we are mostly meeting our objectives of obtaining satisfactory customer service experience and providing effective member education and engagement.

Objectives	Results
Adequate level of customer service	
Providing effective members' education and engagement	

Of the four measures assessed around customer service only our Net Promoter Score was lower than the industry median, which we will focus on improving.

Scale

Our determination: Members are not disadvantaged by our scale

We considered the size of our BSSS Choice product in the context of the services we are able to leverage from being part of the Bendigo and Adelaide Bank, together with the core services and features our members receive from our key service providers being our member administrator and insurer. Whilst the growth in our members is less than we would like, our assessment showed that we are able to offer a range of diversified choice investment options, with differing price points, with long-term investment performance and an appropriate insurance offering.

Bendigo Choice Trustee Determination

Our choice product is competitively priced, with its representative member fees being no more than the peer group average. Investment performance achieved net investment return objectives, with the majority of investment options meeting their investment risk objectives. Basic (yet adequate) tools and facilities are offered to members to assist with keeping costs low.

Through undertaking the member outcome comparisons and assessments and in accordance with the requirements of section 52(9) – 52(11) of the SIS Act, we as Trustee, have determined that we are promoting the financial interests of the beneficiaries in the Choice product.

The comparisons and assessments undertaken for the member outcomes assessment show that the choice investment product is sustainable in terms of investment returns, insurance, fees and costs and scale.

We have balanced the comparative and assessment steps under sections 52(10A) and 52(11) of the SIS Act by considering the key factors relating to returns, investment strategy, fees and

costs. Secondary key factors relating to the appropriateness of insurance offerings including fees, and any disadvantages from scale, followed by consideration of options, benefits and facilities have also been taken into account.

Based on the comparison data and corresponding analysis of the assessment factors, we have determined that the following are appropriate to members/beneficiaries in the Choice product:

- the options, benefits and facilities offered under the product;
- the investment strategy for the product, including the level of investment risk and the return target;
- the fees and costs;
- scale;
- the insurance strategy; and
- that insurance fees charged do not inappropriately erode the retirement income of the majority of beneficiaries.

This determination is made for the financial year to 30 June 2022.

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Bendigo SmartStart Super (the Fund) is issued by Bendigo Superannuation Pty Ltd (Bendigo Super) ABN 23 644 620 128, AFSL No. 534006 a subsidiary of Bendigo and Adelaide Bank Limited (the Bank) ABN 11 068 049 178 AFSL 237879. Bendigo Super and the Bank receive remuneration on the issue of the Fund or the service they provide, full details of which are contained in the Product Disclosure Statement. Investments in the Fund are not deposits with, guaranteed by, or liabilities of the Bank or any of its related entities. Past performance is not an indication of future performance. This document contains general advice only. You should consider your situation and read the Product Disclosure Statement, available at www.bendigobank.com.au/super, before making an investment decision. For target market determination: www.bendigobank.com.au/TMD (1848988-1847685) (03/23)