

Legislative Outcomes Assessment

Annual Determination for the Year Ending 30 June 2020, made by the Trustee Board on 2 February 2021.

1. Introduction

Christian Super (**the Fund**) is required to make an annual determination as to whether we are promoting the financial interests of our members, and to publish this on our website.

The Fund is required to make the following three determinations:

1. That the financial interests of members in our MySuper product are being promoted (**the MySuper Product Determination**)
2. That the financial interests of members in our Choice products are being promoted (**the Choice Product Determination**)
3. That the financial interests of members of the Fund as a whole, are being promoted (**the Whole of Fund Determination**)

The approach that we have taken to make these determinations is outlined below, followed by a summary of the results and the determinations.

2. MySuper Product Determination

Methodology

Our MySuper product (**My Ethical Super**) has been assessed vs all other MySuper productsⁱ in Australia, using data from the Australian Prudential Regulation Authority's (**APRA's**) Heatmap.

The assessment considered three main areas:

1. Administration fees for various account balances
2. Total fees for various account balancesⁱⁱ
3. Long term (6 years) and short term (3 year) investment performanceⁱⁱⁱ

Results

The table below contains an overview of our MySuper product assessment.

MySuper Assessment	Quartile
1. Administration fees	3 rd
2. Total fees	4 th
3. Investment performance	3 rd
Overall Result^{iv}	3rd

MySuper Product Determination

As the overall results fall within the 3rd quartile or above, it can be concluded that the investment performance (taking into account investment risk) delivered to beneficiaries is appropriate with respect to the fees and costs paid to obtain that performance. **We have therefore determined that we are promoting the financial interests of members in our MySuper product.**

It should be noted that subsequent to the making of this determination, the MySuper product has not passed the Annual Performance Assessment to 30 June 2021. This does not change this specific determination, but will be reflected and impact the determination to be made for FY2021, which will be published early in 2022.

3. Choice Product Determination

Methodology

Our Choice products (i.e. all of our investment options^v excluding My Ethical Super) have been assessed vs comparable choice products offered by other super funds, using various independent data sources (SuperRatings and Rainmaker) as the APRA Heatmap does not yet include choice products.

The assessment considered four main areas:

1. Fixed administration fee
2. Variable administration fee
3. Total investment fees
4. Investment performance over various timeframes

Results

The table below contains an overview of our Choice product assessment.

Choice Assessment	Quartile
1. Fixed administration fees	1 st
2. Variable administration fees	3 rd
3. Total investment fees	3 rd
4. Investment performance	2 nd
Overall Result	3rd

Choice Product Determination

As the overall results fall within the 3rd quartile or above, it can be concluded that the investment performance (taking into account investment risk) delivered to members is appropriate with respect to the fees and costs paid to obtain that performance. **We have therefore determined that we are promoting the financial interests of members in our Choice product.**

4. Whole of Fund Determination

Methodology

Our Whole of Fund assessment considered four key areas:

1. The appropriateness of the options, benefits and facilities of the Fund
2. The appropriateness of the investment strategy
3. The appropriateness of the insurance strategy and its associated costs
4. The appropriateness of the operating costs and associated fees, with particular regard to the scale of the fund

Whole of Fund Results

The table below contains an overview of our Whole of Fund assessment.

Whole of Fund Assessment	Quartile
1. Options, benefits and facilities	2 nd
2. Investment strategy ^{vi}	n/a
3. Insurance strategy and costs	1 st
4. Operating costs, fees and scale	3 rd
Overall Result	2nd

[Appropriateness of Options, Benefits and Facilities](#)

In addition to the investment and insurance options offered to members (which are outlined in the following sections) The Fund offers the following optional services, which have been deemed appropriate for its members:

- Online access to accounts through the Fund's MemberAccess portal;
- Mobile access to accounts through the Fund's Mobile App;
- General and administrative advice through the Fund's in-house Member Care Team; and
- Intra-Fund Financial Advice through the Fund's arrangement with Link Advice.

[Appropriateness of Investment Strategy](#)

The MySuper options aims to deliver over a working lifetime, returns of inflation + 3.0%. This objective is consistent with a member who enters the workforce at age 23 and retires at age 67 being funded with approximately 20 years of retirement income. Following on from this objective, the portfolio is constructed to deliver this outcome and the investment risk adjusted accordingly. Our view is that this is appropriate to the beneficiaries of the default option and promotes their financial interests.

The Fund offers seven options within the Choice product so that there is sufficient diversity of option risk to allow members in different financial circumstances, and at different points in their retirement savings journey to appropriately tailor their investment strategy. We continue to hold the view that this option suite remains appropriate for the beneficiaries and is promoting their financial interests.

[Appropriateness of Insurance Strategy and Costs](#)

In January 2020, the fund engaged IFS insurance solutions to undertake a review of the insurance product design for the fund. IFS benchmarked the Fund's default Death and Total and Permanent Disability (TPD) cover against a suite of industry adjacent funds, and also reviewed the Fund's default Income Protection cover as a percentage of median salary. While we assessed our insurance product as being appropriate for our membership base and well-place relative to the market, we are in the process of reviewing the product structure based on opportunities identified by IFS.

[Appropriateness of Operating Costs, Fees and Scale](#)

As a profit-to-members fund, Christian Super operates on a cost-recovery basis which we believe is an appropriate basis for setting the revenue amount that is collected through fees.

We have compared the operating costs of the Fund to the industry median using the latest *Annual Superannuation Statistics* that are published by APRA. As the Fund's operating costs per member are comparable to other funds in the industry, it is our view that the operating expenses, and the fees associated with them are not disadvantaging the financial interests of the Fund's members.

[Whole of Fund Determination](#)

It has been concluded that the insurance strategy, investment strategy, options, benefits and facilities accessible by beneficiaries are appropriate with respect to the fees and costs paid to have access to them.

We have therefore determined that we are promoting the financial interests of members of the Fund as a whole.

5. Endnotes

ⁱ We have compared our My Ethical Super product to all other single strategy MySuper products, as well as the most comparable stage of all MySuper life cycle products, where 'most comparable' is defined as the stage with the closest growth asset allocation on an absolute basis.

ⁱⁱ Note that the weighting within the administration fees and total fees areas was split based on the proportion of our members that fall into each account balance band, rather than being equally weighted.

ⁱⁱⁱ 6 years is the longest timeframe currently available in the APRA Heatmap.

^{iv} The overall result for the MySuper product assessment was weighted as follows: Administration fees (25%), Total fees (25%), and Investment performance (50%).

^v Our Ethical Index Shares, Ethical Growth Plus and Ethical Balanced Growth investment options were opened in July 2019, and therefore have only 1 year of performance history. Our view is that this is not a long enough time horizon to compare the performance history of an investment strategy and therefore these options have not been included in the performance calculations.

^{vi} A quartile ranking was not assigned for Investment strategy as it was assessed on a qualitative basis.