

SUNCORP SUPERANNUATION









A Summary of the 30 June 2020 Member Annual Outcomes Assessment

Each year we (Suncorp Portfolio Services Limited ('Suncorp') as trustee of the Suncorp Master Trust (SMT)) are required to assess our performance based on a number of factors and make an annual determination, 'Annual Outcomes Assessment (AOA)', that we are promoting the financial interests of our members. We must provide the Australian Prudential Regulation Authority (APRA) a copy of the AOA. Suncorp must assess whether the outcomes it seeks to provide members have been, and will be, provided, and whether and how those outcomes could be improved.

Suncorp offers one MySuper option, a Lifecycle investment strategy option named the 'Suncorp LifeStage Fund' (SLF) with 12 separate age-based cohorts, and 53 Choice investment options through the following products: Suncorp Brighter Super Personal (Accumulation & Pension), Suncorp Brighter Super for Business, Suncorp Everyday Super (Accumulation & Pension) and the Suncorp Employee Superannuation Plan.

A summary of the AOA submitted to APRA is included in the table below.

- The factor '**rating**' illustrates Suncorp's performance relative to other superannuation providers.
- The '**quartile**' representation illustrates Suncorp's performance relative to other superannuation providers. 1st quartile is most favourable (top 25% performance) & 4th quartile is least favourable (performance in the last 25%).

Factor	Summary	Rating
Total Fees & Costs ¹	The largest Choice products ² mostly ranked 2nd quartile & MySuper 3rd quartile . A competitive investment fee and indirect cost ratio assisted in offsetting a higher administration fee.	
Net Returns ³	The largest Choice products ² mostly ranked 1st quartile . The Suncorp Multi-Manager funds for example performed strongly, driven by heightened exposure to overseas equity markets.	
	MySuper products ranked between 3rd & 4th quartile . A higher relative allocation to cash for the MySuper Suncorp Lifestage Fund (SLF) had a negative impact on 3 & 5 year net returns, as equity markets performed strongly. Morningstar Strategic Asset Allocation review changes implemented in August 2020 are expected to improve performance. All 12 SLF produced returns in excess of their respective 'CPI+' investment objectives as disclosed in the Product Disclosure Statement.	
Investment Risk ⁴	The largest Choice products ² & MySuper SLF Standard Risk Measure (SRM) outcomes were predominantly 2nd quartile . The SRM is a calculation that enables a comparison of the number of negative annual returns over any 20-year period an investment option is expected to deliver.	
Options & Facilities	Considerable usage of the Contact Centre (97k calls, ~17% unique members) and Digital facilities (212k website visits and 241k digital portal logins). Suncorp was able to maintain service levels amidst disruption caused by the global COVID-19 pandemic. Suncorp processed a total of ~\$193m early release payments (25,200 requests) and approximately 70% were processed within 2 business days, versus an industry average of 31%.	
Investment Strategy	Suncorp works in collaboration with leading investment managers to design products for member demographics, needs and preferences and to deliver sustainable investment returns. The SLF product design strategy is being reviewed to further enhance investment performance.	
Insurance Strategy ⁵	A variety of benefit designs and options are offered to members. Of the ~94k active members, ~32k (34%) are insured. Asteron Life & Superannuation Limited (ALSL) is the primary insurer for life and disability insurance provided through Suncorp's superannuation products. 'White collar' occupation benchmarking illustrates the level of Suncorp Death and Temporary & Permanent Disability (TPD) cover is most competitive for older member cohorts (1st & 2nd quartile) and least competitive for younger members (4th quartile). TPD insurance fees for males and females are 1st & 2nd quartile , whilst Death premiums are largely 2nd & 3rd quartile .	
Fund Scale, Costs & Fees ⁶	Suncorp is ranked 3rd quartile for scale (MySuper funds under administration (FUA)), 4th quartile for admin fees and the operating expense ratio is higher than similar size funds.	

¹ Largest Choice funds 2nd quartile relative to 7 comparable funds. MySuper 3rd quartile relative to all MySuper funds on APRA Heatmap.

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² Largest Choice funds represent approximately 34% of Choice FUA, being the Suncorp Multi-Manager Growth Fund, Suncorp Cash Fund, Suncorp Australian Shares Multi-Manager Fund, Suncorp International Shares Multi-Manager Fund, Suncorp Multi-Manager High-Growth Fund, Suncorp Multi-Manager Conservative Fund and Suncorp Multi-Manager Balanced Fund.

³ Largest Choice funds 1st quartile relative to 10 comparable funds. MySuper 3rd / 4th quartile dependent on 'decade cohort' per MySuper 30 June 2020 Statistics.

⁴ Largest Choice funds 2nd quartile relative to 10 comparable funds. MySuper largely 2nd quartile per MySuper 30 June 2020 Statistics.

⁵ Benchmarking quartile performance relative to the 'white-collar' default occupation cover insurance offering of 8 other funds.

⁶ Scale (MySuper only) and costs & fees (similar sized funds) quartile ranking base off APRA Heatmap and 30 June 2020 Fund level Statistics.

Determination:

Suncorp views net returns as the primary measure for assessing whether member's financial interests have been met over the longer term. Suncorp has demonstrated that the financial interests of members have been promoted and it continues to proactively monitor and adjust underlying investment options in instances of underperformance, for example the recent Morningstar Strategic Asset Allocation review for the SLF. The below initiatives are in progress, designed to further enhance member's financial interests:

- **Administration Fee Reduction:** Suncorp has committed to an administration fee reduction on 1 April 2021, to remove the \$7.65/month fixed fee which disproportionately impacts lower account balance members in the MySuper SLF option.
- **Investment Menu Optimisation:** Review investment options which are sub-scale, producing a return less than a nominated benchmark, unfavourable relative investment risk outcome or higher fees and consider consolidating these options with replacement investment options on the menu.
- **RIAA Accreditation & Lonsec Fund Ratings:** Attain & maintain Responsible Investment Association Australia (RIAA) ESG accreditation and Lonsec ratings to align with member preferences and improve product credibility for Independent Financial Advisor usage.
- **"Reimagining Super" Project:** Development of a revised insurance proposition and fee design.
- **Digital Capability Investment:** Continued investment to improve member engagement, self-servicing & member growth.

Suncorp LifeStage Funds 1, 3 & 5-Year Net Returns (% p.a.)

The SLF is Suncorp's MySuper default investment option, introduced in December 2012. The SLF is invested according to a 'lifecycle' investment strategy, following a glide path. A member's balance is gradually reweighted over time from growth to income assets, with a separate SLF for each five-year age cohort.

The 'Net Return' is the gross return less all fees, costs and taxes. The APRA Quarterly MySuper Statistics for the period 30 June 2020 was the basis of the comparison in rating the SLF versus peers. The SLF was compared to the industry's 340 Lifecycle Stage products.

Quartile Representation

Quartile rankings are a measure of how well a fund has performed against other comparative funds within the category. Suncorp views long-term net returns as the primary measure for assessing whether member's financial interests have been met over the longer term. For the Suncorp LifeStage Funds, 7 of 12 cohorts are positioned 3rd quartile for 5-year Net Returns.

1st	Net Return ranks within the top 25% of comparative funds
2nd	Net Return ranks between 25% and 50% of comparative funds
3rd	Net Return ranks between 50% and 75% of comparative funds
4th	Net Return ranks between 75% and 100% (last position) of comparative funds

The below table illustrates 1, 3 & 5-year SLF Net Return Performance relative to the respective median.

SLF Cohort	Suncorp LifeStage Fund Option Net Return (% p.a.)						LifeCycle Strategy Industry Median Net Return (% p.a.)		
	1-yr		3-yr		5-yr		1-yr	3-yr	5-yr
	Return	Quartile	Return	Quartile	Return	Quartile	Return	Return	Return
1949 or earlier	0.00	3 rd	3.32	3 rd	3.39	3 rd	0.58	3.34	3.53
1950-1954	-0.22	3 rd	3.38	3 rd	3.54	3 rd	0.16	3.75	3.59
1955-1959	-0.54	3 rd	3.51	3 rd	3.75	2 nd	0.16	3.75	3.59
1960-1964	-0.95	3 rd	3.68	4 th	4.04	4 th	-0.74	4.82	4.93
1965-1969	-1.24	3 rd	3.90	4 th	4.40	3 rd	-0.74	4.82	4.93
1970-1974	-1.65	3 rd	4.05	4 th	4.69	4 th	-1.52	5.35	5.53
1975-1979	-1.62	3 rd	4.27	4 th	4.96	4 th	-1.52	5.35	5.53
1980-1984	-1.80	2 nd	4.34	4 th	5.08	3 rd	-2.26	5.24	5.50
1985-1989	-1.74	2 nd	4.43	4 th	5.18	3 rd	-2.26	5.24	5.50
1990-1994	-1.73	2 nd	4.47	3 rd	5.25	2 nd	-2.31	5.15	5.24
1995-1999	-1.72	2 nd	4.45	4 th	5.24	3 rd	-2.31	5.15	5.24
2000-2009	-1.89	3 rd	4.36	4 th	5.16	3 rd	-1.67	5.00	5.16

Green = Exceeds Median **Red** = Below Median

Suncorp Choice Funds 1 & 3-Year Net Returns (% p.a.)

5-Year Net Returns for most Choice funds will be available in May 2021, as these funds commenced in May 2016.

The Suncorp Choice option investment menu for our super products provides a number of Australian and international investment options, including multi-manager portfolios. There are 53 Choice investment options in total (not all our superannuation products provide this many options to invest in), of which as at date of publication of the AOA, 32 remain active, 10 are 'soft-closed' (ie not available for new investment, although still available for investment by existing option members) and 11 are 'hard-closed' (ie these have been terminated and no longer exist).

APRA statistics do not currently capture Choice industry data, therefore, industry data from superannuation research and consulting company 'SuperRatings'¹ was used for comparison purposes.

SuperRatings returns are calculated net of taxes and fees such as the investment fee, implicit asset-based administration fees and applicable indirect costs and are gross of explicit fees such as fixed dollar administration fees and switching fees. Each Suncorp Choice option was compared to its respective SuperRatings index median, via the growth asset allocation for diversified options or the industry index for single-sector options.

Performance of the Suncorp Multi-Manager (MM) Diversified Funds was strong. As an example, the flagship Suncorp MM Growth Fund ranked 1st for 1 & 3 year returns, versus 47 other options in the 'Balanced' SuperRatings index¹.

¹ Past performance is not a reliable indicator of future performance. Investment performance based on SuperRatings' ranking of 47 balanced (60 - 76) superannuation investment fund performances over 1 year to 30 June 2020 (Sources: Top 10 Super Funds - SuperRatings and SuperRatings Fund Crediting Rate Survey June 2020 (SuperRatings Survey) which is not publicly available). Investment funds compared are a diversified fund option with a growth assets ratio between 60% and 76%. Returns are calculated net of taxes and fees such as the investment fee, implicit asset-based administration fees and applicable indirect costs and are gross of explicit fees such as fixed dollar administration fees and switching fees. This has been done for comparative purposes with the SuperRatings indices. When calculating investment performance, contributions taxes, withdrawal fee and any discretionary ongoing fees such as insurance fees and personal advice fees or other arrangements you may have in place with your advisor are not taken into account.

The SuperRatings median returns are calculated based on the returns of 47 investment funds ranked by SuperRatings (Source: SuperRatings Survey). SuperRatings Pty Ltd ABN 95 100 192 283, AFSL 311800 (SuperRatings) does not issue, sell, guarantee or underwrite any Suncorp super product. Go to www.superratings.com.au for details.

The Suncorp Multi-Manager Growth Fund is an investment option available in some of our Suncorp super products. It is a high growth/high risk investment option managed by Morningstar Investment Management Australia Limited ABN 54 071 808 501 (Morningstar), which is not part of the Suncorp Group. The Growth Fund option has a high risk of negative annual returns over any 20-year period. The recommended minimum length of time to invest in the Fund is 10 years. Before making any decision to acquire or continue to hold Brighter Super, invest in or switch into any investment option including the Fund, please read the [Suncorp Brighter Super Personal \(Accumulation & Pension\) Product Disclosure Statement](#) and Product Guide for further details about investment options including applicable fees, and speak to a financial adviser.

The below table illustrates 1 & 3-year Suncorp Choice product returns relative to the respective median.

As at 30 June 2020		Suncorp Option Net return (% p.a.)		SR Index Median Net return (% p.a.)	
Suncorp Investment Option	SuperRatings Index	1-yr	3-yr	1-yr	3-yr
On-Sale Investment Options					
Suncorp Multi-Manager Conservative Fund	Capital Stable	3.30	5.58	0.65	3.64
Morningstar Conservative Fund	Secure	1.58	2.99	1.17	1.84
Suncorp Universal Conservative Fund	Capital Stable	1.61	3.84	0.65	3.64
Morningstar Moderate Fund	Capital Stable	0.39	3.04	0.65	3.64
Suncorp Multi-Manager Balanced Fund	Conservative Balanced	3.62	6.71	0.05	4.66
Morningstar Balanced Fund	Conservative Balanced	-0.46	3.35	0.05	4.66
Suncorp Universal Balanced Fund	Conservative Balanced	0.15	4.23	0.05	4.66
Morningstar Growth Fund	Balanced	-1.87	3.44	-0.82	5.17
Suncorp Multi-Manager Growth Fund	Balanced	3.80	8.22	-0.82	5.17
Suncorp Universal Growth Fund	Growth	-0.60	5.13	-1.18	5.62
Morningstar High Growth Fund	High Growth	-3.81	3.19	-2.21	5.99
Suncorp Multi-Manager High Growth Fund	Growth	3.36	8.67	-1.18	5.62
Suncorp Cash Fund	Cash	0.95	1.35	0.97	1.46
Suncorp Australian Fixed Interest Fund	Diversified Fixed Interest	3.76	4.84	3.13	3.59
Vanguard Australian Fixed Interest Index Fund	Diversified Fixed Interest	3.44	4.70	3.13	3.59
Suncorp Global Fixed Interest Fund	Diversified Fixed Interest	4.55	n/a	3.13	3.59
Vanguard International Fixed Interest Index Fund (Hedged)	Diversified Fixed Interest	4.72	4.14	3.13	3.59
Macquarie Dynamic Bond Fund	Diversified Fixed Interest	4.01	4.27	3.13	3.59
CFS Wholesale Global Credit Income Fund ⁶	Diversified Fixed Interest	-0.98	1.33	3.13	3.59
Ironbark Paladin Property Securities Fund	Property	-13.99	3.88	-6.13	3.80
Suncorp Australian Listed Property Index Fund	Property	-19.03	1.75	-6.13	3.80
Suncorp International Property Securities Index Fund (Hedged)	Property	-19.39	-1.90	-6.13	3.80

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Suncorp Global Property Index Fund	Property	-18.68	-1.21	-6.13	3.80
Suncorp Australian Shares Index Fund	Australian Shares	-5.47	5.79	-6.00	5.08
Suncorp Australian Shares Multi-Manager Fund	Australian Shares	-5.48	5.74	-6.00	5.08
Suncorp Australian Shares Value Fund	Australian Shares	-6.65	0.97	-6.00	5.08
Platinum International Fund	International Shares	-2.92	3.24	3.30	8.08
Suncorp International Shares Fund	International Shares	6.40	8.92	3.30	8.08
Suncorp International Shares Multi-Manager Fund	International Shares	12.16	14.05	3.30	8.08
Walter Scott Global Equity Fund	International Shares	5.92	13.08	3.30	8.08
Lazard Global Small Cap Fund	International Shares	-3.73	3.35	3.30	8.08
Lazard Global Infrastructure Securities Fund	Internal Benchmark	-3.82	3.07	-4.80	3.00
Soft-Closed Investment Options					
Asteron Traditional Capital Guaranteed Fund ¹	Capital Stable	2.50	3.45	0.65	3.64
Asteron Guaranteed Cash Fund ¹	Cash	0.39	1.07	0.97	1.46
CFS Wholesale Australian Shares Fund ^{1,7}	Australian Shares	4.37	11.42	-6.00	5.08
BlackRock Tactical Growth Fund ²	Balanced	0.49	6.22	-0.82	5.17
Ausbil Australian Active Equity Fund ²	Australian Shares	-4.70	5.34	-6.00	5.08
Hyperion Australian Growth Companies Fund ²	Australian Shares	14.29	11.61	-6.00	5.08
Pendal Imputation Fund ²	Australian Shares	-9.60	3.36	-6.00	5.08
Perpetual Wholesale Industrial Fund ²	Australian Shares	-8.36	1.07	-6.00	5.08
Ausbil Australian Emerging Leaders Fund ²	Australian Shares	-5.12	2.95	-6.00	5.08
Perpetual Wholesale Geared Australian Share Fund ²	Australian Shares	-29.35	-1.97	-6.00	5.08
Hard-Closed Investment Options					
Perpetual Wholesale Share-Plus Long-Short Fund ³	Australian Shares	-4.91	3.09	-6.00	5.08
Perpetual Wholesale Ethical SRI Fund ³	Australian Shares	-6.23	0.25	-6.00	5.08
Perpetual Wholesale Diversified Growth Fund ³	Balanced	-0.03	4.09	-0.82	5.17
BlackRock Global Allocation Fund ³	Balanced	4.55	4.06	-0.82	5.17
Perpetual Wholesale Conservative Growth Fund ⁴	Capital Stable	0.91	3.88	0.65	3.64
CFS Wholesale Diversified Fund ⁴	Balanced	-0.04	6.08	-0.82	5.17
CFS Wholesale Property Securities Fund ⁴	Property	-17.16	2.07	-6.13	3.80
Fidelity Australian Equities Fund ⁵	Australian Shares	-4.30	6.41	-6.00	5.08
Ironbark Karara Australian Shares Fund ⁵	Australian Shares	-7.90	2.73	-6.00	5.08
Investors Mutual All Industrials Share Fund ⁵	Australian Shares	-12.55	-0.75	-6.00	5.08
Nikko AM Australian Share Income Fund ⁵	Australian Shares	-9.04	1.61	-6.00	5.08

Green = Exceeds Median

Red = Below Median

¹ These investment options were 'soft-closed' to new investors effective between 2009 and 2016.

² These investment options were 'soft closed' effective 30 June 2020.

³ These investment options were 'hard-closed' effective 21 August 2020.

⁴ These investment options were 'hard-closed' effective 21 October 2020.

⁵ These investment options were 'hard-closed' effective 23 November 2020.

⁶ The CFS Wholesale Global Credit Income Fund was renamed the 'First Sentier Investors Wholesale Global Credit Income Fund' effective 31 October 2020

⁷ The CFS Wholesale Australian Shares Fund was renamed the 'First Sentier Investors Wholesale Australian Shares Fund' effective 31 October 2020.

Disclaimer

This information is a summary only of the 2020 Annual Outcomes Assessment (AOA) required under Superannuation Prudential Standard (SPS) 515 and should not be relied on as representing the full AOA.

Past investment performance is not a reliable indicator of future investment performance.

Suncorp super products are issued by Suncorp Portfolio Services Limited ABN 61 063 427 958 AFSL 237905 RSE licence no L0002059 (SPSL/Trustee) as trustee for the Suncorp Master Trust ABN 98 350 952 022, RSE Fund Registration No. R1056655.

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