



Outcomes Assessment
for Financial Year 2020/2021:
Bendigo SmartStart Super - MySuper

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

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. Members who don't make an investment choice will be invested in the default lifecycle investment option, Bendigo MySuper.

This Outcomes Assessment is an important review of how BSSS is delivering across areas that impact member's future retirement savings. This includes investment returns, fees and costs, insurance, benefits, and facilities (key assessment factors).

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 as Trustee, we have determined that our Bendigo MySuper product promotes the financial interests of our beneficiaries (our members). We have continued to deliver members a simple, low-cost super solution with strong investment returns and customer service.

How we compare

We used data as at 30 June 2021 and MySuper quarterly reported data to the Australian Prudential Regulatory Authority (APRA) to assess how we compared against the industry.

Objective was met



Objective was partially met



Objective was not met



Objectives

Achieve net returns above the industry average

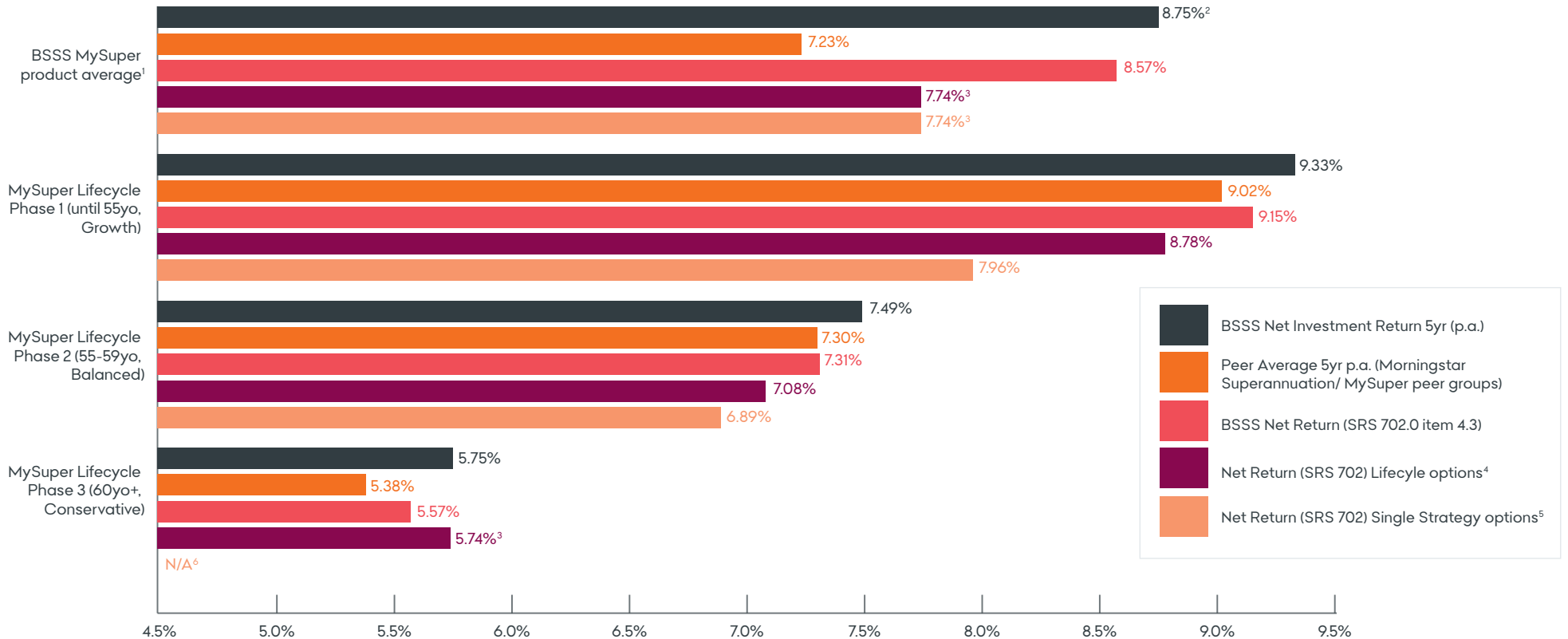
Results



Investment returns

We are pleased to report that all three lifecycle investment options achieved higher net returns than the comparable MySuper industry lifecycle options and single strategy options.

MySuper net investment return



Data source: APRA quarterly MySuper reporting; SRS 702.0

- Under APRA's recommendation for using a weighted average dollar testing performance result method the Product level Net Return generates a similar result of 8.09%. This result, like the SRS 702.0 item reporting method, demonstrates MySuper Net Return outperformance at the product level.
- The timewighted average of the 3 lifecycle stages for a member's life if entering at age 18 and ending at age 65 (weighting phase 1 by 37/47, phase 2 by 5/47 and phase 3 by 5/47 as the time in each phase respectively)
- Average NR of all MySuper Options (Lifecycle options and Single Strategy options)
- Peer average is based on all options that have a published return for a member at age 54, 59 and 64
- Peer average is the average of all options that have total growth exposure 90%-70%, 70%-50%, 50%-30%
- There were no single strategy MySuper options with growth allocation below 50%

Investment risk

The Standard Risk Measure (SRM) considers the number of expected negative years in 20 years. The riskier the investment, the higher this number will be and the higher level of investment uncertainty.

Objectives

Achieve below the industry SRM average

Results



MySuper investment risk averages over 5 yrs	BSSS option SRM Rating (# of negative years in 20)	Lifecycle MySuper average SRM rating (all options covering same age)*	Single Strategy MySuper average SRM rating (all options with similar growth allocation)*
BSSS MySuper product average	3.68	2.74	
Lifecycle Stage 1 (Growth Index, Age up to 55, Growth exposure 90%-70%)	4	4.51	3.90
Lifecycle Stage 2 (Balanced Index, Age 55-59, Growth exposure 70%-50%)	3	4.04	3.14
Lifecycle Stage 3 (Conservative Index, Age 59+, Growth exposure 90%-70%)	2	3.56	n/a

*Data source: APRA quarterly MySuper reporting; SRS 700.0 item 3

Member fees

Paying low fees, plays an important role in maximising retirement outcomes. We found that our fees are well below the industry average across both product fees (such as administration fees) and investment fees (the cost of managing your investment based on a \$50,000 balance).

Objectives

Fees of no more than the industry average

Results



Product average fees [^]	Representative member Fee \$	Each Lifecycle stage	Representative member Fee \$
BSSS MySuper product (average of the three lifestages)	\$328	Bendigo Growth Index	\$338
All MySuper products average	\$521	All industry average (Growth)	\$541
High-Low range of all MySuper product fees	\$706 - \$210	Bendigo Balanced Index	\$328
		All industry average (Balanced)	\$501
		Bendigo Conservative Index	\$318
		All industry average (Conservative)	\$484

[^]Data source: APRA quarterly MySuper reporting; SRS 702 item 4.4

Insurance

Providing members with an appropriate level of insurance is an important part of helping our members prosper financially. 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 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 0.34%, well below the industry target of 1%.
The claims to premium ratio (percentage of claims paid per dollar of premium) for death and TPD insurance	This dropped from last year and is 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.
Our claims admittance rates for Income Protection	Above industry average, with processing times within the best quartile.

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 looked at the appropriateness of investment returns, investment risk and asset allocation across the lifecycle design and its impact on the future retirement savings of members.

We reached this conclusion based on the following:

- The Bendigo MySuper average Net Return was above the peer average by 0.83%. At each lifecycle stage we exceeded the peer average returns.
- The Bendigo MySuper returns exceeded the average net investment return of the industry over rolling 5 year periods achieving 8.75%, compared with the industry average of 7.23%.
- Bendigo MySuper returns across internal investment objectives exceeded for each lifecycle stage over a five-year period.

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 looked at the impact of fees and operating costs across each lifecycle stage and how these compared with the industry average across different member segments.

Our representative member fee¹ of \$328 is significantly less than the industry MySuper average of \$521. Our operating costs were \$83 per member, below the industry average of \$226.

1. Note that the representative member fee is the required data from SRS 702.0 that needs to be compared across all MySuper products

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

Bendigo MySuper 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. This way we can continue to keep Bendigo MySuper fees competitive.

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

Overall, we are mostly meeting our objectives of obtaining satisfactory customer service experience and providing effective member 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 whether our size and ability to continue to attract Bendigo and Adelaide Bank customers hinders our ability to negotiate competitive fees, pool investments and risk. Our assessment showed that we are able to offer a competitively priced product, with strong investment returns and an appropriate insurance offering.

Bendigo MySuper Trustee Determination

Bendigo MySuper is low cost, with its representative member fees well below the MySuper industry average. Investment returns exceeded the set investment objectives for each MySuper investment option, with investment risk maintaining 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 Bendigo MySuper.

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

We balanced the comparative and assessment steps under sections 52(10) and 52(11) of the SIS Act by considering the key factors such as 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 considered.

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

- (a) the options, benefits, and facilities offered under the product;
- (b) the investment strategy for the product, including the level of investment risk and the return target;
- (c) the fees and costs;
- (d) scale;
- (e) the insurance strategy; and
- (f) 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 2021.

Bendigo SmartStart Super (ABN 57 526 653 420) (the Fund) is issued by Sandhurst Trustees Limited ABN 16 004 030 737 AFSL 237906 (Sandhurst) a subsidiary of Bendigo and Adelaide Bank Limited (the Bank) ABN 11 068 049 178 AFSL 237879. Sandhurst 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. This document contains general advice only. Please consider your situation and read the PDS, available at www.bendigobank.com.au, before making an investment decision. 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

