



Member Outcomes
Assessment
2022

**AFL
PLAYERS**

AFLPA & AFL Industry Superannuation Plan

A Plan in SignatureSuper®

Including MySuper and Choice Accumulation and Pension

Financial Year ending 30 June 2022

HOW WE ARE PROMOTING MEMBERS BEST FINANCIAL INTERESTS

About this document and assessment -This assessment is issued by N.M. Superannuation Proprietary Limited (NM Super) ABN 31 008 428 322 AFSL 234654 RSE L0002523 as trustee for the AMP Super Fund ABN 78 421 957 449. AMP SignatureSuper® is a registered trademark of AMP Limited ABN 49 079 354 519. AFLPA & AFL Industry MySuper Authorisation 78421957449083. SignatureSuper product determination and summary includes personal super, allocated and term pension, and transition to retirement pension products

Acknowledgment of country

N.M. Superannuation Proprietary Limited acknowledges all First Nations Peoples across Australia.

We recognise the Traditional Custodians of the land and value the connection to Country, waterways and sky.

We pay our respects to the Elders for their resilience, courage and wisdom; for ensuring the survival of this country's rich culture and heritage.

Our hope for the future is to unite as one people, to listen and learn from each other with respect and walk the path to reconciliation together.

Introduction

The AFLPA & AFL Industry Superannuation Plan outcomes assessment is written to be read in conjunction with the SignatureSuper outcomes assessment attached to the back of this document. For ease, reference to relevant information in the attached document is opened by clicking on the links throughout this document.

About the AFLPA & AFL Industry Superannuation Plan

A plan in SignatureSuper - part of the AMP Super Fund

AMP has designed a MySuper arrangement specifically for members of the AFLPA & AFL Industry Superannuation Plan that continues to provide competitive features and fees. The plan makes available a range of Choice investment options and the MySuper default investment option which is called the AFLPA & AFL Industry MySuper.

SignatureSuper is a part of the AMP Super Fund which is one of Australia's largest funds. At 30 June 2022 we had more than \$54bn in funds under management and over 740,000 member accounts. The AFLPA & AFL Industry Superannuation Plan holds approximately \$245m and over 2,700 member accounts.

Our purpose is "to deliver sustainable and enhanced outcomes for all members and provide the best possible retirement outcome".

Assessing our performance

Each year, using a range of factors, N.M. Superannuation Propriety Limited (NM Super, the Trustee) is required to assess whether we are promoting the financial interests of members.

Our assessment compares how the AFLPA & AFL Superannuation Plan performed for MySuper and Choice accumulation and pension members during the financial year ending 30 June 2022 across the key assessment factors.

Key assessment factors:

-  Investment performance
-  Fees & costs
-  Scale and operating costs
-  Member experience
-  Insurance offer

Progress made against our strategy

In 2020 we set a strategy to transform our business and deliver enhanced outcomes for members through lower fees, better investment returns and service experiences. We have made significant progress against this strategy with positive results emerging through the actions we have continually taken through delivering our strategy. AFLPA & AFL Industry MySuper members benefit given the cost efficiencies. For specific descriptions including our focus for FY22/23 refer to  **SignatureSuper outcomes assessment**.

Summary of our assessment and determination

The Trustee has determined that it is promoting the best financial interests of AFLPA & AFL Industry MySuper and Choice accumulation members.

In doing so the Trustee has considered its results compared to other peer funds and across the key assessment factors. The Trustee has also considered the progress it's made against the strategy in making the determination based on the following factors:



Investment Performance

Above median (weighted average) investment returns were delivered for AFLPA and AFL Industry MySuper members for the year ending 30 June 2022¹. The MySuper Lifestages offer passed the Australian Prudential Regulatory Authority's (APRA) performance test for the period. The investment performance of the AFLPA and AFL Industry MySuper and Choice investment options continues to be an area of focus for the Trustee.

Focus

Continuing to improve investment performance against benchmark returns and peers.



Fees and costs

While 30 June 2022 total AFLPA & AFL Industry MySuper fees are outside of our target objectives of better than median (middle of the market) ranking against peers, we have made fee reductions to members over recent years and consider them appropriate. Updates to disclosed investment fees and costs in APRA's Quarterly MySuper Statistics for 30 September 2022 show an improved ranking for all of the AFLPA & AFL Industry MySuper Lifestages options with all of the options being better than median based on the more recent time period.

In FY22/23 plans are already in progress to make further fee and cost changes to improve value for money for members.

Focus

Introducing a range of fee changes in mid-2023 which will benefit most members

¹ Based on the MySuper universe comprising weighted average of Lifestages options.



Scale and operating costs

We offer a broad range of products and services including diverse investment menu, insurance arrangements, online digital services, superannuation advice, education and regular member communications. We assess these as appropriate for our member segments and they are well regarded by independent research companies. The service standards and experience our members receive are in line with the Trustee's expectations.

Focus

Initiatives to retain and grow membership of the Fund.



Member experience

We offer a broad range of options, benefits and services including a diverse investment menu, flexible insurance arrangements, practical online digital services, valuable superannuation advice, education and regular member communications. We assess these as appropriate for our member segments and they are well regarded by independent research companies. The service standards and experience our members receive are in line with the Trustee's expectations.

Focus

Progressing new retirement solutions for SignatureSuper members.

Progressing our strategy to improve member experiences, retirement advice and reducing costs overtime through further investment in technology.



Insurance arrangements

In general, insurance premiums are considered affordable for our members and in line with industry standards. The claims outcomes and service experiences provided by our life insurance arrangements are also appropriate, but a key focus for continued improvement. We are progressing with our future insurance strategy to ensure appropriate value-for-money arrangements continue to be provided.

Focus

Progressing with the implementation of our future insurance strategy.



Investment performance

MySuper

Strategy, governance and risk

➤ Refer to [SignatureSuper Outcomes Assessment](#).

Performance

The investment performance of each AFLPA and AFL Industry MySuper Lifestage option continues to be an area of focus for the Trustee.

While 2021 saw outstanding fund performance for members, more challenging market conditions were experienced in FY21/22. In the 12 months to 30 June 2022, though total returns declined due to investment market volatility, this was mitigated by the diversified investment design of the investment options. Many of the options' direct assets such as unlisted property and infrastructure, private equity and hedge funds delivered positive returns, offsetting the impact of the sharp falls in both the share and bond markets which tend to be the options' largest asset allocations.

The AFLPA and AFL Industry Lifestages options generally performed above their benchmark asset allocations, before fees and tax, however the Capital Stable and 1950s options underperformed over longer time periods. However, they have underperformed their rate of return objectives above the inflation rate as measured by the Consumer Price Index (CPI) over all time periods due to the combination of negative market returns and rising inflation.

During the year we restructured the way we hold investments within the MySuper Lifestages options to provide greater Trustee control and improve efficiency to assist better member outcomes. In addition, we changed various underlying asset class weightings which enabled a further reduction in member fees.

We also further strengthened our investment management capability through the creation of a fully integrated, end to end superannuation investment business led by the Chief Investment Officer. This has aligned the investment teams much more closely to the Trustee strategy, improving governance and engagement between the two.

AFLPA and AFL Industry MySuper Lifestages 5-Year Net Returns

The table underneath shows below median performance, for all time periods measured, for the 'older aged cohorts' namely the Capital Stable, 1950's and 1960s options which have more defensive assets. Stronger performance was experienced in the younger aged cohorts' namely the 1970s, 1980s and 1990s Plus options which invest in more growth-orientated assets.

AFLPA & AFL OPTIONS	Comparison age	1 Year			3 Year			5 Year		
		Fund return	Median	Relative to median	Fund return	Median	Relative to median	Fund return	Median	Relative to median
Cap Stable	72	-7.13	-4.36	Below	1.20	1.56	Below	2.75	3.22	Below
1950s	67	-6.85	-5.07	Below	1.28	1.56	Below	2.90	3.57	Below
1960s	57	-5.57	-5.52	Below	2.71	3.19	Below	4.15	4.71	Below
1970s	47	-4.77	-5.56	Above	4.35	4.35	At	5.69	5.69	Above
1980s	37	-5.09	-5.67	Above	4.73	4.49	Above	6.03	5.99	Above
1990s Plus	27	-5.46	-5.75	Above	4.32	4.32	At	5.72	5.98	Below

APRA MySuper Statistics, June 2022 and APRA Heatmaps published December 2022. The returns are for a member with a representative portfolio of \$50,000 and compared against all other Lifestages investment options with the peer universe determined according to member age (midpoint of our cohorts). Returns are Net Returns after investment fees, administration fees and tax.

APRA Performance test and heatmaps

The AFLPA & AFL Industry MySuper **passed** the Your Future Your Super (YFYS) Annual APRA Performance Test² at 30 June 2022.

The Trustee also used APRA's MySuper Heatmap to measure performance against similar funds. The results were consistent with the table above and include performance measures over an 8-year period which again showed better performance over the 'younger aged cohorts'.

For more information on Investment Performance, Outlook and Actions including Choice accumulation and pension options refer to ➤ [SignatureSuper outcomes assessment](#).

² Legislation requires APRA to conduct an annual performance test for MySuper products. For FY21/22 a fund's performance over an 8 year period was compared against a benchmark determined by APRA.



Fees and Costs

AFLPA & AFL Industry MySuper

The basis for setting fees is appropriate and based on the costs of operating the product and the fund. This includes administering the product, its range of product features and functionality and the services provided.

The most recent APRA MySuper Heatmap shows that administration fees and total fees and costs to members for this product did not underperform the selected benchmarks at a representative member balance of \$50,000.

The total fees a member pays in the AFLPA & AFL Industry MySuper product will depend on the Lifestages option in which they are invested. We've used APRA data to compare the total fees of each MySuper age option against similar options.

The chart below shows that for the full year up to 30 June 2022, total fees and costs for the Capital Stable and 1950s Lifestages MySuper options were 8% and 14% lower (respectively) than the peer median (middle of the market), with the 1960s, 1970s, 1980s and 1990s Plus options being between 4% to 15% greater than the peer median. As we reduced MySuper fees on 1 October 2021, the full annual impact of these reductions is not reflected in this year's assessment.

AFLPA & AFL Lifestages MySuper Total Fees and Costs
(\$50,000 balance) Year ending 30 June 2022



We also compared the total fees for the AFLPA & AFL Industry MySuper options against all MySuper products in the market, including single strategy offers³. AFLPA & AFL Industry MySuper total fees were greater than the median of all MySuper products, ranking in the third quartile of all MySuper products.

APRA's Quarterly MySuper Statistics for 30 September 2022 includes updated investment fees and costs for FY21/22 and shows an improved ranking for the AFLPA & AFL Industry MySuper Lifestages options with all of the options being better than peer median (three options are in the first quartile) based on this more recent time period. Additionally, we will be further reducing MySuper fees in mid-2023 which is expected to have a positive influence in future years.


You can compare your super fund using the ATO's new Your Super Comparison Tool. Go to <https://www.ato.gov.au/YourSuper-Comparison-Tool/>.

Outlook and actions

- Updates to disclosed investment fees and costs in APRA's Quarterly MySuper Statistics for September 2022 show an improved ranking for all AFLPA & AFL Industry MySuper Lifestages options on a total fees and costs basis.
- We will be further reducing MySuper fees in mid-2023 as part of a range of changes to ensure our fee designs are fairer.
- Additionally, our relentless drive to improve investment performance, through portfolio construction and investment strategies, will deliver better outcomes to members.

Choice Accumulation and Pension

The AFLPA & AFL Industry Superannuation Plans receives discounted administration fees, resulting in 60% of Choice accumulation assets paying total fees and costs (at a \$50,000 balance) below peer median (middle of the market).

For information on Choice Accumulation and Pension fees, refer to the  **SignatureSuper Member Outcomes Assessment**.

³ A weighted average total fee was calculated for each Lifestages offer in the market and compared against single strategy MySuper offers.



Scale and operating expenses

Size and fund growth

SignatureSuper is a part of the AMP Super Fund. At the end of 30 June 2022, the fund had more than \$54bn in member assets and over 740,000 member accounts, ranking in the top 15 super funds in Australia by size. In total across all its super funds, NM Super oversees \$106bn in member retirement savings as Trustee. This size enables the Trustee to continually invest in product innovation and services for members through our outsourced service providers, and to ensure we can attract and retain high quality employees.

The AFLPA & AFL Industry Plan has approximately \$245 million in member benefits of which approximately \$160 million is invested in a specifically designed MySuper investment option available only to AFLPA & AFL Industry members.

For specific descriptions of the fund's membership, size and growth prospects and our operating expenses refer to the [SignatureSuper outcomes assessment](#).



Member experience

Members of AFLPA & AFL Industry Superannuation Plan have access to a competitive range of member services which are important in helping members achieve better outcomes. We regularly review and monitor the services we provide, ensuring we offer leading services and solutions.

For specific descriptions of our many member benefits and facilities which include:

- Member satisfaction, advocacy and complaints
- Member services: My AMP, Calculators, webchat to name a few
- Our product offer
- Education, engagement and advice services
- Industry recognition
- Outlook and action

Refer to the [SignatureSuper outcomes assessment](#).



Insurance

To suit our members who are employed across a wide range of occupations and industries, the Trustee has made cover available from various insurers. We have made insurance cover available for AFLPA & AFL Industry Superannuation Plan members through the insurer Zurich. The insurance design for AFLPA & AFL Industry Superannuation Plan members was developed through a process which included consultation with the AFLPA to ensure it is appropriate. The insurance includes income protection cover to age 65 for certain member categories, which is uncommon for default insurance offers and therefore attracts a higher premium. Additionally, there is a bespoke TPD definition that's been designed to better meet the specific needs of AFL players.

Our Insurance Strategy and Management Framework sets out how we ensure appropriate outcomes through the cost of insurance, cover design, range of definitions and overall service standards, such as claims processing times and acceptance rates.

Insurance affordability (cost of insurance)

It's important members' super balances aren't inappropriately eroded by insurance premiums. We have developed guidelines to manage premium erosion and communicate with members considered at risk. Overall, our insurance affordability (balance erosion) target has been met, with 55% of members paying premiums below 1% of their estimated salary.

For further information on Claims acceptance rate, processing times and disputes and the outlook for insurance generally refer to the [SignatureSuper outcomes assessment](#).



Key fund and product profile

as at 30 June 2022



\$245m

in AFLPA & AFL Industry Superannuation plan with \$155m MySuper

\$54.6bn

in total assets in SignatureSuper and the AMP Super Fund ranking in the top quartile

Over 2,700

member accounts in AFLPA & AFL Industry Superannuation Plan with almost 2,300 in MySuper

Over 740,000

Member accounts in the fund, ranking in the top quartile

55%

of AFLPA members paying below the 1% of salary insurance erosion standards⁴.



0.3%

Operating expenses to assets

\$246

Cost per member account, improving 10% YoY

\$67k

average account balance in AFLPA & AFL Industry Superannuation MySuper

\$73k

average account balance in SignatureSuper

FUND DEMOGRAPHICS



90%

Of assets in savings phase

10%

Of assets in pension phase

59%

male

41%

female

47

Average age

50%

of members have tenure greater than 15 years

AFL PLAYERS

Further information

Refer to the SignatureSuper outcomes assessment.

Contact Us



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⁴ Based on the Insurance in Super Voluntary Code of Practice. Premiums and benefits designs is based on the type of membership