



Member Outcomes  
Assessment  
2022

# Macquarie Group Superannuation Plan

## A Plan in SignatureSuper<sup>®</sup>

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<sup>®</sup> is a registered trademark of AMP Limited ABN 49 079 354 519. Macquarie MySuper Authorisation 78421957449564. 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 Macquarie Group 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 Macquarie Group Superannuation Plan

#### A plan in SignatureSuper - part of the AMP Super Fund

AMP has designed a MySuper arrangement specifically for members of Macquarie Group 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 **MySuper Macquarie Balanced Growth**.


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 Macquarie Group Plan, holds more than \$1bn and over 8,500 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 Macquarie Group Superannuation Plan performed for MySuper and Choice accumulation members during the financial year ending 30 June 2022 across the key assessment factors:

 Investment performance

 Fees and costs

 Scale and operating costs

 Member experience

 Insurance

### Transfer of the Macquarie Group Superannuation Plan

In 2021/22 the Macquarie Group undertook a review of their employer super arrangements. After almost 20 years of AMP managing the superannuation arrangements for employees of the Macquarie Group, the decision was made to transfer the employer super plan to a new provider. The transfer of the Macquarie Group Superannuation Plan to the new provider occurred in December 2022. The Macquarie Group Personal Superannuation Plan and the Macquarie Group Allocated Pension Plan remain available for former employees of the Macquarie Group.

## 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. Macquarie Group 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 Macquarie Group MySuper and Choice accumulation members.

In doing so, the Trustee has considered its results compared to other peer funds and results across key assessment factors. The Trustee has also considered the progress it has made against the strategy in making a determination.



## Investment Performance

Peer relative performance was very strong for the 3-year and 5-year periods for MySuper members ending 30 June 2022<sup>1</sup>. The MySuper investment option passed the Australian Prudential Regulatory Authority's (APRA) performance test for the period.

While investment performance of the AMP Super Fund continues to be an area of focus for the Trustee, the outcomes for the MySuper Macquarie Balanced Growth option are considered appropriate.



## Fees and costs

For 30 June 2022 total MySuper Macquarie Balanced Growth fees are within our target objective 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 that Macquarie Group MySuper (MySuper Macquarie Balanced Growth option) remains better than median based on the more recent time period.

For Choice accumulation and pension members, refer to the **SignatureSuper Member Outcomes Assessment**.



## Scale and operating costs

The AMP Super Fund is one of the largest funds in Australia with more than \$54bn in assets and over 740,000 member accounts. We consider fund operating costs and costs per member as appropriate and have been reducing as a result of our transformation programs. Over the long-term, fund membership and cashflows have been impacted by historical reputation and brand challenges. While still below our targets and peers, in FY21/22 we experienced a strong improvement in cashflows compared to prior years.

<sup>1</sup>Based on the MySuper universe comprising all default options with growth assets in the 60 to 80% range.



## Member experience

We offer a broad range of products and services including a 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.



## 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.



# Investment performance

## MySuper

### Strategy, governance and risk

Refer to **SignatureSuper Outcomes Assessment**.

### Performance

The investment performance of the MySuper Macquarie Balanced Growth investment option is considered appropriate, while noting weaker shorter term 1-year performance.

The MySuper Macquarie Balanced Growth option performed above its benchmark asset allocations over longer time periods (3-year, 5-year and 7-year) before fees and tax. Shorter term performance (1-year and 2-year) was below its benchmark asset allocations before fees and tax.

## MySuper Macquarie Balanced Growth 5-Year Net Returns

The table below shows strong top quartile performance, over 3-year and 5-year periods, dropping to bottom quartile performance over the 1-year period.

### Comparison of Macquarie MySuper to all MySuper options

Comparison Risk	1 Year			3 Year			5 Year		
	Fund return	Median	Relative to median	Fund return	Median	Relative to median	Fund return	Median	Relative to median
40-60%	-8.34	-5.5	Below	3.23	1.56	Above	5.16	3.53	Above

Source: APRA MySuper Statistics, June 2022. The returns are for a member with a representative portfolio of \$50,000 and compared against all other MySuper investment options, including Lifestages, with the peer universe determined according to risk (growth assets range 60 to 80%). Returns are Net Returns after investment fees, administration fees and tax.

### APRA Performance test and heatmaps

The MySuper Macquarie Balanced Growth option **passed** the Your Future Your Super (YFYS) Annual APRA Performance Test<sup>2</sup> at 30 June 2022.

The Trustee also used APRA's MySuper Heatmap to measure performance against similar funds. The results showed no areas of concern over 3-year, 5-year and 8-year (since inception) periods.

For more information on Investment Performance, Outlook and Actions including Choice accumulation and pension options refer to **SignatureSuper outcomes assessment**.

<sup>2</sup> 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

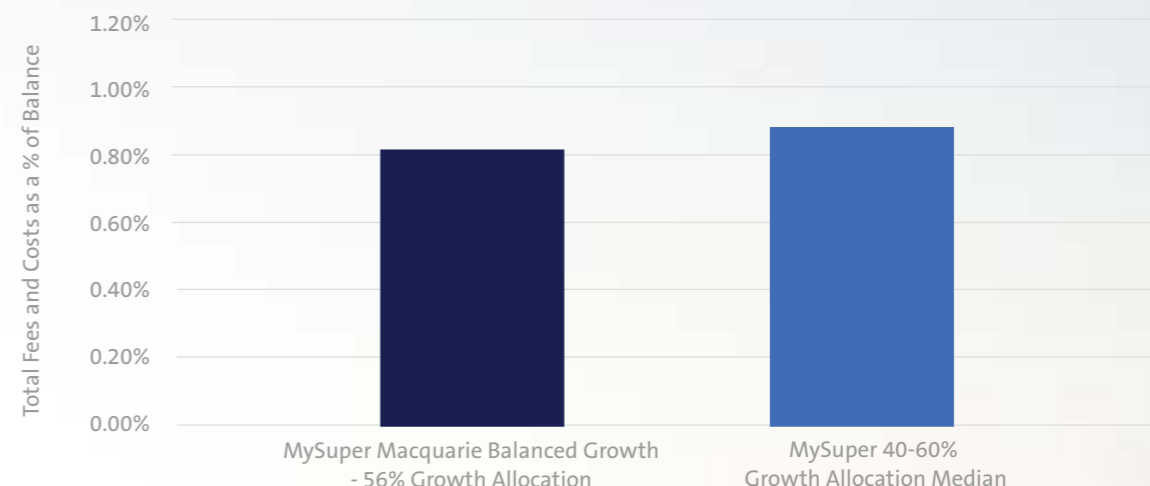
The basis for setting fees is appropriate and based on the costs of operating the product and the fund. This includes administering the product, its range of product features and functionality and the services provided.

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.

We've used APRA data to compare the total fees on the Macquarie Group MySuper (MySuper Macquarie Balanced Growth) investment option against all other MySuper options with a similar risk profile, with between a 40%-60% allocation to growth assets.

The chart below shows that for the full year up to 30 June 2022, total fees and costs for the MySuper Macquarie Balanced Growth were 8% lower than the peer median (middle of the market).

**MySuper Macquarie Balanced Growth Total Fees and Costs**  
(\$50,000 balance) Year ending 30 June 2022



Source: AMP, APRA Quarterly MySuper Statistics 30 June 2022

We also compared the total fees for the MySuper Macquarie Balanced Growth option against all MySuper products in the market, including Lifestages offers<sup>3</sup>. MySuper Macquarie Balanced Growth total fees were lower than the median of all MySuper products, ranking in the cheapest 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 that MySuper Macquarie Balanced Growth remains better than median based on this more recent time period.

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/>.

## Choice Accumulation and Pension

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

## 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 Macquarie Group Superannuation Plan has approximately \$1bn in member benefits of which over \$500 million is invested in a specifically designed MySuper investment option available only to Macquarie Group employees and former employees.

For specific descriptions of the fund's membership, size and growth prospects and our operating expenses refer to the **SignatureSuper outcomes assessment**.

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



## Member experience

Members of Macquarie Group 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 Macquarie Group Superannuation Plan members through AIA Australia.

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 84% 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



## \$1bn

In Macquarie Group Plan with \$500m in MySuper

## \$54.6bn

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

## \$77k

average account balance in Macquarie Group MySuper

## \$117.5k

average account balance in Macquarie Group Plan

## Over 8,700

member accounts in Macquarie Group Plan with over 6,500 in MySuper

## Over 740,000

Member accounts in the fund, ranking in the top quartile

## FUND DEMOGRAPHICS



## 84%

of Macquarie Group members in the fund paying below the 1% of salary insurance erosion standards<sup>4</sup>.

## 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



## 0.3%

Operating expenses to assets

## \$246

Cost per member account, improving 10% YoY

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

## Further information

Refer to the **SignatureSuper outcomes assessment**.

## Contact Us



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