



Member Outcomes
Assessment
2022



Water Corporation 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. Water Corporation MySuper Authorisation 78421957449725. 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 Water Corporation 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 Water Corporation Superannuation Plan

A plan in SignatureSuper - part of the AMP Super Fund

AMP has designed a MySuper arrangement specifically for members of Water Corporation 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 **Water Corporation 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 Water Corporation Superannuation Plan holds more than \$530m and over 3,000 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 Water Corporation 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

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. Water Corporation 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 Water Corporation 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 Water Corporation MySuper members for the year ending 30 June 2022¹. The MySuper investment option passed the Australian Prudential Regulatory Authority's (APRA) performance test for the period.

The investment performance of the Water Corporation 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 Water Corporation 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 the Water Corporation MySuper investment options with all of the options being better than median based on the more recent time period.

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

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.

Focus

Initiatives to retain and grow membership of the fund.



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

Focus

Progressing our strategy to improve member experiences, retirement advice and reducing costs over time 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 Water Corporation MySuper Lifestage investment 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 market which tend to be the options' largest asset allocations.

The Water Corporation 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.

Water Corporation MySuper Lifestages 3-Year Net Returns

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

MySuper Lifestages Option	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	-7.06	-4.36	Below	1.26	1.56	Below	5year returns not available Inception date OCT 2017		
1950s	67	-6.80	-5.07	Below	1.33	1.56	Below			
1960s	57	-5.52	-5.52	At	2.67	3.19	Below			
1970s	47	-4.72	-5.56	Above	4.40	4.35	Above			
1980s	37	-5.03	-5.67	Above	4.79	4.49	Above			
1990s Plus	27	-5.40	-5.75	Above	4.38	4.32	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 Water Corporation 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 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

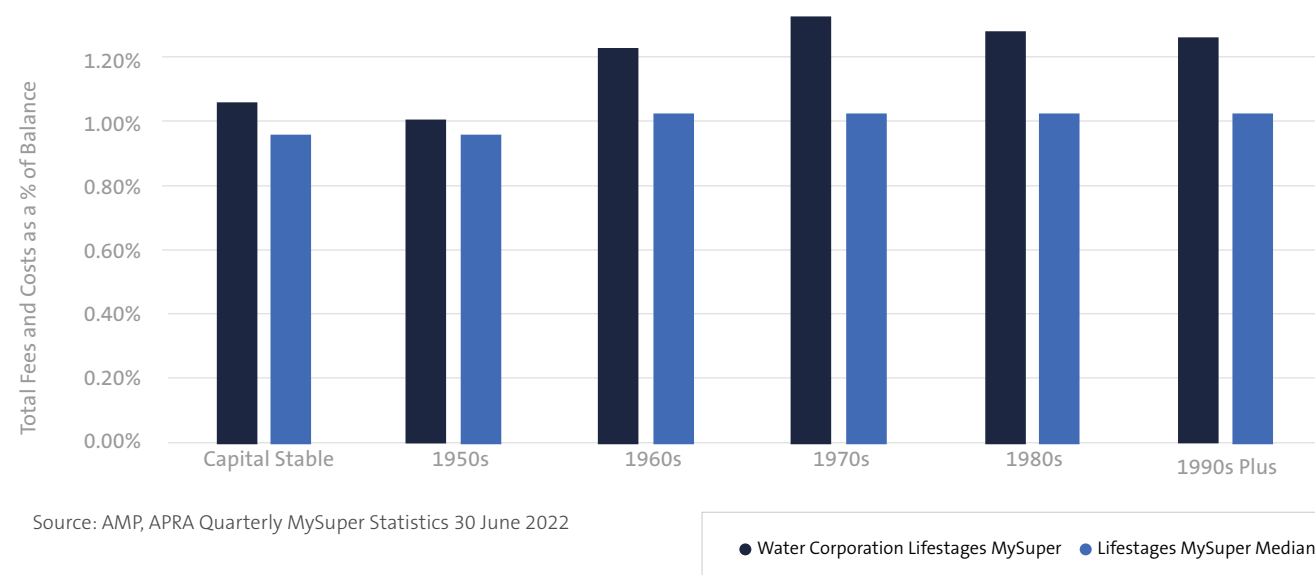
The basis for setting fees is appropriate and based on the costs of operating the product and the fund. This includes administering the product, its range of product features and functionality and the services provided.

The most recent APRA MySuper Heatmap shows that administration fees and total fees 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 Water Corporation 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, 1950s and 1960s Lifestages MySuper options were between 2% to 20% lower than the peer median (middle of the market), with the 1970s, 1980s and 1990s Plus options being between 2% to 8% 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.

Water Corporation Lifestages MySuper Total Fees and Costs
(\$50,000 balance) year ending 30 June 2022



We also compared the total fees for the Water Corporation MySuper options against all MySuper products in the market, including single strategy offers³. Water Corporation 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 Water Corporation MySuper Lifestages options with all of the options being better than median (five 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 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 Water Corporation 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 Water Corporation Superannuation Plans receives discounted administration fees, resulting in 73% of Choice accumulation assets paying total fees and costs (at a \$50,000 balance) below peer median (middle of the market).

For further 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 Water Corporation Plan has approximately \$550 million in member benefits of which over \$430 million is invested in a specifically designed MySuper investment option available only to Water Corporation employees.

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 Water Corporation 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 Water Corporation Superannuation Plan members through Resolution Life.

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 56% 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



\$530m

In Water Corporation Plan with \$330m in MySuper

\$54.6bn

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

\$21.3bn

in MySuper assets representing 39% of the Fund

Over 3,200

member accounts in Water Corporation Plan with over 2,700 in MySuper

Over 740,000

Member accounts in the fund, ranking in the top quartile

56%

of Water Corporation members in the fund paying below the 1% of salary insurance erosion standards⁴.



0.3%

Operating expenses to assets

\$246

Cost per member account, improving 10% YoY

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

\$120k

average account balance in Water Corporation 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



Further information

Refer to the **SignatureSuper outcomes assessment**.

Contact Us



1300 057 492

5am-4pm (AWST)
8am-7pm (AEDT)
6am-5pm (AWST)
8am-7pm (AEST)



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