

2022

Australian Retirement Trust Member Outcomes Assessment – *Super Savings* products

An assessment by Australian Retirement Trust Pty Ltd of whether the financial interests of members who hold *Super Savings* products are being promoted.

What does this Member Outcomes Assessment cover?

Sunsuper and QSuper merged on 28 February 2022 through what is known as a Successor Fund Transfer (SFT). To achieve the merger, Sunsuper Superannuation Fund (ABN 98 503 137 921) members' account balances and benefits were transferred to QSuper (ABN 60 905 115 063) which was renamed 'Australian Retirement Trust'. The QSuper Board (ABN 32 125 059 006) retired as trustee and Sunsuper Pty Ltd (ABN 88 010 720 840) was renamed to Australian Retirement Trust Pty Ltd and appointed the trustee of Australian Retirement Trust. As a result, Australian Retirement Trust Pty Ltd (ABN 88 010 720 840) ("Trustee", "we", "our", "us") is now the trustee of Australian Retirement Trust (ABN 60 905 115 063) ("ART", "Fund").

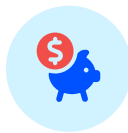
This Member Outcomes Assessment is a summary of the assessment as at 30 June 2022 of ART *Super Savings* products offered by the Trustee. The assessment includes, where relevant, consideration of information for periods prior to the merger on 28 February 2022 when the QSuper Board was trustee of the fund and the fund was known as QSuper. It also includes some information relevant to the Sunsuper Superannuation Fund prior to merger (for example, information relating to past performance of ART *Super Savings* investment options). The Member Outcomes Assessment covering QSuper investment options is available at qsuper.qld.gov.au/docs

About Australian Retirement Trust

On 28 February 2022, Australian Retirement Trust was formed through the merger of Sunsuper and QSuper. With a combined 140 years of looking after members, we're now one of Australia's largest super funds. We're proud to take care of over \$200 billion in retirement savings for more than two million members.



**More than
2 million**
members



**More than
\$200 billion**
funds under management



**140 years combined
experience**
of helping members

What is a Member Outcomes Assessment?

A Member Outcomes Assessment analyses the performance of superannuation products across key areas. This document is a summary of the assessments conducted by the Trustee to comply with s52(9) of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and *Superannuation Prudential Standard SPS 515 Strategic Planning and Member Outcomes* (SPS 515). This assessment is performed as at 30 June each year to allow the Trustee to determine whether our *Super Savings* products promote the financial interests of the members who hold them.

We offer these *Super Savings* products to members:

- a *Super Savings Accumulation account*;
- a *Super Savings Income account*¹; and,
- customised corporate arrangements including defined benefits and lifetime pensions² for specific groups of members that meet certain conditions.

We invest members' money in investment options classified as 'MySuper' or 'Choice'.

Our default *Super Savings* MySuper investment option is called the Lifecycle Investment Strategy. Our other *Super Savings* investment options are Choice investment options.

With a *Super Savings Accumulation account*, or a customised corporate accumulation arrangement, a member can leave their money in the Lifecycle Investment Strategy. This option is designed for members who want to generate wealth over the long term, and gradually transition to lower-risk investments as they approach age 65.³

Our other *Super Savings* investment options include Diversified options (e.g. Balanced) and Single Sector options (e.g. Cash) and are available to members holding a *Super Savings Accumulation* and/or *Super Savings Income account*.

Our QSuper Lifetime Pension account product is available to all Australian Retirement Trust members who meet certain conditions⁴. The Lifetime Pension funds are invested in our QSuper *Income account* Balanced option. The QSuper *Member Outcomes Assessment*, which covers QSuper Lifetime Pension and other investment options is available at qsuper.qld.gov.au/calculators-and-forms/publications/other-publications

The assessment consists of:

Part 1 – Assessing performance relative to benchmarks and peers on:

- Investment risk and returns
- Fees and costs.

Part 2 – Assessing the appropriateness of:

- Investment strategy
- Fees
- Options, benefits and services
- Operating costs and scale
- Insurance strategy and affordability.

Please see Appendix 1 for details of our approach, peer groups and the data sources for this assessment.

1. Any time we refer to our *Super Savings Income account* in this document, we are referring to both the *Super Savings Retirement income account* and the *Super Savings Transition to retirement income account*, unless we specify otherwise.

2. A Member Outcomes Assessment is not required for Defined Benefit products.

3. The different investment strategies utilised within this kind of product are referred to as 'lifecycle stages' in the industry and throughout this document.

4. See the *QSuper Product Disclosure Statement for Income Account and Lifetime Pension* for terms and conditions available at: qsuper.qld.gov.au/pds



Part 1

Assessing performance relative to benchmarks and peers on:

- Investment risk and returns
- Fees and costs

Lifecycle Investment Strategy (MySuper) returns against regulatory benchmarks and peers

The Lifecycle Investment Strategy is the default investment option for *Super Savings Accumulation* accounts. It has performed well against regulatory benchmarks.

The Lifecycle Investment Strategy is designed for members who want to generate wealth over the long term, and gradually transition to lower-risk investments as they approach age 65. Around 62% of funds under management (FUM) in *Super Savings' Accumulation* accounts is invested in the Lifecycle Investment Strategy.

The Australian Prudential Regulation Authority (APRA) conducts an annual performance test of MySuper products. The test compares the longer-term returns (8 years) against benchmark returns determined

by APRA. Funds offering MySuper options that underperform the relevant benchmark are required to inform members and are listed as underperforming on the government's YourSuper comparison tool until their performance improves.

The 8 year returns for all lifecycle stages of the Lifecycle Investment Strategy have exceeded their relevant benchmark. The excess return against the APRA benchmark return places each Lifecycle Investment Strategy lifecycle stage in the top two quartiles¹ against all MySuper options.

Lifecycle Investment Strategy comparison to APRA MySuper Product Heatmap benchmark as at 30 June 2022

Lifecycle stage	Risk ²	8 year Net Investment Return p.a. ^{3,4}	Return above benchmark p.a. ³
Age 54 and under	Medium to high	7.6%	0.9% ▲
Age 55	Medium to high	7.5%	0.9% ▲
Age 56	Medium to high	7.3%	0.8% ▲
Age 57	Medium to high	7.1%	0.7% ▲
Age 58	Medium to high	6.9%	0.6% ▲
Age 59	Medium	6.6%	0.6% ▲
Age 60	Medium	6.4%	0.5% ▲
Age 61	Medium	6.2%	0.4% ▲
Age 62	Medium	6.0%	0.4% ▲
Age 63	Medium	5.8%	0.3% ▲
Age 64	Medium	5.5%	0.2% ▲
Age 65 and over	Low to Medium	5.4%	0.2% ▲

1. APRA MySuper Product Heatmap 30 June 2022, apra.gov.au/mysuper-product-heatmap-0. Quartile ranking is based on all MySuper options included in the APRA Heatmap.

2. Based upon the Standard Risk Measure. For further details see www.australianretirementtrust.com.au/srm

3. Sourced from the 30 June 2022 APRA MySuper Product Heatmap. Return above benchmark is the difference between the 8 year net investment return and the Strategic Asset Allocation (SAA) Benchmark used by APRA. APRA Heatmap returns and benchmarks are net of all investment related fees but gross of administration fees. Therefore returns do not reconcile with those shown on page 5 which are net of all fees. Past performance is not a reliable indicator of future performance.

4. The Australian Retirement Trust *Super Savings* Lifecycle Investment Strategy option commenced on 28 February 2022 and adopted the investment strategy of the *Sunsuper for life* Lifecycle Investment Strategy. Returns shown are for the *Sunsuper for life* Lifecycle Investment Strategy for the period up to 28 February 2022 and the *Super Savings* Lifecycle Investment Strategy for the period from 28 February 2022 to 30 June 2022.

Above regulatory benchmark ▲

The Lifecycle Investment Strategy (MySuper) has delivered returns that compare well to peers

Global share markets were volatile throughout the year ended 30 June 2022, achieving reasonable returns in the latter half of 2021 before falling materially in the first half of 2022 primarily as a result of the war in Ukraine, rapidly growing inflationary pressures, and fears that rising interest rates would result in a downturn in the world economy. During periods of market volatility it is important to remember that superannuation is a long-term investment which delivers returns over a long-term horizon and rewards those prepared to tolerate short-term fluctuations.

The *Super Savings* Lifecycle Investment Strategy approach seeks to exceed its long-run real return

objectives while also seeking to offer a competitive value proposition by outperforming similar funds over the medium to longer term. The results below show that returns achieved at each stage of the lifecycle investment strategy have been above median relative to peers taking a similar level of risk.

The level of risk taken in achieving the target return is an important investment consideration. The Lifecycle Investment Strategy is designed so that investment risk reduces between age 55 and age 65, when many people are approaching retirement. The standard risk measures for all Lifecycle Investment Strategy lifecycle stages are lower than median.¹

Lifecycle Investment Strategy net returns as at 30 June 2022

Lifecycle stage	Risk ²	1 year		3 year		5 year		8 year	
		Return p.a. ^{3,4}	Peer median ⁵ return p.a.	Return p.a. ^{3,4}	Peer median ⁵ return p.a.	Return p.a. ^{3,4}	Peer median ⁵ return p.a.	Return p.a. ^{3,4}	Peer median ⁵ return p.a.
Age 54 and under	Medium to high	-1.1% ▲	-3.9%	5.3% ▲	3.6%	6.9% ▲	5.3%	7.4% ▲	5.9%
Age 55	Medium to high	-1.1% ▲	-3.9%	5.2% ▲	3.5%	6.8% ▲	5.3%	7.3% ▲	5.9%
Age 56	Medium to high	-1.1% ▲	-3.9%	5.0% ▲	3.5%	6.6% ▲	5.3%	7.1% ▲	5.9%
Age 57	Medium to high	-1.1% ▲	-3.9%	4.9% ▲	3.5%	6.4% ▲	5.3%	6.9% ▲	5.9%
Age 58	Medium to high	-1.0% ▲	-3.9%	4.7% ▲	3.5%	6.2% ▲	5.3%	6.6% ▲	5.9%
Age 59	Medium	-1.0% ▲	-3.8%	4.5% ▲	2.2%	6.0% ▲	4.3%	6.4% ▲	5.0%
Age 60	Medium	-0.9% ▲	-3.8%	4.3% ▲	2.2%	5.8% ▲	4.3%	6.2% ▲	5.0%
Age 61	Medium	-0.9% ▲	-3.8%	4.1% ▲	2.2%	5.6% ▲	4.3%	6.0% ▲	5.0%
Age 62	Medium	-0.9% ▲	-3.0%	4.0% ▲	2.6%	5.4% ▲	4.4%	5.8% ▲	5.0%
Age 63	Medium	-0.8% ▲	-3.6%	3.8% ▲	2.4%	5.2% ▲	4.4%	5.5% ▲	5.0%
Age 64	Medium	-0.8% ▲	-3.6%	3.6% ▲	2.4%	4.9% ▲	4.4%	5.3% ▲	5.0%
Age 65 and over	Low to Medium	-0.8% ▲	-1.2%	3.5% ▲	2.7%	4.8% ▲	3.7%	5.2% ▲	4.4%

Return above peer median ▲

1. APRA Quarterly Statistics as at 30 June 2022 [apra.gov.au/quarterly-superannuation-statistics](https://www.apra.gov.au/quarterly-superannuation-statistics). Median Standard Risk Measure is based on a peer group of all MySuper options and lifecycle stages. For illustrative purposes only and may not represent any individual member's unique lifecycle experience.

2. Based upon the Standard Risk Measure. For further details see www.australianretirementtrust.com.au/srm

3. Returns quoted are based on 30 June 2022 and are net of administration fees, investment fees and taxes. 3, 5 and 8 year returns quoted are compounded annualised returns. Past performance is not a reliable indicator of future performance.

4. The Australian Retirement Trust *Super Savings* Lifecycle Investment Strategy option commenced on 28 February 2022 and adopted the investment strategy of the *Sunsuper for life* Lifecycle Investment Strategy. Returns shown are for the *Sunsuper for life* Lifecycle Investment Strategy for the period up to 28 February 2022 and the *Super Savings* Lifecycle Investment Strategy for the period from 28 February 2022 to 30 June 2022.

5. See Appendix 1 for information on data sources and peer groups.

Choice investment option returns against objectives and peers

Super Savings Choice investment options are largely achieving their objectives.

We achieved the investment return objectives for the majority of the *Super Savings Accumulation* and *Super Savings Income* account Choice investment options, with three options marginally underperforming their return objectives as outlined in the table below.

Shares, Australian Shares and Diversified Bonds are actively managed Single Sector options. They each delivered performance similar to the benchmark after

fees without meeting the objective to exceed the benchmark by the required amount. The results from the actively managed Single Sector options, while below expectations for the year ended 30 June 2022, are consistent with an investment strategy that is able to achieve the outperformance target over the longer term. This is demonstrated by their strong 5 year and 10 year returns relative to peers shown on page 9.

Objectives and returns for *Super Savings* Choice options as at 30 June 2022

Investment option	Current performance objective	Objective period ¹	Return p.a. over objective period ^{2,3}	Performance objective target return p.a. ⁴
Choice investment options				
Diversified (Accumulation⁵)				
Growth	CPI + 4.0% p.a. ⁶	10 years	9.9% ▲	6.3%
Balanced	CPI + 3.5% p.a. ⁶	10 years	9.0% ▲	5.8%
Balanced - Index	CPI + 3.25% p.a. ⁶	10 years	8.1% ▲	5.6%
Socially Conscious Balanced	CPI + 3.5% p.a. ⁶	10 years	7.9% ▲	5.8%
Diversified Alternatives	CPI + 4.5% p.a. ⁶	10 years ⁷	9.7% ▲	7.1%
Retirement	CPI + 2.75% p.a. ⁶	10 years	6.8% ▲	5.1%
Conservative	Cash (after tax) +1% p.a. ⁶	3 years	2.7% ▲	1.3%
Diversified (Retirement income⁵)				
Growth	CPI + 4.5% p.a. ⁶	10 years	10.9% ▲	6.8%
Balanced	CPI + 4.0% p.a. ⁶	10 years	9.8% ▲	6.3%
Balanced - Index	CPI + 3.75% p.a. ⁶	10 years	9.0% ▲	6.1%
Socially Conscious Balanced	CPI + 4.0% p.a. ⁶	10 years	8.7% ▲	6.3%

Return objective achieved ▲

1. Period of objective is set by the Trustee and forms part of its regular reviews.

2. Returns quoted are compounded annualised returns based on 30 June 2022. Past performance is not a reliable indicator of future performance.

3. Each Australian Retirement Trust *Super Savings* Investment option commenced on 28 February 2022 and adopted the investment strategy of the corresponding *Sunsuper for life* investment option (e.g. the *Super Savings* Balanced option adopted the investment strategy of the *Sunsuper for life* Balanced option). Returns shown are for the respective *Sunsuper for life* option for periods up to 28 February 2022 and the respective Australian Retirement Trust *Super Savings* option from 28 February 2022 to 30 June 2022.

4. Performance objective target returns include benchmark return + x% p.a. hurdle where applicable. Please note any return that is within 0.2% p.a. of the performance objective target return has achieved the objective where the objective is to 'closely match' its respective benchmark.

5. *Transition to Retirement income* account returns are consistent with Accumulation returns.

6. After investment fees and costs and where applicable investment taxes.

7. Diversified Alternatives investment option does not have a 10-year history. Results shown are since inception on 2 October 2017.

Objectives and returns for *Super Savings* Choice options as at 30 June 2022 continued

Investment option	Current performance objective	Objective period ¹	Return p.a. over objective period ^{2,3}	Performance objective target return p.a. ⁴
Choice investment options				
Diversified (Retirement income⁵) continued				
Diversified Alternatives	CPI + 5.0% p.a. ⁸	10 years ⁷	10.7% ▲	7.6%
Retirement	CPI + 3.25% p.a. ⁶	10 years	7.7% ▲	5.6%
Conservative	Cash (after tax) +1% p.a. ⁶	3 years	2.9% ▲	1.3%
Single Sector (Accumulation and Income⁹)				
Shares	Exceed the performance benchmark return by 0.25% p.a. ⁸	3 years	5.6% ▼	5.9%
Australian Shares	Exceed the performance benchmark return by 0.25% p.a. ⁸	3 years	4.5% ▼	5.0%
Australian Shares - Index	Closely match the return of the performance benchmark ¹⁰	3 years	4.9% ▲	4.7%
International Shares - Index (Hedged)	Closely match the return of the performance benchmark ¹⁰	3 years	6.4% ▲	6.0%
International Shares - Index (Unhedged)	Closely match the return of the performance benchmark ¹⁰	3 years	7.4% ▲	7.5%
Emerging Markets Shares	Closely match the return of the performance benchmark ¹⁰	3 years	1.9% ▲	1.8%
Property	Exceed the return of the performance benchmark ⁸	5 years	8.7% ▲	6.5%
Australian Property - Index	Closely match the return of the performance benchmark ¹⁰	3 years	-2.0% ▲	-1.9%
Diversified Bonds	Exceed the performance benchmark return by 0.3% p.a. ⁸	3 years	-1.7% ▼	-1.6%
Diversified Bonds - Index	Closely match the return of the performance benchmark ¹⁰	3 years	-2.2% ▲	-2.1%
Cash	Returns that match or exceed the performance benchmark ⁸	3 years	0.8% ▲	0.3%

Return objective achieved ▲

Return objective not achieved ▼

1. Period of objective is set by the Trustee and forms part of its regular reviews.

2. Returns quoted are compounded annualised returns based on 30 June 2022. Past performance is not a reliable indicator of future performance.

3. Each Australian Retirement Trust *Super Savings* Investment option commenced on 28 February 2022 and adopted the investment strategy of the corresponding *Sunsuper for life* investment option (e.g. the *Super Savings* Balanced option adopted the investment strategy of the *Sunsuper for life* Balanced option). Returns shown are for the respective *Sunsuper for life* option for periods up to 28 February 2022 and the respective Australian Retirement Trust *Super Savings* option from 28 February 2022 to 30 June 2022.

4. Performance objective target returns include benchmark return + x% p.a. hurdle where applicable. Please note any return that is within 0.2% p.a. of the performance objective target return has achieved the objective where the objective is to 'closely match' its respective benchmark.

5. *Transition to retirement income* account returns are consistent with *Accumulation* returns.

6. After investment fees and costs and where applicable investment taxes.

7. Diversified Alternatives investment option does not have a 10-year history. Results shown are since inception on 2 October 2017.

8. After investment fees and costs but before investment taxes.

9. Some Single Sector option objectives are expressed as 'before tax'. *Retirement income* account returns are not subject to Australian income tax in the retirement phase, while *Accumulation* account returns are subject to Australian income tax. *Transition to retirement income* accounts are taxed in the same manner as *Accumulation* accounts. To show returns on a comparable basis with the before tax objective, *Retirement income* account returns are shown for Single Sector options.

10. Before investment fees and costs and investment taxes.

Our *Super Savings* Choice investment options have performed well against peers over the longer term.

Our *Super Savings* Choice investment options are designed for members with a range of investor needs and different attitudes to risk, to allow members to tailor an investment strategy that is appropriate for them. It is important to note that each of these investment options has a different investment strategy, objective, and asset allocation, which impact the returns, risks and investment fees and costs. Please refer to the *Super Savings Investment guide* for further information.

The majority of the funds under management (FUM) for *Super Savings* Choice investment options is invested in the Balanced, Growth, Retirement or Conservative options. These investment options have performed well against their peers as per the table below demonstrating members are benefiting from our investment management capability.

The table below outlines the performance of all *Super Savings* Choice investment options (*Accumulation* and *Retirement income accounts*) available to members. These options have been assessed against a comparison peer group's median return based on the risk profile

or asset class. For the majority of options across all time periods that could be assessed, the investment options outperformed the respective median. Selected Index options including Balanced Index, International Shares Index (hedged), Emerging Markets Shares, Australian Property Index and Diversified Bonds Index options experienced some peer relative underperformance. Index options are designed to match specified indexes or combinations of indexes and these options have all successfully achieved their performance objective as shown on pages 6 and 7. While the Shares and Australian Shares options have experienced some short-term underperformance relative to peers over the past year, they continue to exhibit consistent long term peer relative outperformance.

We continually review our suite of investment options and the strategies that support them to ensure we offer what we believe to be the best possible range of options to help enable our members to achieve their retirement goals.

Super Savings Choice investment options net investment return as at 30 June 2022

		1 Year		3 Years		5 Years		10 Years	
Investment options	Account type	Return p.a. ^{1,2}	Peer median ³ return p.a.	Return p.a. ^{1,2}	Peer median ³ return p.a.	Return p.a. ^{1,2}	Peer median ³ return p.a.	Return p.a. ^{1,2}	Peer median ³ return p.a.
Choice investment options									
Diversified									
Growth	Accumulation ⁴	-0.1% ▲	-5.4%	6.9% ▲	4.5%	8.4% ▲	6.4%	9.9% ▲	9.0%
	Retirement income	-0.2% ▲	-6.1%	7.5% ▲	5.2%	9.2% ▲	7.1%	10.9% ▲	10.0%
Balanced	Accumulation ⁴	-1.0% ▲	-3.8%	5.5% ▲	4.1%	7.2% ▲	5.7%	9.0% ▲	8.0%
	Retirement income	-1.2% ▲	-4.9%	6.0% ▲	4.4%	7.8% ▲	6.2%	9.8% ▲	8.7%
Balanced – Index	Accumulation ⁴	-7.9% ▼	-3.8%	3.5% ▼	4.1%	5.5% ▼	5.7%	8.1% ▲	8.0%
	Retirement income	-8.5% ▼	-4.9%	3.9% ▼	4.4%	6.2% ▲	6.2%	9.0% ▲	8.7%
Socially Conscious Balanced	Accumulation ⁴	-2.9% ▲	-3.8%	5.2% ▲	4.1%	6.4% ▲	5.7%	7.9% ▼	8.0%
	Retirement income	-3.5% ▲	-4.9%	5.7% ▲	4.4%	7.1% ▲	6.2%	8.7% ▲	8.7%

Return above or equal to peer median ▲

Return below peer median ▼

1. Returns are calculated net of investment fees, tax and asset-based administration fees. Dollar based and transaction fees such as fixed dollar administration fees, exit fees, contribution fees and switching fees are excluded. Assessment of return relative to peer median is based on returns rounded to 1 decimal place. Past performance is not a reliable indicator of future performance.

2. Each Australian Retirement Trust *Super Savings* Investment option commenced on 28 February 2022 and adopted the investment strategy of the corresponding *Sunsuper for life* investment option (e.g. the *Super Savings* Balanced option adopted the investment strategy of the *Sunsuper for life* Balanced option). Returns shown are for the respective *Sunsuper for life* option for periods up to 28 February 2022 and the respective Australian Retirement Trust *Super Savings* option from 28 February 2022 to 30 June 2022.

3. SuperRatings Fund Crediting Rate Survey – June 2022 (Accumulation) and (Pension). See Appendix 1 for information on data sources and peer groups.

4. *Transition to Retirement income* account returns are consistent with Accumulation returns.

Super Savings Choice investment options net investment return as at 30 June 2022 continued

		1 Year		3 Years		5 Years		10 Years	
			Peer median ³		Peer median ³		Peer median ³		Peer median ³
Investment options	Account type	Return p.a. ^{1,2}	return p.a.	Return p.a. ^{1,2}	return p.a.	Return p.a. ^{1,2}	return p.a.	Return p.a. ^{1,2}	return p.a.
Choice investment options									
Diversified continued									
Diversified Alternatives	Accumulation ⁴	13.0%	N/A ⁵	9.6%	N/A ⁵	N/A ⁶	N/A ⁵	N/A ⁶	N/A ⁵
	Retirement income	14.3%	N/A ⁵	10.6%	N/A ⁵	N/A ⁶	N/A ⁵	N/A ⁶	N/A ⁵
Retirement	Accumulation ⁴	-0.6% ▲	-3.8%	4.0% ▲	2.7%	5.5% ▲	4.2%	6.8% ▲	6.2%
	Retirement income	-1.0% ▲	-4.6%	4.5% ▲	3.1%	6.2% ▲	4.7%	7.7% ▲	7.0%
Conservative	Accumulation ⁴	-0.8% ▲	-3.4%	2.7% ▲	1.6%	4.0% ▲	3.0%	5.3% ▲	4.6%
	Retirement income	-1.1% ▲	-4.0%	2.9% ▲	1.6%	4.5% ▲	3.3%	6.0% ▲	5.1%
Single Sector									
Shares	Accumulation ⁴	-8.4% ▼	-6.9%	5.3% ▲	4.6%	7.8% ▲	6.6%	10.1% ▲	10.0%
	Retirement income	-8.9% ▼	-7.6%	5.6% ▲	5.4%	8.3% ▲	7.4%	10.9% ▲	10.6%
Australian Shares	Accumulation ⁴	-4.8% ▼	-4.7%	4.0% ▼	4.4%	7.1% ▲	6.9%	9.5% ▲	9.2%
	Retirement income	-5.2% ▼	-4.9%	4.5% ▲	4.8%	7.8% ▲	7.8%	10.3% ▲	10.3%
Australian Shares – Index	Accumulation ⁴	-4.3% ▲	-4.7%	4.2% ▼	4.4%	7.4% ▲	6.9%	9.6% ▲	9.2%
	Retirement income	-4.3% ▲	-4.9%	4.9% ▲	4.8%	8.4% ▲	7.8%	10.6% ▲	10.3%
International Shares - Index (hedged)	Accumulation ⁴	-11.8% ▼	-9.1%	5.9% ▼	6.0%	6.8% ▼	7.5%	10.3% ▼	11.2%
	Retirement income	-12.9% ▼	-9.5%	6.4% ▲	6.2%	7.3% ▼	8.0%	11.5% ▼	12.2%
International Shares - Index (unhedged)	Accumulation ⁴	-6.9% ▲	-9.1%	6.9% ▲	6.0%	9.2% ▲	7.5%	13.2% ▲	11.2%
	Retirement income	-7.5% ▲	-9.5%	7.4% ▲	6.2%	9.9% ▲	8.0%	14.3% ▲	12.2%
Emerging Markets Shares	Accumulation ⁴	-16.7% ▼	-9.1%	1.8% ▼	6.0%	4.4% ▼	7.5%	6.1% ▼	11.2%
	Retirement income	-17.9% ▼	-9.5%	1.9% ▼	6.2%	4.8% ▼	8.0%	6.6% ▼	12.2%
Property	Accumulation ⁴	8.4% ▲	-8.6%	7.7% ▲	-1.0%	7.9% ▲	4.4%	8.9% ▲	8.2%
	Retirement income	9.1% ▲	-8.8%	8.4% ▲	-1.0%	8.7% ▲	4.5%	9.8% ▲	8.3%
Australian Property - Index	Accumulation ⁴	-10.0% ▼	-8.6%	-1.6% ▼	-1.0%	4.6% ▲	4.4%	8.9% ▲	8.2%
	Retirement income	-11.2% ▼	-8.8%	-2.0% ▼	-1.0%	5.0% ▲	4.5%	9.5% ▲	8.3%
Diversified Bonds	Accumulation ⁴	-8.7% ▲	-8.7%	-1.4% ▲	-1.7%	0.8% ▲	0.6%	2.7% ▲	2.4%
	Retirement income	-10.1% ▼	-9.7%	-1.7% ▲	-2.0%	0.9% ▲	0.8%	3.0% ▲	2.8%
Diversified Bonds – Index	Accumulation ⁴	-8.9% ▼	-8.7%	-2.0% ▼	-1.7%	0.6% ▲	0.6%	2.7% ▲	2.4%
	Retirement income	-10.2% ▼	-9.7%	-2.2% ▼	-2.0%	0.7% ▼	0.8%	3.0% ▲	2.8%
Cash	Accumulation ⁴	0.3% ▲	0.1%	0.7% ▲	0.4%	1.2% ▲	0.9%	1.9% ▲	1.6%
	Retirement income	0.4% ▲	0.2%	0.8% ▲	0.5%	1.4% ▲	1.1%	2.2% ▲	1.9%

Return above or equal to peer median ▲

Return below peer median ▼

1. Returns are calculated net of investment fees, tax and asset-based administration fees. Dollar based and transaction fees such as fixed dollar administration fees, exit fees, contribution fees and switching fees are excluded. Assessment of return relative to peer median is based on returns rounded to 1 decimal place. Past performance is not a reliable indicator of future performance.

2. Each Australian Retirement Trust Super Savings Investment option commenced on 28 February 2022 and adopted the investment strategy of the corresponding Sunsuper for life investment option (e.g. the Super Savings Balanced option adopted the investment strategy of the Sunsuper for life Balanced option). Returns shown are for the respective Sunsuper for life option for periods up to 28 February 2022 and the respective Australian Retirement Trust Super Savings option from 28 February 2022 to 30 June 2022.

3. SuperRatings Fund Crediting Rate Survey – June 2022 (Accumulation) and (Pension). See Appendix 1 for information on data sources and peer groups.

4. Transition to Retirement income account returns are consistent with Accumulation returns.

5. The Diversified Alternatives option consists largely of private market assets and does not have a comparable peer group median.

6. The Diversified Alternatives investment option commenced on 2 October 2017 and does not have a 5 or 10-year history.

We believe in keeping fees low

We are committed to returning profits to members as better services and lower fees.

Administration fees

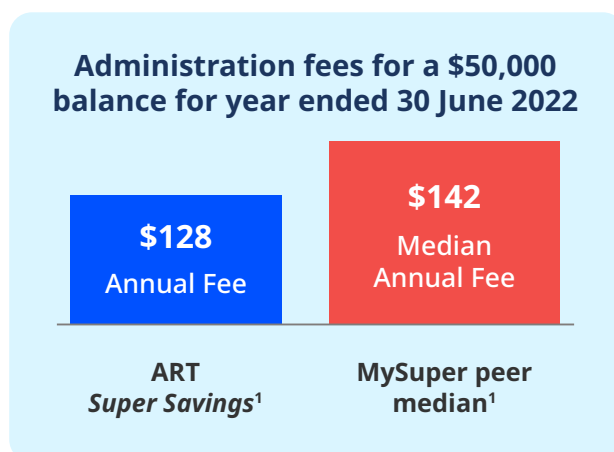
Administration fees for a \$50,000 balance remain at or below the peer median for all members.

From 1 July 2022, the dollar based administration fee for most Super Savings account holders was lowered to \$1.20 per week (\$62.40 p.a.).²

Total fees (Investment fees and costs plus administration fees)

Total fees include administration, investment fees and indirect costs. While the peer comparison in the table below shows some investment options had a higher than peer median fee for a \$50,000 balance, all options with a higher fee also outperformed the median return for the year ended 30 June 2022 (see pages 5, 8 and 9).

This can be attributed to the alternative asset allocations within these options. The alternative asset class had higher investment fees than listed asset equivalents but delivered strong long-term returns for



members, while reducing exposure to share market volatility. The alternative asset class provided powerful diversification benefits in an environment where both shares and bonds delivered negative returns.

Due to our strong reliable cashflows we are able to access these assets that are often not available to smaller funds.

Super Savings total fees as at 30 June 2022 - account balance \$50,000

Investment options	Super Savings total fee p.a. ^{3,1}	Peer median total fee p.a. ¹
MySuper investment option – Lifecycle Investment Strategy		
Age 54 and under	\$ 628 ▼	\$503
Age 55	\$ 628 ▼	\$503
Age 56	\$ 623 ▼	\$503
Age 57	\$ 618 ▼	\$503
Age 58	\$ 608 ▼	\$503
Age 59	\$ 603 ▼	\$450
Age 60	\$ 598 ▼	\$450
Age 61	\$ 598 ▼	\$450

Fees lower than or equal to peer median ▲

Fees higher than peer median ▼

1. See Appendix 1 for information on data sources and peer groups. MySuper peer median for administration fees is based on the peer group for Age 54 and under. Administration fees shown are the standard fees applicable to *Super Savings Accumulation* accounts. Some *Super Savings Accumulation* account holders have customised corporate agreements under which Australian Retirement Trust has agreed to provide discounted administration fees to members who are employed by certain large employers. Members to whom this applies will have lower administration fees than those shown and the administration fees (and therefore total fees) applicable to those members will compare more favourably to the peer median.

2. From 1 July 2022 fee disclosure within *Super Savings Product Disclosure Statements* (PDS) changed to comply with new rules, and fees and costs within the *Super Savings* PDSs are now described as administration fees and costs, investment fees and costs, and transaction costs. Administration fees and costs now include both fees charged to member accounts and some costs met from reserves.

3. Total fees comprise the administration fee, investment fee and indirect cost ratio. These are based on the fees and costs for the year ended 30 June 2022 as presented in the data sources noted in Appendix 1. The amounts shown differ from current fees and costs and may differ from future fees and costs. There are other costs such as operating costs of property investments that are not included in total fees but are reflected in the unit prices and the calculation of the net earnings.

Super Savings total fees as at 30 June 2022 - \$50,000 account balance continued

Investment options	Super Savings total fee p.a. ^{3,1}	Peer median total fee p.a. ¹
MySuper investment option – Lifecycle Investment Strategy		
Age 62	\$ 598 ▼	\$450
Age 63	\$ 588 ▼	\$450
Age 64	\$ 583 ▼	\$450
Age 65 and over	\$ 583 ▼	\$468
Choice investment options^{4,2}		
Diversified		
Growth	\$ 612 ▼	\$590
Balanced	\$ 557 ▼	\$546
Balanced-Index	\$ 202 ▲	\$546
Socially Conscious Balanced	\$ 407 ▲	\$577
Diversified Alternatives	\$1,342	N/A ⁵
Retirement	\$ 552 ▼	\$484
Conservative	\$ 522 ▼	\$446
Single Sector		
Shares	\$ 297 ▲	\$526
Australian Shares	\$367 ▲	\$437
Australian Shares – Index	\$192 ▲	\$437
International Shares – Index (hedged)	\$202 ▲	\$458
International Shares – Index (unhedged)	\$197 ▲	\$458
Emerging Markets Shares	\$202 ▲	\$458
Property	\$567 ▼	\$564
Australian Property – Index	\$217 ▲	\$564
Diversified Bonds	\$237 ▲	\$351
Diversified Bonds – Index	\$217 ▲	\$351
Cash	\$182 ▲	\$218

Fees lower than or equal to peer median ▲

Fees higher than peer median ▼

1. See Appendix 1 for information on data sources and peer groups.

2. From 1 July 2022 fee disclosure within *Super Savings Product Disclosure Statements* (PDS) changed to comply with new rules, and fees and costs within the *Super Savings* PDSs are now described as administration fees and costs, investment fees and costs, and transaction costs. Administration fees and costs now include both fees charged to member accounts and some costs met from reserves.

3. Total fees comprise the administration fee, investment fee and indirect cost ratio. These are based on the fees and costs for the year ended 30 June 2022 as presented in the data sources noted in Appendix 1. The amounts shown differ from current fees and costs and may differ from future fees and costs. There are other costs such as operating costs of property investments that are not included in total fees but are reflected in the unit prices and the calculation of the net earnings.

4. Please note Chant West fee data is as at 30 June 2022 but includes administration fees and costs that are based on information contained within the *Super Savings* PDS as at 1 July 2022.

5. The Diversified Alternatives option consists largely of private market assets and does not have a comparable peer group median.



Part 2

Assessing the appropriateness of:

- Investment strategy
- Options, benefits and services
- Fees
- Operating costs and scale
- Insurance strategy and affordability

Our *Super Savings* strategies, operations and services are sound

1. Investment strategy

Our investment strategy is based on a set of investment principles that are at the core of the portfolio construction process. The investment principles are interrelated and considered in conjunction with each other, applying as a holistic set of influences in developing investment strategies.

These principles include:

- Best practice governance, particularly effective delegations enable efficiency, ensure strong alignment, effective decision-making and clear accountability.
- Whether internal or external, utilising the investment capability best suited to the management of risks and pursuit of opportunities, considering strategic advantage and resourcing.
- Management of costs is important to maximising returns.
- Measurement against appropriate objectives and benchmarks is important to be able to assess success of investment strategies and to provide the framework for investment team accountability.

- Offering a product suite that meets member needs:

- Delivering risk-adjusted real returns consistent with objectives over the medium to long term improves members' retirement outcomes.
- Ensuring competitive returns against peers, over the appropriate investment horizons, consistent with the interests of members, is important to ensuring sustainability and maintaining strategic advantage.

The *Super Savings* product approach seeks to exceed its long-run real return objectives while also seeking to offer a competitive value proposition by outperforming similar funds over the medium to longer-term.

The trustee has concluded its investment strategy, including the level of investment risk and return target for each option, is appropriate and in the best financial interests of members.

In line with its governance responsibilities, the Trustee will continue to regularly review the appropriateness of the investment strategy.

2. Options, benefits and services

Supporting members to and through retirement

We exist to serve our two million members and our range of options, benefits and services are designed to support each member's unique retirement journey. Through these services we aim to inform, educate and advise our members to help them feel secure, confident and protected to and through retirement.

In 2022, our multi award-winning *Super Savings* products and services continued to be recognised by research and ratings agencies as good value and industry leading¹:

- Chant West: Best Fund Member Services 2022
- Chant West: Corporate Solutions Fund of the Year 2022
- Canstar Outstanding Value Superannuation 2022
- Canstar Outstanding Value Account Based Pension 2022

Our members can access a comprehensive range of in-person, over-the-phone or online services including:

- Support and general advice via our Australian-based contact centre,
- Expert financial advice about their super account over the phone,
- Super and investment education via our seminars, webinars and podcasts,
- 24/7 account access via Member Online or the member app,
- Articles, newsletters, calculators and tools on our website,
- Deals and discounts from brands across Australia.²

The Trustee has concluded the options, benefits and services offered are appropriate for members who hold a *Super Savings* account.

3. Fees

Competitive fees means more money for members' retirement

We are committed to returning profits to members as lower fees and better services, as the less members pay in fees on their super account the more they could have to live their best retirement.

The basis for setting fees for the membership including members with customised corporate arrangements, for all our investment options, takes into consideration the membership profile, fund growth and operating cost along with competitor positions. These considerations allow for an appropriate fee structure for all members and provide a low fee proposition. Our scale, strong net cash flows, end-to-end service model, profit-for-member philosophy, plus the ongoing investments we make in the business to drive greater efficiency gains, means we have maintained or lowered our fees over the last 5 years.³

The Trustee believes it is in the best interest of members not to charge member activity related fees and costs (including switching fees and buy-sell spreads).

1. Based on awards received from Chant West and Canstar. For further information refer to australianretirementtrust.com.au/awards. Awards are solely statements of opinion and do not represent recommendations to purchase, hold or sell product(s) or make any other investment decisions. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. Ratings, awards, or investment returns are only one factor that you should consider when deciding how to invest your super. Past performance may not be a reliable indicator of future performance. Awards are current for 12 months from the date awarded and subject to change at any time.

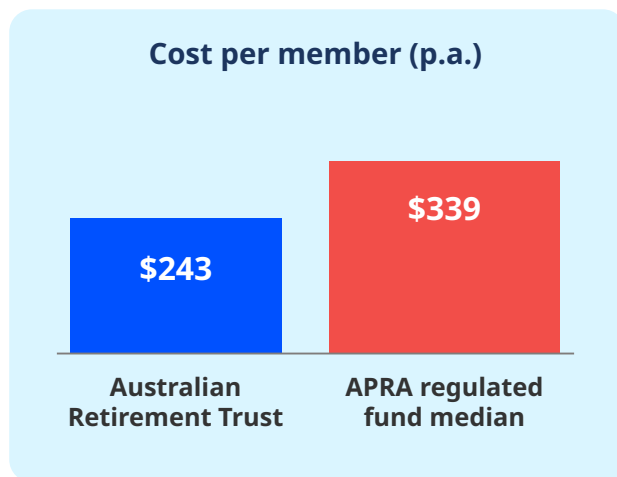
2. Refer to our website for more information australianretirementtrust.com.au/rewards

3. This comparison relates to the fees applicable to *Sunsuper for life* products for periods prior to 28 February 2022.

4. Operating costs and scale

Operating costs are appropriate

We aim to maintain a strong position within the industry on an operating-cost perspective. We have used a combination of methods to perform this assessment, including analysing the cost per member (CPM). CPM expresses the operating costs of the Fund as a dollar value for each member account. Our cost per member is below the median for APRA regulated funds.¹ Because our operating costs are low, they do not inappropriately affect the financial interests of our members.



Our size brings opportunities that benefit members

- Our large scale ensures we are in a strong position to take advantage of attractive investment opportunities.
- We attract, retain and develop a capable team.
- We have strong bargaining power, allowing access to preferred suppliers and ability to negotiate terms.

5. Super Savings insurance strategy and affordability

The Trustee believes life insurance plays an important role in bridging the gap between a member's retirement account today and the amount that is available to them on retirement or disability or to their beneficiaries if they die. Trustees must strike a balance between providing adequate automatic levels of insurance cover and the costs of the cover.

Trustees have a fiduciary duty to act in the best financial interests of members. We believe that, in order to discharge the best financial interests duty correctly, it is essential for a trustee to consider both the adequacy of default cover and the cost of cover, and one component should not be overshadowed by the other.

This approach is central to our philosophy on insurance, which promotes the provision of meaningful levels of default cover for members, supported by sustainable premiums that do not inappropriately erode members' retirement benefits. Members are also provided with the ability to personalise cover through underwriting, occupationally rate their premiums and cancel or change their cover to meet individual circumstances.

The insurance strategy for *Super Savings* includes our insurance principles as outlined over the page, and our products are designed to align to these principles.

1. APRA regulated Fund median is based on public offer funds where data was available. Source: APRA Annual Statistics as at 30 June 2022 www.apra.gov.au/annual-mysuper-statistics

2. The Australian Retirement Trust CPM is for the period from 1 July 2021 to 30 June 2022. Sunsuper and QSuper merged on 28 February 2022 through what is known as a Successor Fund Transfer (SFT). To achieve the merger, Sunsuper Superannuation Fund (ABN 98 503 137 921) members' account balances and benefits were transferred to QSuper (ABN 60 905 115 063) which was renamed 'Australian Retirement Trust'. The Australian Retirement Trust CPM includes the impact of Administration and Operating expenses incurred between 1 July 2021 and 28 February 2022 by both Sunsuper Superannuation Fund and Australian Retirement Trust (when it was named QSuper).

Our insurance principles

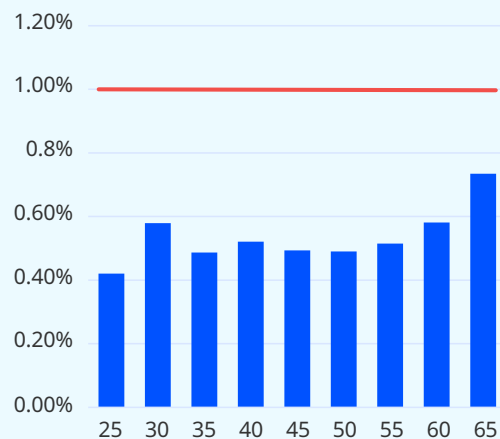
We have developed overarching insurance design principles that guide the development of different insurance benefit designs within separate products, and across all cohorts:

- **Members first** – a proposition designed in our members' best financial interests, appropriate for the characteristics of the specific membership and target market;
- **Affordable** – a default design that strikes a balance between the level of benefits and the impact of premiums on erosion of retirement benefits;
- **Simple** – easy for members to understand and consider;
- **Flexible** – ability to apply for additional cover, decrease cover, cancel cover, and ease of transfer of cover between products;
- **Sustainable** – provide premium stability over the medium term;
- **Equitable** – premiums are charged based on member demographics with acceptable levels of cross subsidisation;
- **Competitive positioning** - benefit design should be value for money for members; and
- **Service excellence** – members, beneficiaries and representatives are treated with empathy and respect and provided with a high standard of service.

Affordable cover for members

A key element of the insurance strategy for *Super Savings* is affordability. For *Super Savings*, an annual premium erosion test is completed against a cap of 1% of average salary. When the annual review for 2022 was completed, no age based cohorts assessed breached the 1% cap (see graph below). For insured members with a customised corporate arrangement, a premium erosion test is completed every 3 years as part of plan reviews. For all insured members, individual affordability assessments are also completed on an annual basis. Any members assessed as being at risk of balance erosion due to insurance premiums receive a message on their annual insurance summary.

**Premium for automatic cover
as a % of average salary benchmark**



Super Savings is one of the few products that offers gender- based premium rates to ensure costs reflect the risks within each group.



Annual determination

Annual determination as at 30 June 2022

Super Savings Accumulation account **product determination**

Based on the analysis performed above the Trustee has determined that;

- The fees, risk and return of the *Super Savings Accumulation account* product compare well to peers and regulatory benchmarks, where they are applicable, for both the MySuper and Choice investment options.
- With reference to the members who hold a *Super Savings Accumulation account* product:
 - The investment strategy, including the level of investment risk and return target, is appropriate
 - The basis for the setting of fees is appropriate
 - The options, benefits and facilities offered are appropriate
 - Operating costs are not inappropriately affecting financial interests
 - The scale of the Trustee's business operations is not causing disadvantage
 - The insurance strategy is appropriate and does not inappropriately erode retirement income

And therefore, the financial interests of the members who hold a *Super Savings Accumulation account* product (whether they are invested in the MySuper or Choice investment options) are being promoted by the Trustee.

Super Savings Income account **product determination**

Based on the analysis performed above the Trustee has determined that;

- The fees, risk and return of the *Super Savings Income account* product compare well to peers.
- With reference to the members who hold a *Super Savings Income account*:
 - The investment strategy, including the level of investment risk and return target, is appropriate
 - The basis for the setting of fees is appropriate
 - The options, benefits, and facilities offered are appropriate
 - Operating costs are not inappropriately affecting financial interests
 - The scale of the Trustee's business operations is not causing disadvantage

And therefore, the financial interests of the members who hold a *Super Savings Income account* product are being promoted by the Trustee.



Appendix 1

Part 1 includes a comparison of return and fees associated with each of our *Super Savings* MySuper and Choice investment options separately. For the *Super Savings* MySuper option, comparisons are made for each lifecycle stage. Returns and fees are compared to the median for a reasonable peer group, as shown below:

Classification	Grouping	Name of option / lifecycle stage	Peer group	Data source
MySuper	Lifecycle stages	Age 54 and under, Age 55, Age 56, Age 57, Age 58, Age 59, Age 60, Age 61, Age 62, Age 63, Age 64, Age 65 and over	MySuper investment options and Lifecycle stages with the same Standard Risk Measure (SRM) ¹	APRA Quarterly MySuper Statistics <ul style="list-style-type: none"> 1, 3 and 5 years as collated by Chant West² 8 years as collated by the YourSuper Comparison tool as at 30 June 2022
	Choice	Diversified <ul style="list-style-type: none"> Growth Balanced Balanced - Index Socially Conscious Balanced Retirement Conservative 	Diversified options with a similar % of growth assets	<ul style="list-style-type: none"> Internal ART data (Returns) SuperRatings⁴ (Return peer medians) Chant West (Fees)²
		Diversified Alternatives	N/A ³	Internal ART data
	Single Sector	<ul style="list-style-type: none"> Shares Australian Shares Australian Shares Index International Shares Index (Hedged) International Shares Index (Unhedged) Emerging Markets Shares Property Australian Property Index Diversified Bonds Diversified Bonds Index Cash 	Single Sector options within the same sector (e.g., Cash)	<ul style="list-style-type: none"> Internal ART data (Returns) SuperRatings⁴ (Return peer medians) Chant West (Fees)²

Part 2 of the assessment determines whether additional services and the default insurance offering are affordable and appropriate for the members holding *Super Savings* products. In most instances the additional services we offer are consistent between *Super Savings Accumulation* and *Income account* holders, so this analysis is performed only once.

1. For further details, see australianretirementtrust.com.au/srm

2. Chant West's Member Outcomes Dashboard, data ending 30 June 2022. © Zenith CW Pty Ltd ABN 20 639 121 403 (Chant West), Authorised Representative of Zenith Investment Partners Pty Ltd ABN 27 103 132 672, AFSL 226872 under AFS Representative Number 1280401. The data provided by Chant West is based on information supplied by third parties and does not contain all the information required to evaluate Australian Retirement Trust. You are responsible for obtaining further information as required. To the extent that this data is advice it is General Advice (s766B Corporations Act). Individuals should seek their own independent financial advice and consider the appropriateness of any financial product in light of their own circumstances and needs before making any investment decision. Chant West has not taken into account the objectives, financial situation, or needs of any specific person who may access or use this data including target markets of financial products, where applicable. It is not a specific recommendation to purchase, sell, or hold any product(s) and is subject to change at any time without prior notice. Individuals should consider the appropriateness of any advice in light of their own objectives, financial situations, or needs and should obtain a copy of and consider any relevant PDS or offer document before making any decision. Data is provided in good faith and is believed to be accurate; however, no representation, warranty, or undertaking is provided in relation to the accuracy or completeness of the data. Data provided is subject to copyright and may not be reproduced, modified, or distributed without the consent of the copyright owner. Except for any liability which cannot be excluded, Chant West does not accept any liability whether direct or indirect, arising from use of this data. Past performance is not an indication of future performance. Full details regarding Chant West's research methodology, processes, ratings definitions are available at chantwest.com.au, and Chant West's Financial Services Guide is available at chantwest.com.au/financial-services-guide

3. The Diversified Alternatives Option consists largely of private market assets and does not have a comparable peer group median.

4. SuperRatings Fund Crediting Survey (30 June 2022). SuperRatings does not issue, sell, guarantee, or underwrite Australian Retirement Trust products. Go to superratings.com.au for further details. Past performance is not a reliable indicator of future performance.



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Important information

This document has been prepared on 23 March 2023 and issued by Australian Retirement Trust Pty Ltd (ABN 88 010 720 840) (AFSL 228975), the trustee of Australian Retirement Trust (ABN 60 905 115 063) (the Fund). While it has been prepared with all reasonable care, no responsibility or liability is accepted for any errors or omissions or misstatement however caused. For *Super Savings* products the Product Disclosure Statement (PDS) and Target Market Determinations (TMD) are available at australianretirementtrust.com.au/pds or by contacting us on 13 11 84.

For QSuper products the PDS and TMDs are available at qsuper.qld.gov.au/docs.

We are committed to respecting your privacy. Our privacy policy sets out how we do this, visit australianretirementtrust.com.au/privacy

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