

# Members Outcome Assessment

For financial year ended 30 June 2020

NESS Super has prepared the following Members Outcome Assessment in accordance with the requirements of the Superannuation Industry (Supervision) Act and paragraphs 21-23 of SPS 515 – *Strategic Planning and Member Outcomes*. The determination is made by the Trustee after assessing whether the superannuation interests we offer are promoting the financial interests of our members as part of its annual Business Performance Review.

NESS Super offers the following products to its members:

- In the Accumulation phase a MySuper product, called NESS MySuper<sup>1</sup>, as well as the following additional choice investment options: High Growth, Stable, Australian Shares, Overseas Shares, Property and Cash.
- In the Pension phase the following choice products: Aggressive, Assertive, Moderate, Cautious, Conservative and Cash.

## Assessing our performance

As part of the Fund's strategic planning, the Trustee has established several objectives and outcomes we sought for members that relate to NESS Super's:

- Investment strategy and level of investment risk and return
- Insurance strategy and fees
- Fees and operating costs that affect the member returns
- Options, benefits, and facilities offered to members
- Overall size and scale

We have assessed our performance against these objectives and outcomes for the year ending 30 June 2020. A summary of the assessment in each of these areas is set out in more detail below.

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<sup>1</sup> NESS MySuper Authorisation 72229227691044

## 1. NESS Super's Investment Strategy and Level of Investment Risk and Return

The year ending 30 June 2020 was challenging as the world (including investment markets) felt the impact of COVID-19. The result is that the NESS MySuper option produced a negative return for the first time in 11 years which is consistent with most default superannuation funds. Despite this challenge, the Trustee recognises that investments in superannuation need to be evaluated from a long-term viewpoint and have maintained its strategic approach, namely:

In formulating, reviewing and giving effect to the investment strategy for the whole Fund and each investment option, the Trustee will have regard to:

- a) The risk and likely return of investments;
- b) Liquidity, and the ability of the Fund to discharge its existing and prospective liabilities, having regard to the expected cash flow requirements of the Fund;
- c) The availability of reliable valuation information;
- d) Expected tax consequences for the Fund;
- e) Costs that might be incurred by the Fund;
- f) The results of any relevant due diligence undertaken; and
- g) Any other matters the Trustee deems relevant.

The Trustee exercises due diligence in developing, offering and reviewing regularly each investment option.

The Trustee takes regard of the factors highlighted above in the development, offering and review of each investment option. The Trustee employs the services of an independent professional Implemented Investment Consultant to assist the Trustee to assess that each factor has been appropriately considered, and that the risks taken are appropriate in the context of the objectives, cash flow requirements, liquidity requirements, and consistent with the communications made to beneficiaries of each option.

**NESS MySuper Option (11,539 members, value of \$646.4 million) – 30 June 2020**

**Return: – 1.42%**

### Investment Strategy

The MySuper option is the largest option and accounts for 83% of NESS Super's Funds Under Management (FUM) and is the default investment option for members who have either not made an investment choice or have chosen to invest their funds in a traditionally balanced investment option. This can be seen in the Fund's investment strategy which invests between 60% to 80% in growth assets (such as Australian and international shares, growth alternatives and property) with the balance being invested in defensive assets (such as fixed interest, defensive alternatives, and cash).

## Risk

The superannuation industry has developed a comparative called the **Standard Risk Measure as per joint FSC/APRA guidelines** to enable investors to compare one fund's investment option against another. The Trustee uses this to give context to NESS Super's performance against the level of risk taken.

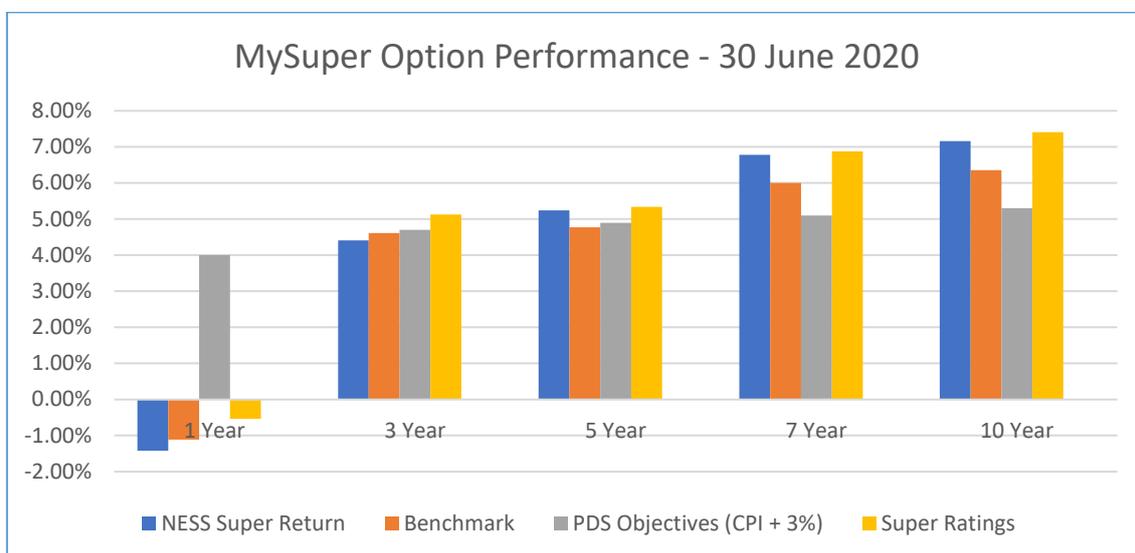
The Standard Risk Measure for NESS MySuper is:

<b>Risk Band</b>	5
<b>Risk Label</b>	Medium to High
<b>Estimated number of negative annual returns over and 20-year period.</b>	3 but less than 4

The Trustee has assessed the appropriateness of this level of risk against default investment options of other competitive superannuation funds and has deemed this to be an appropriate level of risk. This assessment has been conducted by comparing the performance of NESS Super in terms of the options growth to defensive asset allocation against a basket of comparative superannuation funds as per Super Ratings Member Outcomes as at 30 June 2020.

## Return

The Fund's objective for its MySuper option is to achieve a return after fees and tax over a rolling ten-year period of at least 3% per annum above inflation. The results below indicate that over five, seven and ten years the MySuper option has exceeded its objective. The Fund's MySuper option has also exceeded its benchmarks consistently over five, seven and ten years and in relative terms, has tracked closely to the median Super Ratings returns over the same time periods.



The one-year performance of this option must be viewed in the context of the global economic downturn caused by COVID-19.

## NESS High Growth Option (1,242 members, value of \$68.9 million) – 30 June 2020

Return: – 2.58%

### Investment Strategy

The NESS High Growth option is the second largest option accounting for 8.9% of NESS Super's (FUM). The assets of this option are invested in predominantly in Australian and International shares, with the balance of assets held in property and growth assets. It has little exposure to defensive assets.

### Risk

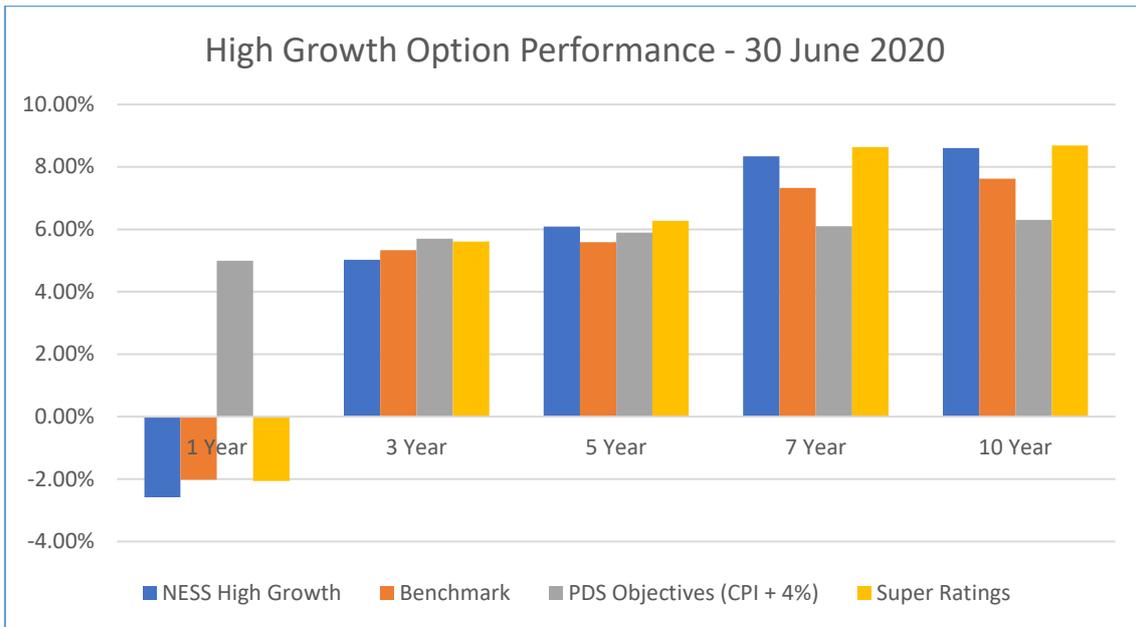
The Standard Risk Measure for NESS High Growth is:

<b>Risk Band</b>	6
<b>Risk Label</b>	High
<b>Estimated number of negative annual returns over and 20-year period.</b>	4 but less than 6

The Trustee has assessed the appropriateness of this level of risk against other High Growth options available from competitor superannuation funds and has deemed this to be an appropriate level of risk. This assessment has been conducted by comparing the performance of NESS Super in terms of the options growth to defensive asset allocation against a basket of comparative superannuation funds as per Super Ratings Member Outcomes as at 30 June 2020.

### Return

The Fund's objective for its High Growth option is to achieve a return after fees and tax over a rolling seven-year period of at least 4% per annum above inflation. The results below indicate that over five, seven and ten years the High Growth option has exceeded its objective. The Fund's High Growth option has also exceeded its benchmarks consistently over five, seven and ten years and in relative terms, has tracked closely to the median Super Ratings returns over the same time periods.



The one-year performance of this option must be viewed in the context of the global economic downturn caused by COVID-19.

**NESS Stable Option (562 members, value of \$17.5 million) – 30 June 2020 Return: +0.69%**

### Investment Strategy

The NESS Stable option is the fourth largest option accounting for 2.25% of NESS Super’s (FUM). The Fund’s Investment Strategy is to invest most of its funds in Defensive Assets (such as cash, fixed interest, and defensive alternatives) while provide a smaller amount of exposure to Australian and international shares, growth alternatives and property investments.

### Risk

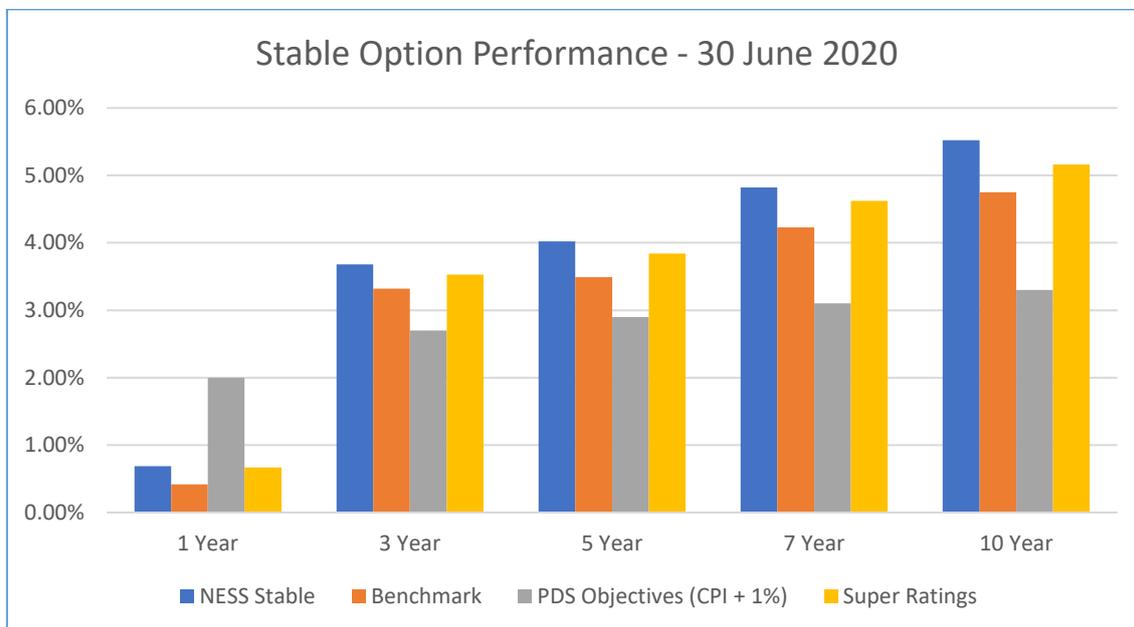
The Standard Risk Measure for NESS High Growth is:

<b>Risk Band</b>	3
<b>Risk Label</b>	Low to medium
<b>Estimated number of negative annual returns over and 20-year period.</b>	1 but less than 2

The Trustee has assessed the appropriateness of this level of risk against other Stable options available from competitor superannuation funds and has deemed this to be an appropriate level of risk. This assessment has been conducted by comparing the performance of NESS Super in terms of the options growth to defensive asset allocation against a basket of comparative superannuation funds as per Super Ratings Member Outcomes as at 30 June 2020.

## Return

The Fund's objective for its Stable option is to achieve a return after fees and tax over a rolling three-year period of at least 1% per annum above inflation. The results below indicate that over three, five, seven and ten years the Stable option has exceeded its objective. The Fund's Stable option has also exceeded its benchmarks consistently over all time periods and has exceeded the median Super Ratings returns over the same time periods.



The one-year performance of this option demonstrates that positive returns can be achieved during a global economic downturn caused by COVID-19, but still trails more growth-oriented investment options in the longer term.

## NESS Australian Shares Option (363 members, value of \$9.5 million) – 30 June 2020

**Return: – 6.66%**

### Investment Strategy

The NESS Australian Shares option invests exclusively in Australian Shares and represents 1.22% of NESS Super's Fund Under Management.

### Risk

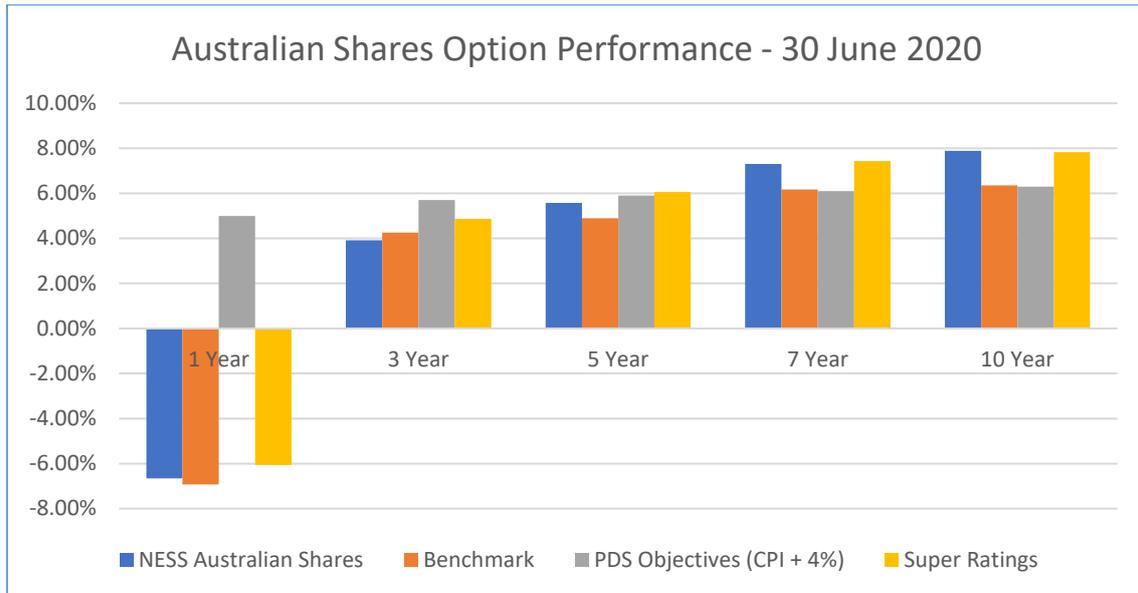
The Standard Risk Measure for NESS Australian Shares is:

<b>Risk Band</b>	6
<b>Risk Label</b>	High
<b>Estimated number of negative annual returns over and 20-year period.</b>	4 but less than 6

The Trustee has assessed the appropriateness of this level of risk against other Australian Shares options available from competitor superannuation funds and has deemed this to be an appropriate level of risk noting that this option is a single-asset class option.

## Return

The Fund’s objective for its Australian Shares option is to achieve a return after fees and tax over a rolling seven-year period of at least 4% per annum above inflation. The results below indicate that over seven and ten years the Australian option has exceeded its objective. The Fund’s Australian Shares option has also exceeded its benchmarks over 5-, 7- and 10-year periods and has tracked closely to the median Super Ratings returns over the same time periods.



The one-year performance of this option must be viewed in the context of the global economic downturn caused by COVID-19.

## NESS Overseas Shares Option (259 members, value of \$6.8 million)– 30 June 2020

**Return: +1.11%**

### Investment Strategy

The NESS Overseas Shares option invests exclusively in International Shares.

### Risk

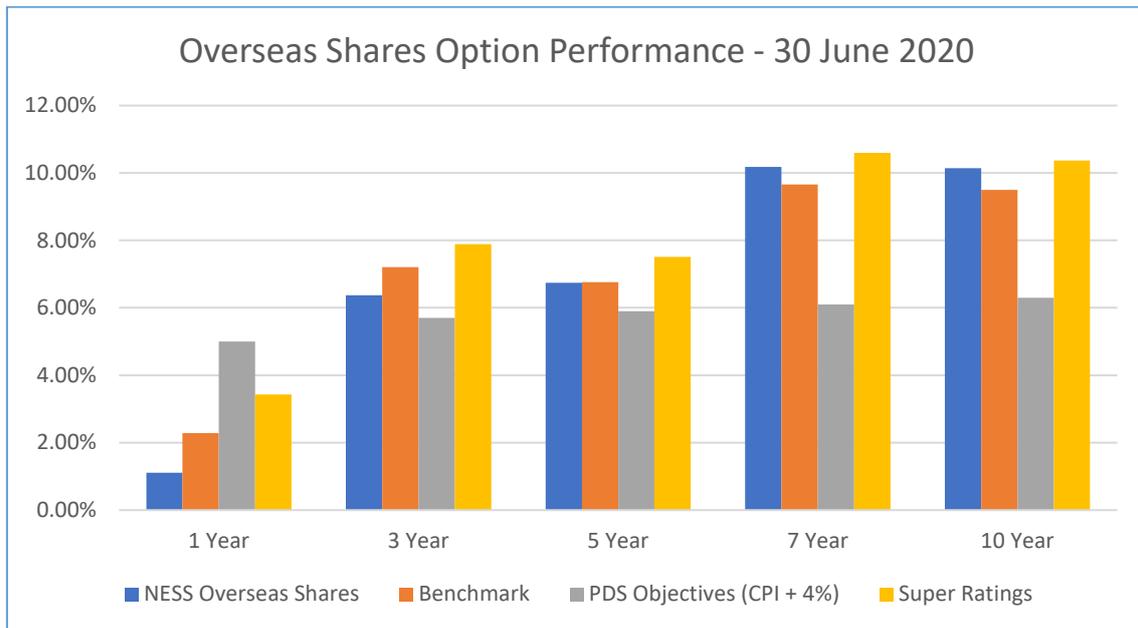
The Standard Risk Measure for NESS Overseas Shares is:

<b>Risk Band</b>	6
<b>Risk Label</b>	High
<b>Estimated number of negative annual returns over and 20-year period.</b>	4 but less than 6

The Trustee has assessed the appropriateness of this level of risk against other Overseas Shares options available from competitor superannuation funds and has deemed this to be an appropriate level of risk, noting that this option is a single-asset class option.

## Return

The Fund’s objective for its Overseas Shares option is to achieve a return after fees and tax over a rolling seven-year period of at least 4% per annum above inflation. The results below indicate that over three, five, seven and ten years the Overseas Shares option has exceeded its objective. The Fund’s Overseas Shares option has also exceeded its benchmarks over 3-, 5-, 7- and 10-year periods and has tracked closely to the median Super Ratings returns over seven and ten years.



A modest return was received for the year ended 30 June 2020, which resulted from the significant gains in the first six months of the financial year to December 2019 were diluted as COVID-19 took its effect on global markets.

**NESS Property Option (259 members, value of \$6.8 million) – 30 June 2020 Return: - 16.34%**

## Investment Strategy

The NESS Property option invests exclusively in Listed Property. This is necessary given the size of the option and the importance of having liquidity if members wish to switch investment option.

## Risk

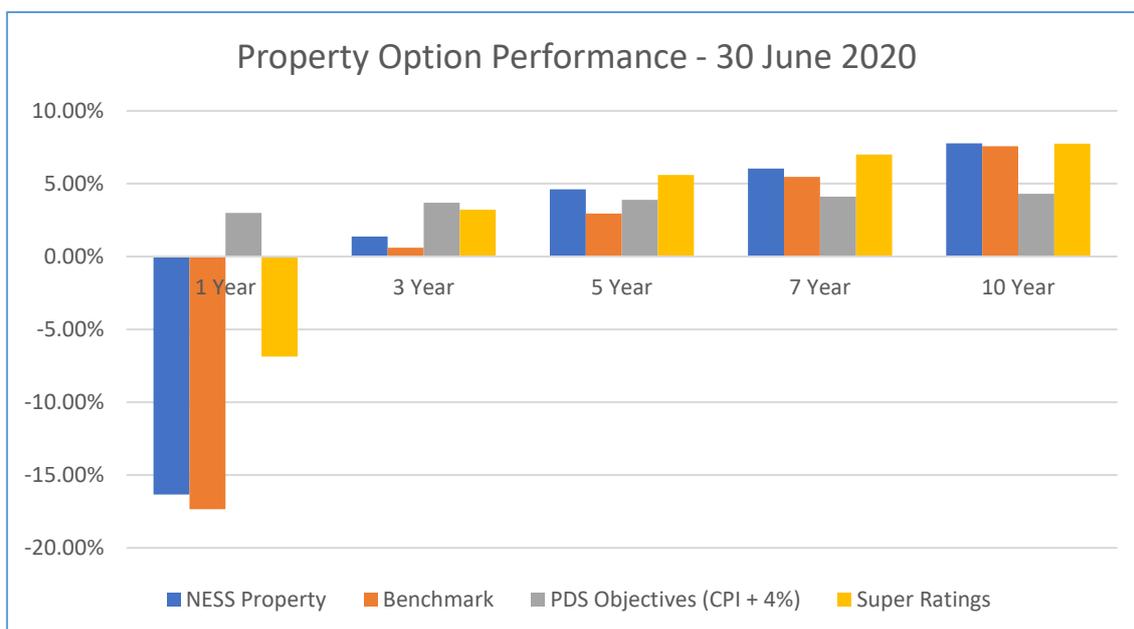
The Standard Risk Measure for Property is:

<b>Risk Band</b>	7
<b>Risk Label</b>	High
<b>Estimated number of negative annual returns over and 20-year period.</b>	4 but less than 6

The Trustee has assessed the appropriateness of this level of risk against other Property options available from competitor superannuation funds and has deemed this to be an appropriate level of risk.

## Return

The NESS Property option invests exclusively in Listed Property and represents 1.44% of NESS Super's Fund Under Management. The divergence in one year returns between NESS Super's result and the Super Rating median is the lack of exposure to Unlisted Property which typically is less responsive to market volatility. The rationale for NESS Super to invest only in Listed Property is due to the size of the option and the importance of ensuring the option is liquid. The Fund's objective for its Property option is to achieve a return after fees and tax over a rolling five-year period of at least 2% per annum above inflation. The results below indicate that over three, five, seven and ten years the Australian option has exceeded its objective. The Fund's Property option has also exceeded its benchmarks over all time periods and has tracked closely to the median Super Ratings returns over five, seven and ten years.



The negative return for 2020 reflects the Fund's exposure to Listed Property which resulted in losses from the impact of COVID-19 being realised more rapidly than investment options with some or a significant exposure to unlisted property assets. The Trustee notes that, despite this short-term volatility, it continues to track well against competitors over longer time periods.

**NESS Cash Option (384 members, value of \$17.7 million) – 30 June 2020 Return: 0.70%**

**Investment Strategy**

The NESS Cash option invests exclusively in cash investments and is the third largest option which represents 2.28% of NESS Super’s Fund Under Management.

**Risk**

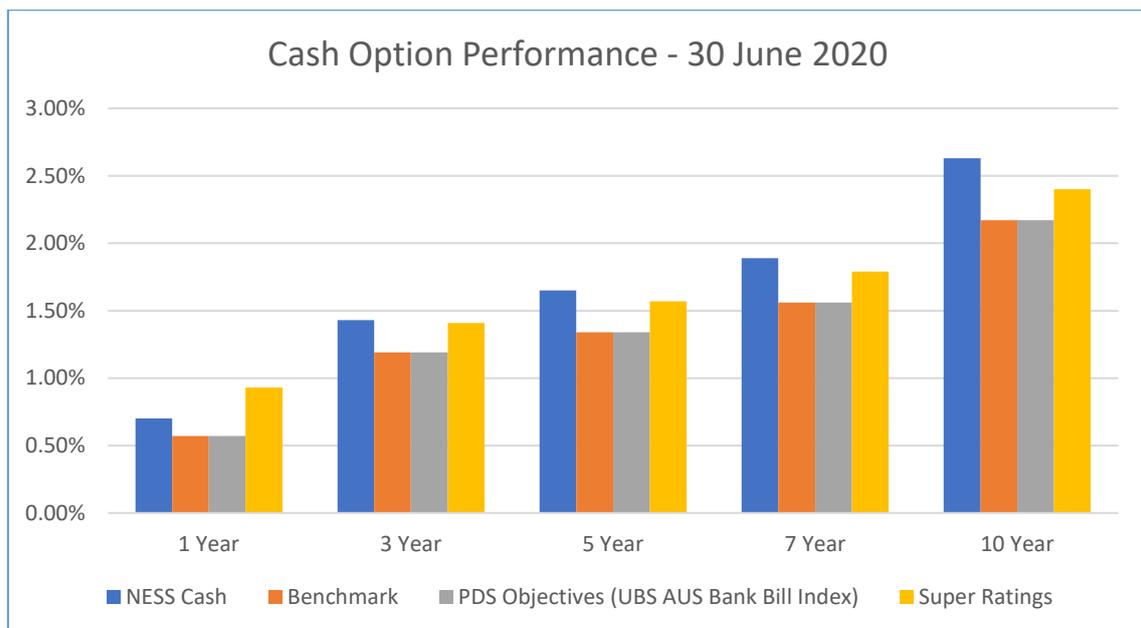
The Standard Risk Measure for Cash is:

<b>Risk Band</b>	1
<b>Risk Label</b>	Very Low
<b>Estimated number of negative annual returns over and 20-year period.</b>	Less than 0.5

The Trustee has assessed the appropriateness of this level of risk against other Cash options available from competitor superannuation funds and has followed the guidance of APRA in respect to what investments can be made into a Cash Investment Option and has deemed this to be an appropriate level of risk.

**Return**

The Fund’s objective for its Cash option is to achieve a return after fees and tax in line with the Bloomberg Bank Bill Index. The results below indicate that over all periods the Cash option has exceeded its objective. The Fund’s Cash option has also exceeded its benchmarks over all periods and has exceeded the median Super Ratings returns over three, five, seven and ten years.



The Trustee notes that modest returns were made during the year due to very low RBA rates. This is expected to continue and will impact future returns possible in this class.

## **NESS Aggressive (\$0.6 million) – 30 June 2020 Return -4.89%**

### **Investment Strategy**

The NESS Aggressive Pension option invests between 80 – 100% in growth assets such as Australian Equities, Global Equities, Property and Alternatives.

### **Risk**

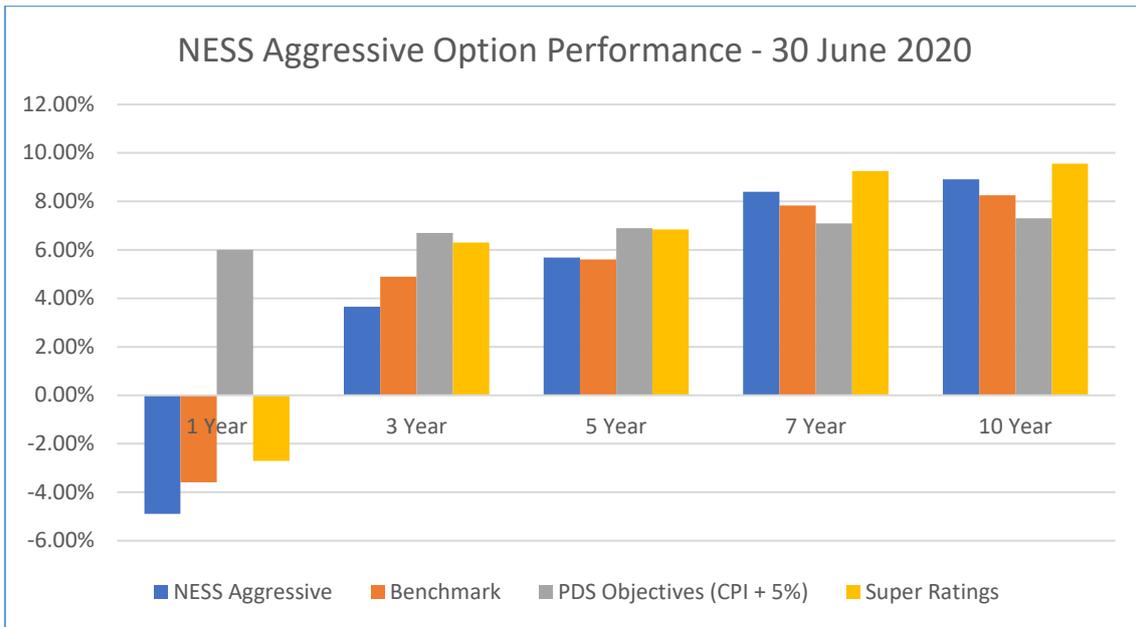
The Standard Risk Measure for NESS Aggressive Pension Option is:

<b>Risk Band</b>	6
<b>Risk Label</b>	High
<b>Estimated number of negative annual returns over and 20-year period.</b>	4 but less than 6

The Trustee has assessed the appropriateness of this level of risk against other Aggressive options available from competitor superannuation funds and has deemed this to be an appropriate level of risk. This assessment has been conducted by comparing the performance of NESS Super in terms of the options growth to defensive asset allocation against a basket of comparative superannuation funds as per Super Ratings Member Outcomes as at 30 June 2020.

### **Return:**

The Fund's objective for its Aggressive Pension option is to achieve a return after fees and tax over a rolling ten-year period of at least 4% per annum above inflation. The results below indicate that over seven and ten years the Aggressive Pension Option has exceeded its objective. The Aggressive Pension option has also exceeded its benchmarks over five, seven and ten years and has tracked closely to the median Super Ratings returns over five, seven and ten years.



With the aim to improve investment return, the Trustee has transferred the Funds Under Management (FUM) in the Aggressive Pension option and Assertive Pension Option to the new Pension High Growth Option from 1 February 2021 with a different investment strategy.

**NESS Assertive (\$1.0 million) - 30 June 2020 Return -4.89%**

**Investment Strategy**

The NESS Assertive Pension option invests between 60 – 90% in growth assets such as Australian Equities, Global Equities, Property and Alternatives.

**Risk**

The Standard Risk Measure for NESS Assertive Pension Option is:

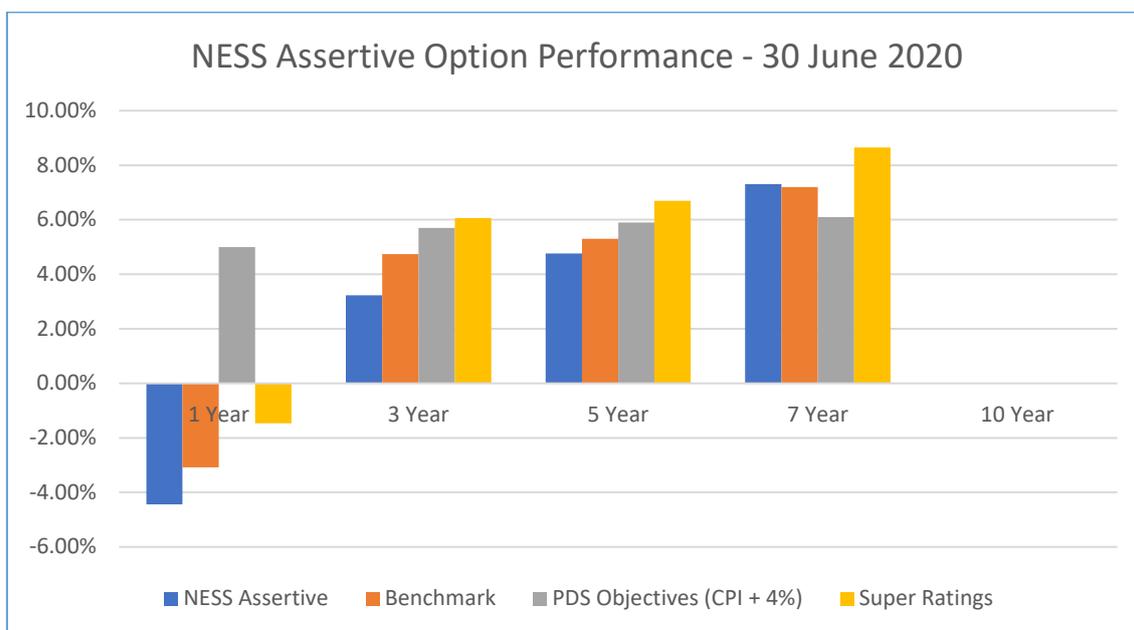
<b>Risk Band</b>	5
<b>Risk Label</b>	Medium to High
<b>Estimated number of negative annual returns over and 20-year period.</b>	3 but less than 4

The Trustee has assessed the appropriateness of this level of risk against other Assertive options available from competitor superannuation funds and has deemed this to be an appropriate level of risk. This assessment has been conducted by comparing the performance of NESS Super in terms of the options growth to defensive asset allocation against a basket of comparative superannuation funds as per Super Ratings Member Outcomes as at 30 June 2020.

## Return:

The NESS Assertive Pension option invests between 60 – 90% in growth assets such as Australian Equities, Global Equities, Property and Alternatives. The Fund’s objective for its Assertive Pension option is to achieve a return after fees and tax over a rolling ten-year period of at least 3.5% per annum above inflation. The results below indicate that over seven years the Assertive Pension Option has exceeded its objective (noting that the Assertive option has not been in existence for ten years).

The Assertive Pension option has also exceeded its benchmark over seven years. It has lagged against the Super Ratings Median for this period.



With the aim to improve investment return, the Trustee has transferred the Funds Under Management (FUM) in the Aggressive Pension option and Assertive Pension Option to the new Pension High Growth Option from 1 February 2021 with a different investment strategy.

## NESS Moderate (\$7.8 million)

### Investment Strategy

The NESS Moderate Pension option invests between 50 – 80% in growth assets such as Australian Equities, Global Equities, Property and Alternatives.

### Risk

The Standard Risk Measure for NESS Moderate Pension Option is:

<b>Risk Band</b>	5
<b>Risk Label</b>	Medium to High
<b>Estimated number of negative annual returns over and 20-year period.</b>	3 but less than 4

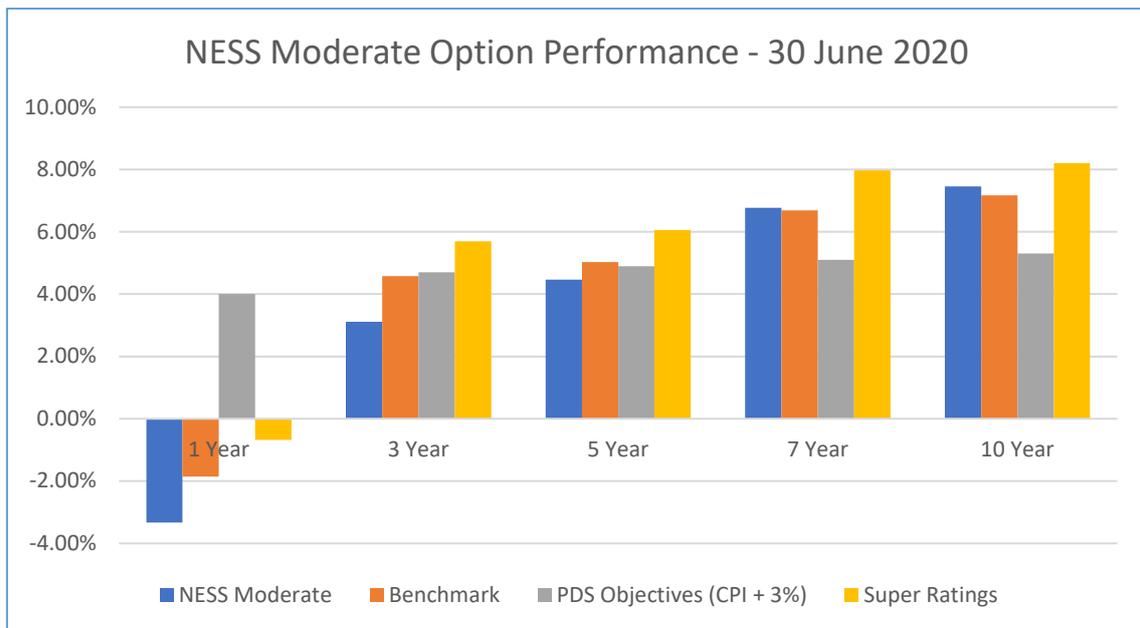
The Trustee has assessed the appropriateness of this level of risk against other Moderate options available from competitor superannuation funds and has deemed this to be an appropriate level of risk. This assessment has been conducted by comparing the performance of NESS Super in terms of the options growth to defensive asset allocation against a basket of comparative superannuation funds as per Super Ratings Member Outcomes as at 30 June 2020.

**Return:**

The NESS Moderate Pension option invests between 50 – 80% in growth assets such as Australian Equities, Global Equities, Property and Alternatives, with the balance in defensive asset classes.

The Fund’s objective for its Moderate Pension option is to achieve a return after fees and tax over a rolling five-year period of at least 3% per annum above inflation. The results below indicate that over seven and ten years the Moderate Pension Option has exceeded its objective and is tracking closely to its objective over five years.

The Moderate Pension option has also exceeded its benchmark over seven and ten years. It has lagged against the Super Ratings Median over these periods, although the extent of that lag reduces over the longer time periods.



**NESS Cautious (\$4.1 million)**

**Investment Strategy**

The NESS Cautions Pension option invests between 30 – 60% in growth assets such as Australian Equities, Global Equities, Property and Alternatives, with the balance in defensive asset classes.

## Risk

The Standard Risk Measure for NESS Cautious Pension Option is:

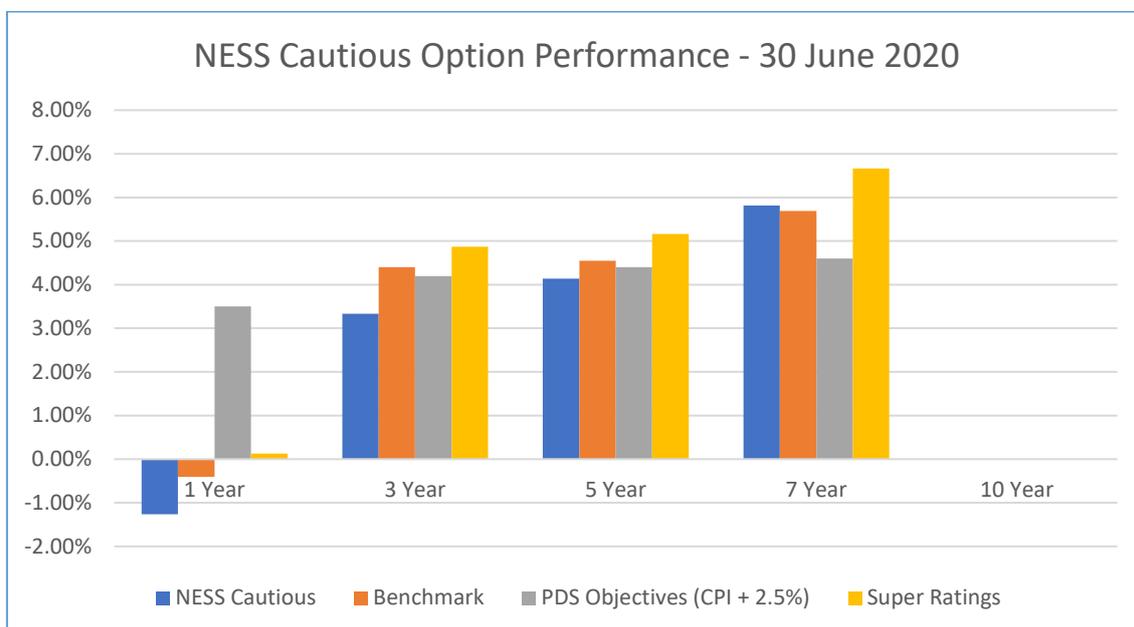
<b>Risk Band</b>	4
<b>Risk Label</b>	Medium
<b>Estimated number of negative annual returns over and 20-year period.</b>	2 but less than 3

The Trustee has assessed the appropriateness of this level of risk against other Cautious options available from competitor superannuation funds and has deemed this to be an appropriate level of risk. This assessment has been conducted by comparing the performance of NESS Super in terms of the options growth to defensive asset allocation against a basket of comparative superannuation funds as per Super Ratings Member Outcomes as at 30 June 2020.

## Return:

The Fund's objective for its Cautious Pension option is to achieve a return after fees and tax over a rolling five-year period of at least 2.5% per annum above inflation. The results below indicate that over seven years the Cautious Pension Option has exceeded its objective and is tracking closely to its objective over five years.

The Cautious Pension option has also exceeded its benchmark over seven years. It has lagged against the Super Ratings Median, for this period although the extent of that lag reduces over the longer time periods.



With the aim to improve investment return, the Trustee has closed the Cautious Option from 1 February 2021, transferred the Funds Under Management (FUM) in the Cautious option to the new NESS MyPension Balanced and Stable Option.

## NESS Conservative (\$2.0 million)

### Investment Strategy

The NESS Conservative Pension option invests between 10% – 40% in growth assets such as Australian Equities, Global Equities, Property and Alternatives, with the balance in defensive asset classes.

### Risk

The Standard Risk Measure for NESS Conservative Pension Option is:

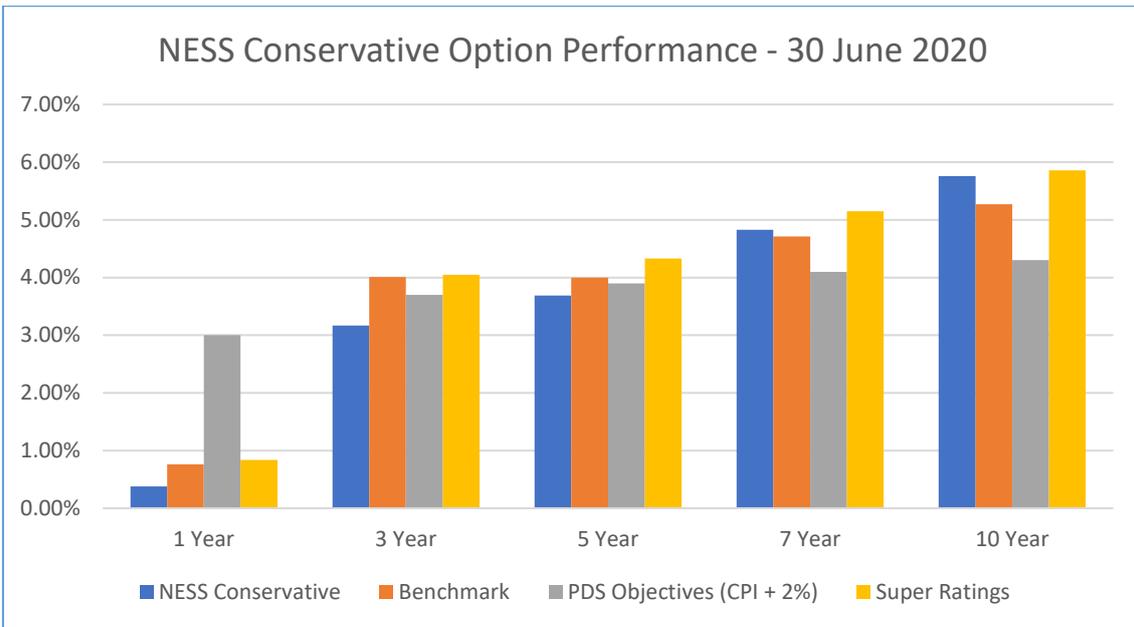
<b>Risk Band</b>	3
<b>Risk Label</b>	Low to Medium
<b>Estimated number of negative annual returns over and 20-year period.</b>	1 but less than 2

The Trustee has assessed the appropriateness of this level of risk against other Conservative options available from competitor superannuation funds and has deemed this to be an appropriate level of risk. This assessment has been conducted by comparing the performance of NESS Super in terms of the options growth to defensive asset allocation against a basket of comparative superannuation funds as per Super Ratings Member Outcomes as at 30 June 2020.

### Return:

The Fund's objective for its Conservative Pension option is to achieve a return after fees and tax over a rolling five-year period of at least 2% per annum above inflation. The results below indicate that over seven and ten years the Conservative Pension Option has exceeded its objective and is tracking closely to its objective over five years.

The Conservative Pension option has also exceeded its benchmark over seven and ten years. It has lagged against the Super Ratings Median for these periods, although the extent of that lag reduces over the longer time periods.



## NESS Pension Cash (\$0.8 million)

### Investment Strategy

The NESS Pension Cash option invests exclusively in short-dated fixed interest investments and cash.

### Risk

The Standard Risk Measure for NESS Conservative Pension Option is:

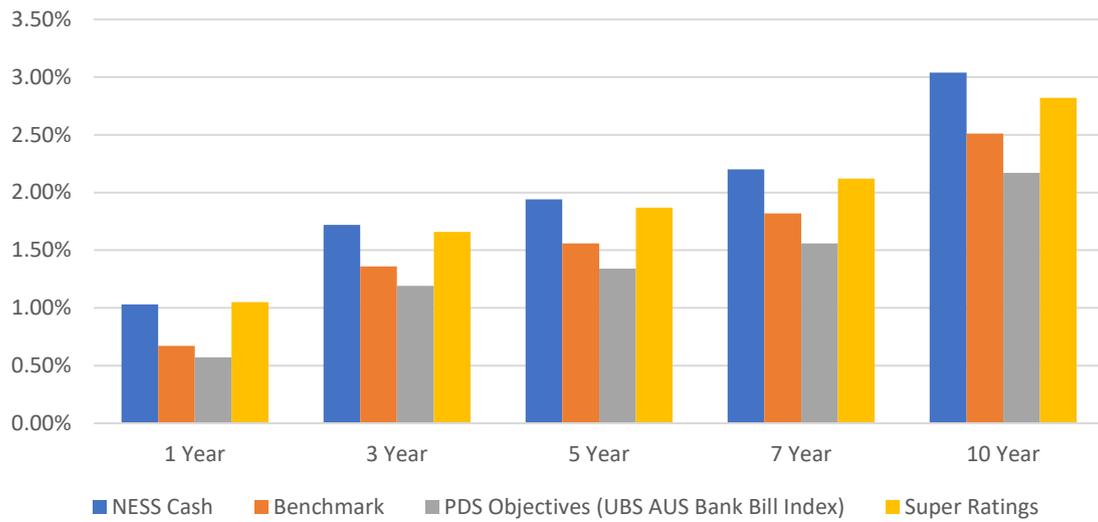
<b>Risk Band</b>	1
<b>Risk Label</b>	Very Low
<b>Estimated number of negative annual returns over and 20-year period.</b>	Less than 0.5

### Return:

The Fund's objective for its Cash option is to achieve a return after fees and tax in line with the Bloomberg Bank Bill Index. The results below indicate that over all periods the Cash option has exceeded its objective over all periods.

The Fund's Pension Cash option has also exceeded its benchmarks over all periods and has exceeded the median Super Ratings over all periods.

### NESS Pension Cash Option Performance - 30 June 2020



## 2. NESS Super’s Insurance Strategy and Fees

During the year ended 30 June 2020, the Trustee significantly enhanced its insurance program, with the intention of making cover affordable without compromising the quality of the product.

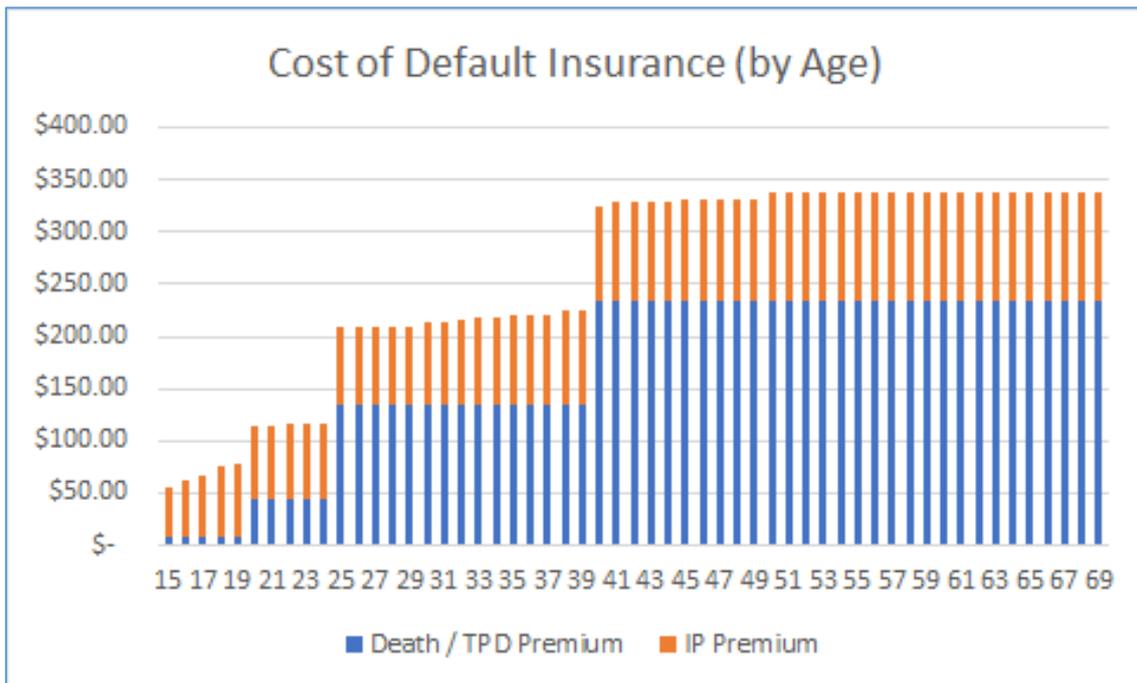
The Trustee has assessed its automatic insurance offering for all members in accordance with the following three aspects:

- Considered whether the premiums paid inappropriately erode retirement benefits.
- Compared the premiums payable to comparable products in the industry.
- Reviewed the claims ratio, which provides an indication of whether the premiums are too high relative to the actual claims experience.

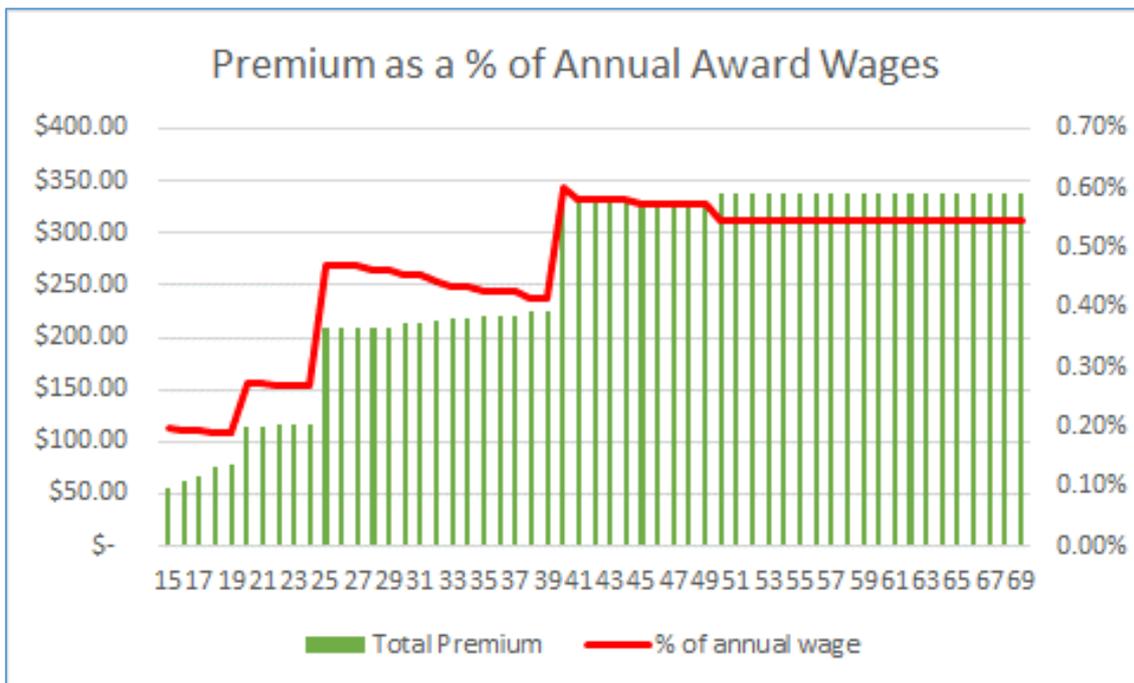
Due to *Putting Members Interests First Reform on 1 April 2020*, default insurance will not automatically commence until a member has reached both the age of 25 years and a minimum balance of \$6,000.

### (a) Have premiums paid inappropriately eroded retirement benefits?

On 1 December 2019, the Fund introduced a new insurance program with the intention that default insurance premiums at all ages would be reviewed to ensure that there was not inappropriate erosion of retirement benefits. The chart shows what the default (automatic) insurance has been calculated to be. Note - Members may choose to nominate a higher amount of insurance, which would increase the cost further.



Further, an assessment has been performed on the annual cost of insurance against market at all age groups, and against the relevant Industry Award – *Electrical, Electronic and Communications Contracting Award [MA000025]*. An industry target has been set to ensure that premium does not exceed 1% of wages and salary. The following graph indicates that this has been met at all ages.



Further to protect against erosion of retirement benefit the Government introduced two pieces of legislation which came into force during the year.

**Protecting Your Super** – From 1 July 2019, Members who had automatic insurance and ceased to contribute or make a rollover into the Fund for a period 16 months would have their insurance cancelled (and cease paying premiums) unless they had elected to maintain it. This prevents accounts which are not active being unknowingly eroded by premiums.

**Putting Members Interests First** - From 1 April 2020, New members who are under the age of 25 years and have not reached a balance of \$6,000 are not insured. This enables accounts to reach a certain level to reduce the likelihood of excessive premium erosion.

**(b) Comparison of premiums across the industry**

We have observed that the premiums payable by members for **death** insurance are competitive and are competitive against funds that provide death insurance across all ages. This has been assisted by reducing the level of cover at the beginning and end of a member’s working life. This observation has been made by comparing NESS Super death premiums against other Funds using Super Ratings Member Outcomes data at 30 June 2020.

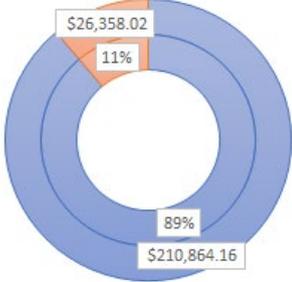
We have observed that the premiums payable by members for **TPD** insurance are competitive and are competitive against funds that provide TPD insurance across all ages. This has been assisted by reducing the level of cover at the beginning and end of a member’s working life. This observation has been made by comparing NESS Super TPD premiums against other Funds using Super Ratings Member Outcomes data at 30 June 2020.

We have observed that few funds that operate within the electrical contracting industry offer Income Protection Insurance at all. We believe that the provision of such insurance is very important to members and is difficult for individual members to source.

### (c) Claims payment ratio

In assessing the performance of the Insurance products, the Trustee has assessed the performance of both Hannover Re for Death, Total and Permanent Disability (for the full year) and Income Protection (up until 30 November 2019) and Chubb Insurance for Income Protection (from 30 November 2019 to 30 June 2020). This assessment has been conducted by giving considering their admittance rates, as reported at the Quarterly Insurance Committee, against the Industry as reported in APRA’s publication “Statistics – Life Insurance Claims and Disputes Statistics (June 2020 (reissued 26 October 2020)

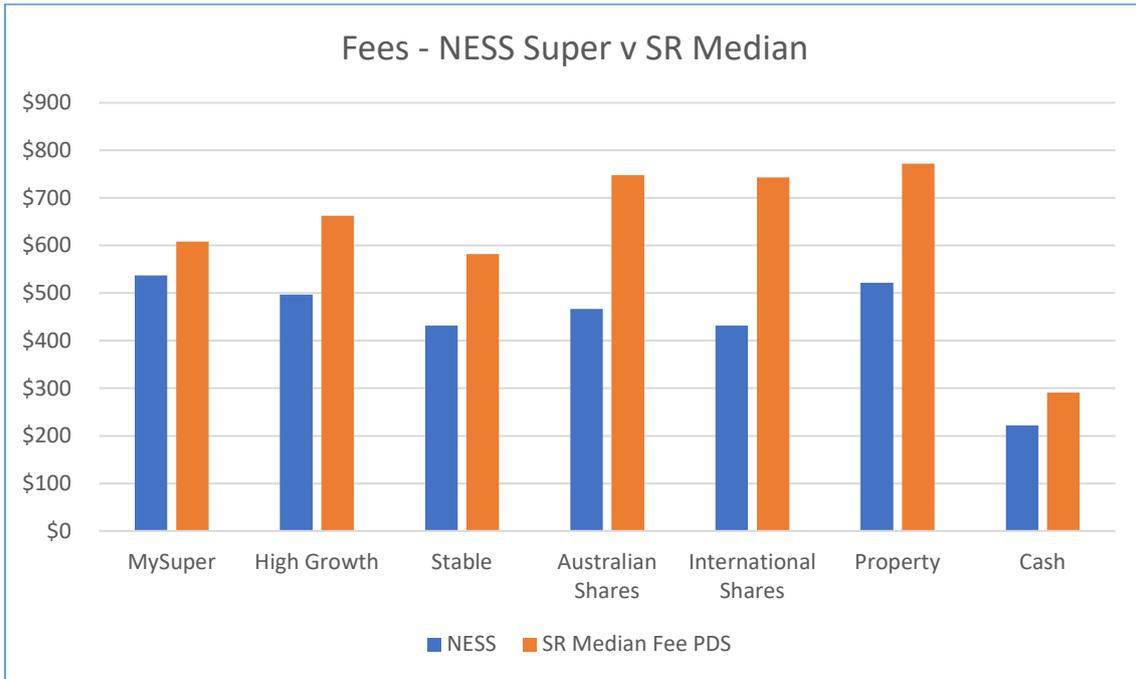
Insurance Type	Results	APRA Statistics	Result															
<p style="text-align: center;"><b>Death and TPD Insurance</b></p> <table border="1"> <caption>Death and TPD Insurance Data</caption> <thead> <tr> <th>Category</th> <th>Value</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Death - Paid</td> <td>\$9.8m</td> <td>85%</td> </tr> <tr> <td>TPD - Paid</td> <td>\$3.4m</td> <td>32%</td> </tr> <tr> <td>TPD - Pending</td> <td>\$0.6m</td> <td>6%</td> </tr> <tr> <td>TI - Paid</td> <td>\$1.3m</td> <td>11%</td> </tr> </tbody> </table>	Category	Value	Percentage	Death - Paid	\$9.8m	85%	TPD - Paid	\$3.4m	32%	TPD - Pending	\$0.6m	6%	TI - Paid	\$1.3m	11%	<p><b>100% Admittance (since 1 July 2015)</b></p> <ul style="list-style-type: none"> <li>■ Death - Paid</li> <li>■ TI - Paid</li> <li>■ TPD - Paid</li> <li>■ TPD - Pending</li> <li>■ Declined</li> </ul>	<p>98% for Death and 91% for TPD.</p>	<p><b>100% Admittance</b></p>
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<p style="text-align: center;"><b>Income Protection Insurance (to 29 November 2019)</b></p> <table border="1"> <caption>Income Protection Insurance Data</caption> <thead> <tr> <th>Category</th> <th>Value</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Finalised</td> <td>\$156k</td> <td>60%</td> </tr> <tr> <td>Ongoing</td> <td>\$25k</td> <td>11%</td> </tr> <tr> <td>Pending</td> <td>\$7k</td> <td>3%</td> </tr> <tr> <td>Declined</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Category	Value	Percentage	Finalised	\$156k	60%	Ongoing	\$25k	11%	Pending	\$7k	3%	Declined	-	-	<p><b>96% Admittance (since 1 July 2015)</b></p> <ul style="list-style-type: none"> <li>■ Finalised</li> <li>■ Ongoing</li> <li>■ Pending</li> <li>■ Declined</li> </ul>	<p>96% for Disability Income Insurance (note Individual Advised / non-Advised is lower at 94% and 85% respectively)</p>	<p><b>96% admittance</b></p>
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<p data-bbox="252 228 683 295"><b>Income Protection Insurance (from 30 November 2019)</b></p> <p data-bbox="268 340 683 371">Income Protection Claims Admitted</p>  <p data-bbox="432 766 523 824"> <span style="color: blue;">■</span> Admitted  <span style="color: orange;">■</span> Pending </p>	<p data-bbox="715 228 922 331"><b>89% Admittance (since 30 Nov. 2019)</b></p>	<p data-bbox="938 228 1145 519">96% for Disability Income Insurance (note Individual Advised / non-Advised is lower at 94% and 85% respectively)</p>	<p data-bbox="1157 228 1353 891">Note – Due to the short time frame of policy being in force (and claims made), it is not feasible to conclude whether the admittance rate of the Chubb Insurance product is at industry standard. So far there have been no claims declined.</p>

### 3. Fees and Operating Costs

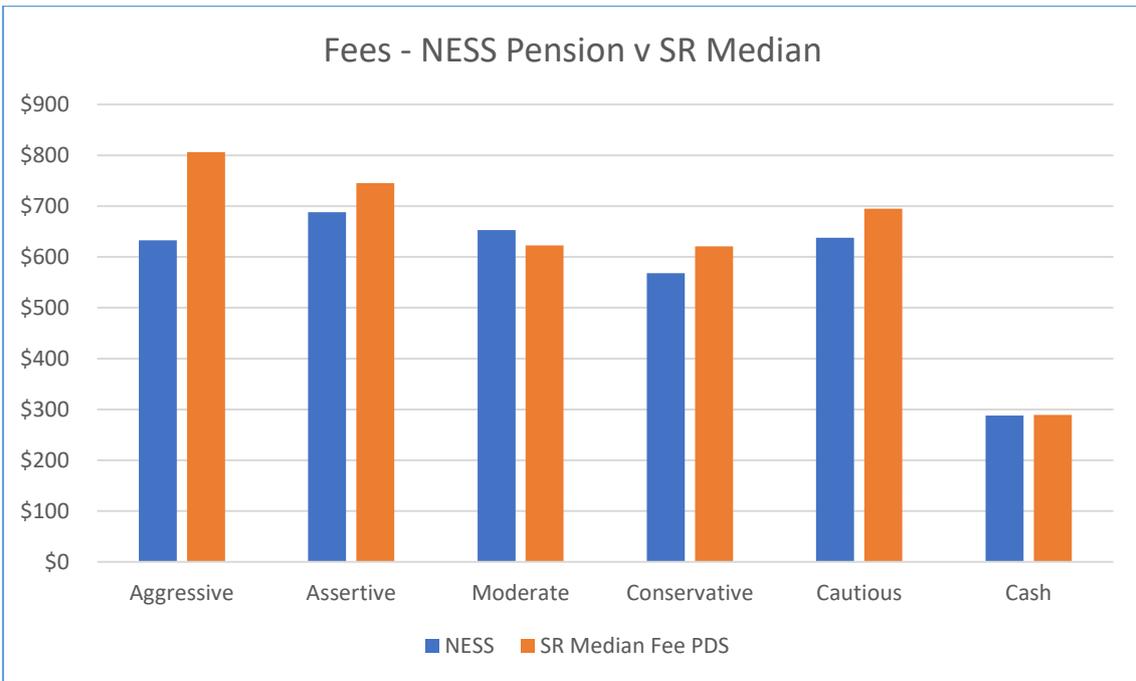
#### NESS Super

The Fees below are based on data collected from Super Ratings which compares the total cost per year that a member with a balance of \$50,000 can expect to pay. In all options, the Fees paid by a NESS Super are below what the median fees are across all products on which Super Ratings has collected data. This gives the Trustee confidence that the Fees being charged are not only reflective of the cost of managing the administration and investment of the relevant funds, but that the fees of NESS Super are competitive.



#### NESS Pension

A similar comparison has been performed of the total cost per year that a member with a balance of \$50,000 can expect to pay each year. In all but one option, the Fees paid by a NESS Pension member are below what the median fees are across all products on which Super Ratings has collected data. There is a greater cost in administering and investing in the Pension area benefits compared to accumulation benefits although the Trustee continues to seek to reduce these costs.



## 4. Options, benefits, and facilities

NESS Super constantly reviews its service offering to ensure that it is tailored specifically for its Members. In the last financial year, NESS Super decided to insource its Contact Centre. NESS Super determined that to be true to its label of “Big enough to matter, small enough to care.”

The Contact Centre has enabled the Trustee to respond directly to its members with an average waiting time of 11 seconds throughout a tumultuous year.

NESS Super offers many useful services to its members including:

Online Services Offered	Members Join Online
	Online investment switching
	Beneficiary changes
	Obtaining Benefit Quotes
	Free Consolidation Service
Phone Services	Internal Contact Centre to assist with all the above listed Online Service and updating member details
Financial planning services	Financial planning services are available to members through an agreement that the Fund has with Link Advice
Member Communication	Statements are provided every six months
	Quarterly educational newsletters
	Workplace seminars / toolbox talks
	Newsroom
	Educational Factsheets as required

On an annual basis the Fund seeks feedback from its members as to the service offering which indicates that the Fund has significantly improved its service offering while keeping a strong focus on maintaining an appropriate level of expenditure.

## 5. Overall size and scale

NESS Super has been strategic in ensuring that it provides investment options, insurance and services that are competitive in terms of returns, level of cover and costs, respectively. The Trustee has maintained its strong focus on ensuring that its expenditure promotes the financial interests of its members and remains true to label. This disciplined approach has ensured that the Trustee continues to operate effectively and not attempting to become something that it is not. NESS Super is proud that it can operate specifically for the electrotechnology industry and put its focus on ensuring that workers in that industry continue to receive strong retirement outcomes.

NESS Super has grown to nearly \$900 million and continues to move positively forward during the 2020-21 Financial Year.

## DETERMINATION FOR THE PERIOD ENDING 30 JUNE 2020

The Directors of NESS Super Pty Limited make the following determinations concerning Members' Outcomes:

(i) In respect to NESS MySuper product

- The financial interests of members of the NESS MySuper product are being promoted by the Trustee.
- Members have not been disadvantaged by the scale of the Trustee's operations.
- The MySuper product's operating costs are not inappropriately affecting the financial interests of members.
- The setting of fees is appropriate and fair to NESS MySuper members
- The options, benefits and facilities offered are appropriate and meet the needs of the members.
- The investment strategy, including the level of investment risk and return target, is appropriate for members.
- The insurance strategy is appropriate for members.
- The insurance fees charged do not inappropriately erode the retirement benefits of members.

(ii) In respect to NESS Choice and Pension Products

- The financial interests of the members who are invested in a Choice investment option or the NESS Pension are being promoted by the Trustee.
- Members have not been disadvantaged by the scale of the Trustee's operations.
- The NESS Choice and Pension product's operating costs are not inappropriately affecting the financial interests of members.
- The setting of fees is appropriate and fair for members.
- The options, benefits and facilities offered are appropriate and meet the needs of the members.
- The investment strategy, including the level of investment risk and return target, is appropriate for members.
- The insurance strategy is appropriate for members.
- The insurance fees charged do not inappropriately erode the retirement benefits of members.