



## Member Outcomes Assessment – 30 June 2020

TAL Superannuation Limited ABN 69 003 059 407 AFSL 237851  
TAL Superannuation and Insurance Fund ABN 20 891 605 180

### Member outcomes assessment – 1 July 2019 to 30 June 2020

Each year, TAL Superannuation Limited are required to make an assessment as to whether we are promoting the financial interests of our members. This assessment considers things such as the investment performance of our products, our fees and costs, insurance arrangements, business scale and size, and the various options, benefits and facilities available to members.

This document provides a summary of the assessment for the products offered under the TAL Superannuation and Insurance Fund (Fund) for the year ending 30 June 2020. We have split this summary into 2 sections based on the following types of products:

- **Choice Products** – Choice superannuation accumulation products are designed for members or their employers to make contributions which are invested for the purpose of saving for retirement.
- **Insurance Only Products** – Insurance only superannuation products that are designed to provide life insurance to manage the financial risk of members and their estate should they die or become temporarily or permanently incapacitated. These products do not have a balance and all contributions are paid to the insurer as premiums for the risk insurance cover.

Overall, we have determined;

- the investment strategy for our choice products (including the level of investment risk and the return target) is appropriate for members
- the fees and cost for choice products is not competitive compared to other funds
- the insurance strategy is appropriate for members
- the options, benefits and features members are charged for are appropriate, and
- the Fund's scale and operating costs is disadvantaging the financial interests of our members

The sections below provide further detail on how the above determination was made.

In consideration of the scale limitations of the Fund, we have determined the financial interests of our members would be best served by transferring the whole of our Fund to another fund of appropriate scale, provided that the transfer would:

- be in the best interests of Fund's members;
- give the transferring members equivalency of rights with respect to their benefits at the transfer time; and
- be in compliance with the requirements of the relevant law and the governing rules of the Fund.

We have already begun the process of identifying, reviewing and engaging possible fund(s) to transfer members and their accounts to and will provide more information once a fund has been selected.

## Choice products

The below is the list of Choice Products available in our Fund:

- ARC Master Trust
- ARC Classic Super Series 1
- ARC Classic Super Series 2
- ARC Classic Super Series 3
- ARC Classic Super Series 4

As these products offer similar member benefits, fee structures and overall outcomes to members we have presented the results of the assessment of these products together.

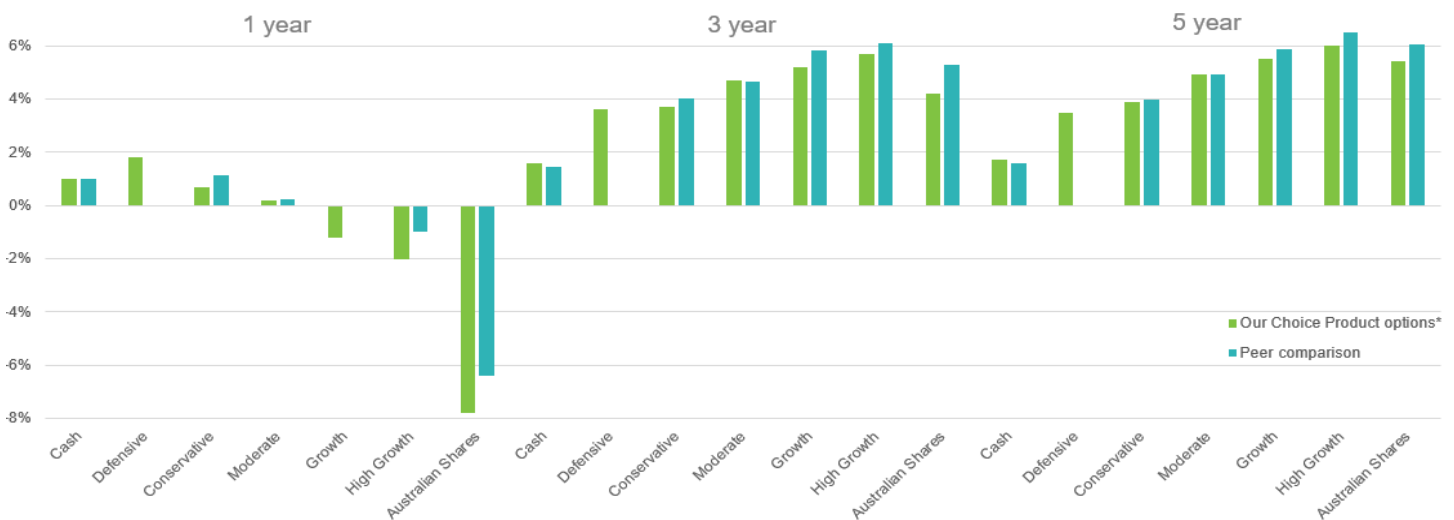
To assist with our product assessment, we have measured our performance by comparing ourselves to a set of 9 peers. The peers we selected provide similar features and benefits to our choice products and include some of Australia's largest and fastest growing super funds.

Peer set data was obtained from a variety of sources including product disclosure statements, APRA statistics and other publicly available information sources.

### 1. Assessment of fees and returns

#### Investment returns and risk

The chart below shows the net of tax and investment fee returns for the Choice Product investment options compared to the average performance of our peer set.



\*Not all above investment options are available across all choice products refer to your member booklet at [www.arcmt.com.au](http://www.arcmt.com.au) for the options available for each product. Our peers did not have Defensive option to for us to make a comparison to.

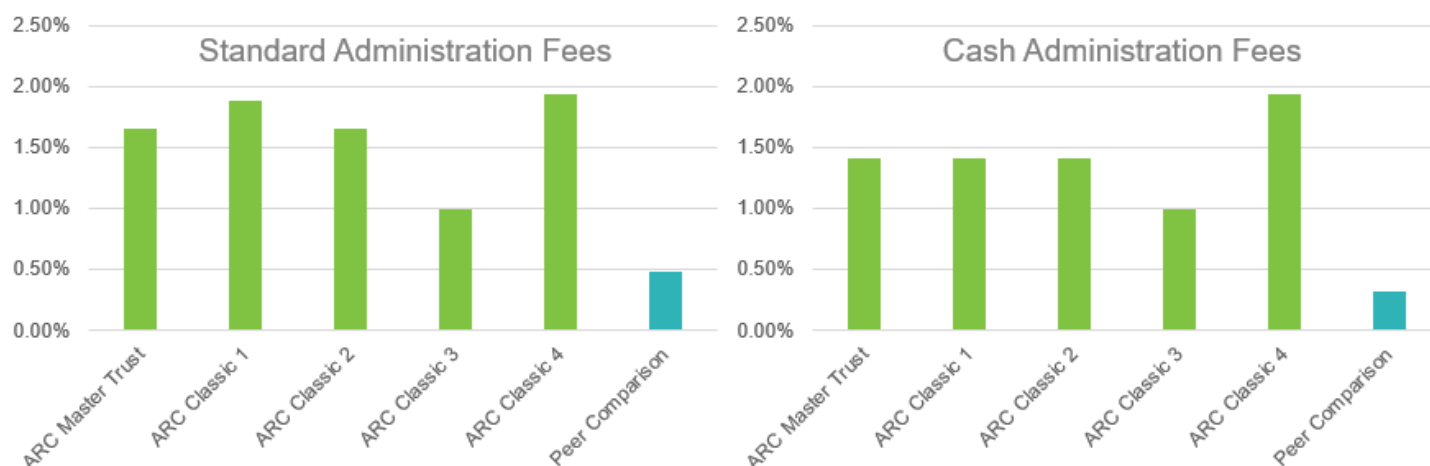
On average, the investment options of the peer set slightly outperform our investment options. In less risky options, like Cash, the Fund returns fall in the median of the peer set.

An assessment was completed on each investment options level of risk and found that the level of risk in each option was in line with its set risk objective.

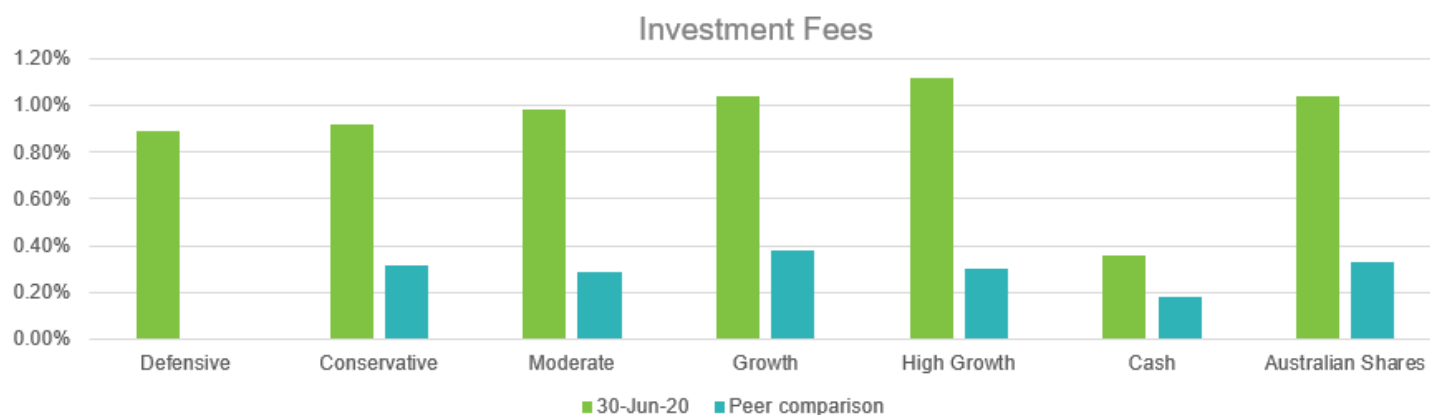
**We have determined that the investment strategy for choice products, including the level of investment risk and the return target, is appropriate for members.**

## Fees and costs

The tables below show the standard and cash administration fees for our Choice Products. We have compared our fees to the average fees of our peer set as at 30 June 2020. The tables use an example of a member with a \$50,000 balance to show the average annual fee charge as a percentage of their account balance.



The table below shows the investment fees for our Choice Products. We have compared our fees to the average fees of our peer set's fees as at 30 June 2020, using an example of a member with a \$50,000 balance to show the average annual fee charge as a percentage of their account balance.



*\*Not all above investment options are available across all choice products refer to your member booklet at [www.arcmt.com.au](http://www.arcmt.com.au) for the options available for each product. Our peers did not have Defensive option to for us to make a comparison to.*

Fees and cost across both administration and investment activities for our Choice Products were higher than the peer set at 30 June 2020. There have since been fee reductions applied across both administration and investment fees to decrease the cost to our members however these remain higher when compared to the peer set.

**We have determined that the fees and cost for choice products are not competitive compared to other funds.**

## 2. Other assessment areas

### Insurance strategy and fees

As the Choice Products are closed to new members, premiums are expected to increase as the pool of insured members continues to decline. Given this we no longer offer new cover, or cover increases to members and our focus is to maintain an appropriate insurance offering and service for members who have selected to retain their insurance cover in their account.

**We have determined our insurance strategy is appropriate for members.**

### Options, benefits and facilities

We have assessed the options, benefits and facilities we provide members and considered whether our overall product and service offering is appropriate for our members.

The options, benefits and facilities considered include investment choice, website and online self-service functionality and call centre services.

**We have determined options, benefits and features the members of this product are charged for are appropriate.**

### Scale and operating expenses

The scale of our Fund is lower than the industry average. As the size of our Fund has decreased, we've been able to minimise increases to operating cost per member through product simplification however operating cost per member remain higher than the industry average.

**We have determined that our scale and operating costs is disadvantaging the financial interests of our members.**

## Insurance Only products

The below is the list of Insurance Only Products available in our Fund:

- Accelerated Protection
- Accelerated Protection Policy
- Business Mans Insurance
- Corporate Group Life
- Crisis Care
- FAI Risk Insurance
- Life Term
- Lifestyle Security Portfolio
- Lumley Life
- Partner Insurance Portfolio
- PrefSure
- TAL Employees Insurance Plan
- Term Life Executive
- Term Life Plus
- Term Life
- Tower Protection Policy
- Yearly renewable Term

As these products are insurance only products and do not carry an investable account balance the assessment of these products was limited to insurance strategy and fees.

### Product design and strategy

TAL Life is the provider of the insurance within these products to our members. The decisions regarding the of these products are based on a range of factors including legislation, regulatory guidance, consumer needs and expectations and product sustainability. All design decisions are subject to a stringent review and approval process by TAL Life.

**We have determined that the insurance strategy is appropriate for members.**

### Insurance premiums

These premiums for these products are tailored to reflect the insurance cover selected by members and the members risk profile considering factors like age and gender, smoking status, the length of time the Policy has been held along with occupation, health, income and personal pastimes. TAL Life, the provider of the insurance, consistently ranks in the top half of insurers across these various premium variables in industry comparisons.

**We have determined that insurance fees charged are not inappropriately eroding the retirement income of members.**

## Contact us

### Enquiries

If you have a general enquiry or require further information on your membership, call us on 1300 209 088, Monday to Friday between 8.00am – 7.00pm (AEST/AEDT). Alternatively, email us on [customerservice@tal.com.au](mailto:customerservice@tal.com.au) quoting your member number or write to us at the following address:

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