

Mason Stevens Super

Member Outcomes Assessment
For the year ended 30 June 2024

28 February 2025

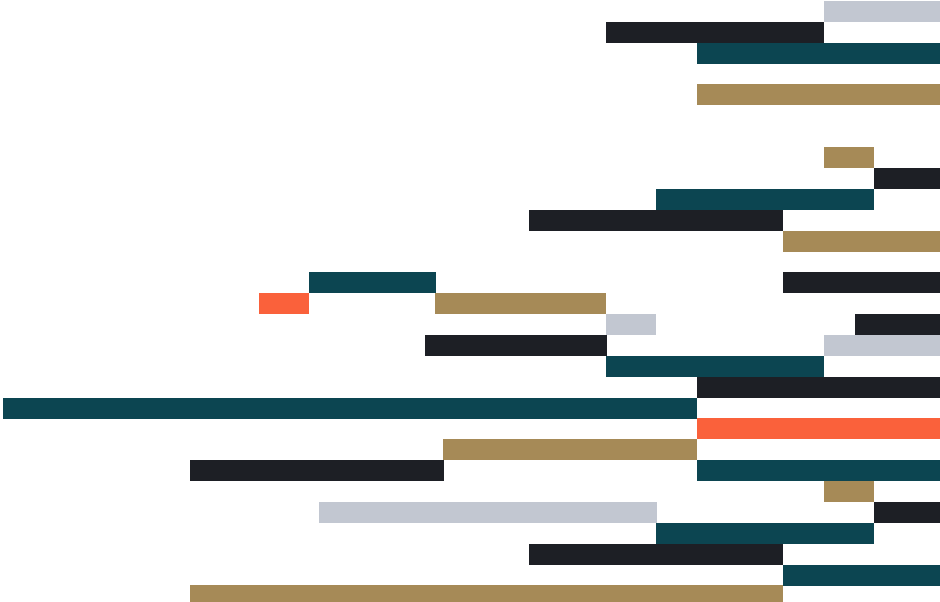


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Introduction

Introduction

What is the Member Outcomes Assessment?

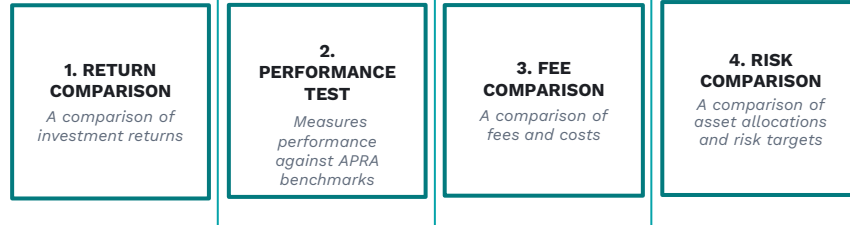
This document will focus on the key outcomes found within the assessment in relation to Mason Stevens Super ('Mason Stevens'). It analyses how Mason Stevens' products compare to similar products and whether these products are serving the financial interests of the members. The document will present the final conclusions and summary, before going into detail on steps 1 and 2 of the assessment.

All data is reported in accordance with APRA requirements. This assessment was undertaken in February 2025, and is relevant for the financial year ended 30 June 2024.



Approach for this assessment

Step 1: Measure and compare products



Step 2: Assess product appropriateness

Assessment of product appropriateness against key factors that can affect superannuation

Section 52 (11)

1. Options, benefits and facilities
2. Investment strategy
3. Insurance strategy and fees

SPS 515

4. Scale
5. Operating costs
6. Basis for setting fees

Step 3: Publish determination

A publication with a determination for each product is required to assess whether the financial interests of the beneficiaries who hold the product are being promoted.



Executive Summary

Product Determinations

The Trustee has determined that it is promoting the financial interests of the beneficiaries of its **Accumulation product** and that of its **Pension product** on the basis that:

- For administration fees, Mason Stevens is generally in-line with the peer fund median administration fees at a product level;
- For investment returns, Mason Stevens' investment options showed satisfactory performance for the majority of in-scope investment options over the measured periods; noting any underperformance was generally marginal; and
- The objective assessment factors, being Mason Stevens' options, benefits and facilities, insurance strategy and fees, investment strategy, operating costs, scale and the basis for setting fees, are considered appropriate for Mason Stevens's members and do not inappropriately erode their retirement balances.



Mason Stevens Overview

Mason Stevens Overview

Mason Stevens Super and Pension ('Mason Stevens') offers 'wrap-style' accounts through its platform for members. Mason Stevens offers the following products:

- Accumulation Account
- Pension Account
- Transition to Retirement Account

Through the Mason Stevens' platform, members have access to 'Model Portfolios', which have been designed by professional model portfolio managers, and self-directed investments including:

- Australian and International listed shares
- Fixed income securities
- Managed funds
- Term deposits & Cash

Mason Stevens offers the WLM Super white-labelled product which is included in this assessment.

For platform funds like Mason Stevens, members select investments in consultation with their financial adviser. The Trustee's investment strategy for these funds includes offering members a range of different investment options by return potential, risk profile and style to suit their individual circumstances and promote diversification of member strategies.

For the purposes of this assessment, the analysis is focused on the ten Mason Stevens investment options with the highest concentration of assets invested in them at 30 June 2024 that are available to all members, with at least 5-years of return data. These investment options may be available as part of Mason Stevens' Model Portfolios but do not necessarily comprise the entirety of the selected Model Portfolio. If you would like to know the performance of your Mason Stevens account for the year ended 30 June 2024, please refer to your Financial Year 2023/24 annual member statement.



Comparative Assessment

Fees & Costs Comparison

For the purpose of this assessment, only Mason Stevens' administration fees are compared to peer fund median administration fees. As investment management fees are charged by the individual investment managers and deducted from the returns, these vary by the individual investment option selected and are not comparable to benchmarks based on pooled investment structures.

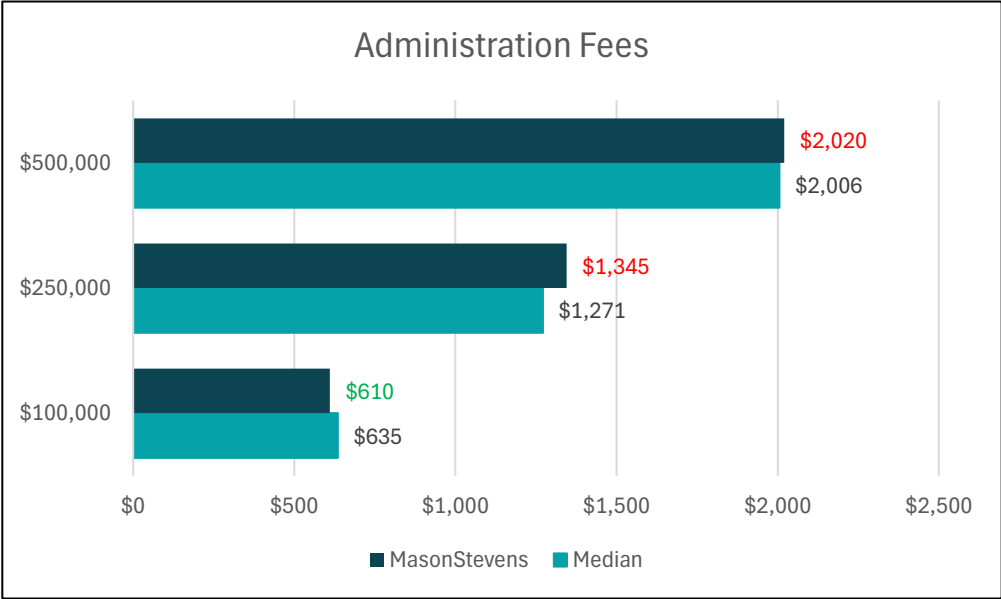
It is noted that this administration fee comparison is at the product level and being assessed against a peer group of similar platform superannuation products. On the following page, the Mason Stevens administration fee for Accumulation and Pension members is compared to the peer fund median administration fee which includes Mason Stevens and 19 other peer Platform funds.

Mason Stevens' administration fees are slightly higher cost at a product level when administration fees are calculated on a \$250,000 balance and in line with the peer median on a \$500,000 balance. At the \$100,000 balance, the Mason Stevens' administration fees are a lower cost.

The average Mason Stevens member had a balance of \$339,229 at 30 June 2024, so the modelled account balances are appropriate for assessing the relative competitiveness of Mason Stevens' administration fees for its membership.

The Trustee has determined it is promoting the financial interests of the beneficiaries as the administration fees at a product level are generally in-line with the peer fund median.

Fees & Costs Comparison



Source: Peer median is derived from 20 similar platform products, which includes 19 Peers and Mason Stevens. Administration fees are inclusive of any cost of recovery fees or Operational Risk Financial Requirement reserves.

Choice Investment Return Comparison

Mason Stevens' net investment returns for the investment options that have been assessed in this report are illustrated in the graphs contained on pages 13 and 14.

For platform funds like Mason Stevens, members select investments in consultation with their financial adviser. The Trustee's investment strategy for these funds includes offering members a range of different investment options by return potential, risk profile and style to suit their individual circumstances and promote diversification of member strategies.

For the purposes of this assessment, the analysis is focused on the Mason Stevens investment options with the highest concentration of assets invested in them at 30 June 2024 that are available to all members, with at least 5-years of return data.

It is noted that the medians depicted in the following graphs are based on pooled investment options, with the relevant peer fund median selected based on the closest corresponding asset class to the relevant Mason Stevens investment option. Although not a perfect comparison, these medians represent a suitable proxy for assessing the performance of Mason Stevens's underlying investment options.

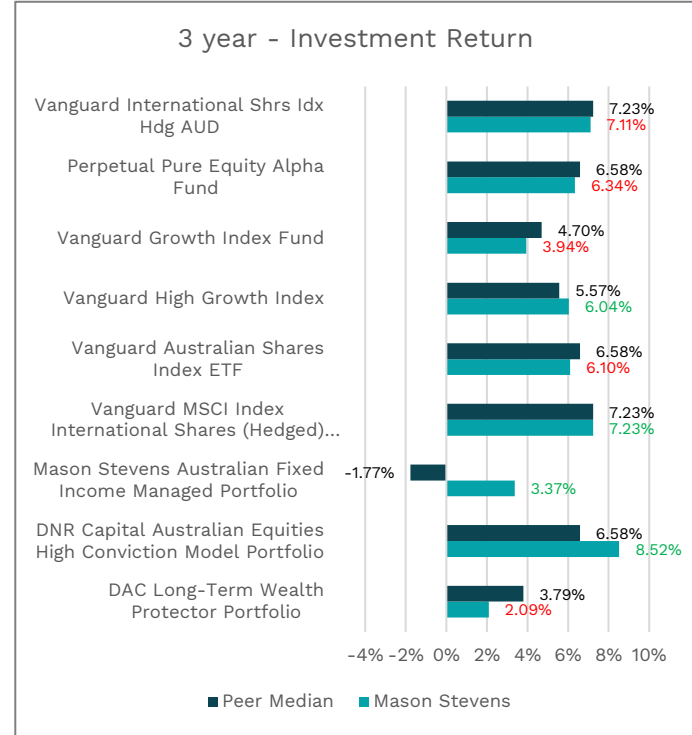
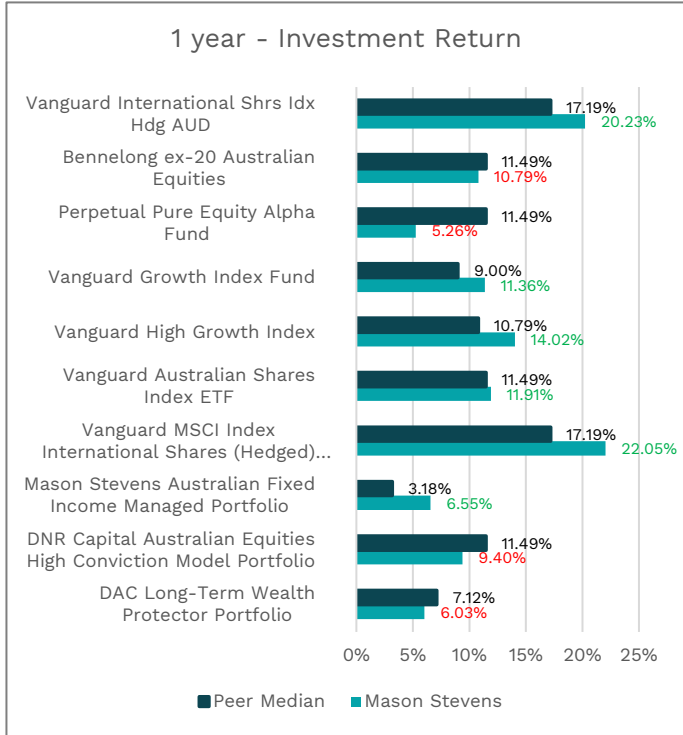
Over the one-year period to 30 June 2024, 60% of the in-scope Mason Stevens investment options outperformed against their peer median.

Over the three-year period and five-year period to 30 June 2025, four out of nine and four out of seven of the in-scope Mason Stevens investment options outperformed against their peer median, noting that underperformance in most cases is marginal.

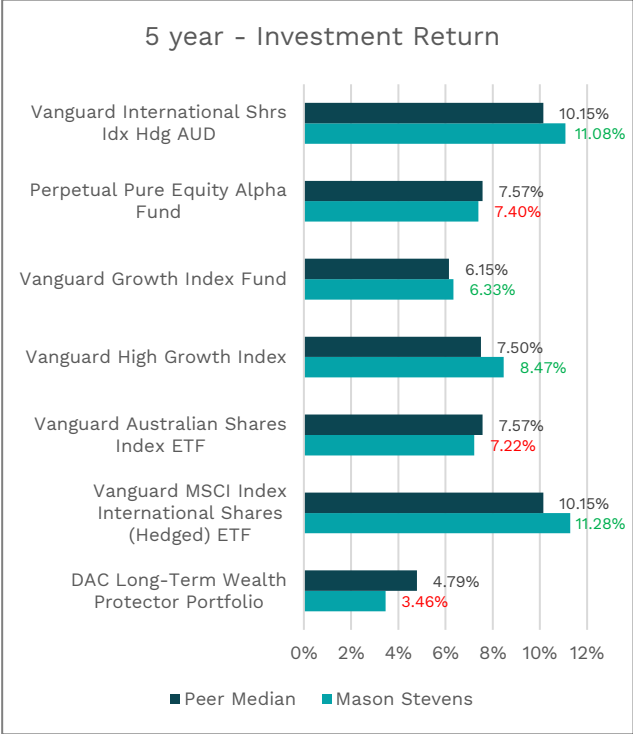
The Trustee has determined it is promoting the financial interests of the beneficiaries of its Accumulation product and its Pension product as the investment returns show satisfactory performance for the majority of in scope investment options over the measured periods.

Noting that the investments a member chooses to invest in, is selected to suit the members' individual circumstances with the assistance of their adviser. The Trustee's role is to offer a wide range of investment options to choose from.

Choice Investment Return Comparison



Choice Investment Return Comparison



Source: SuperRatings Fund Crediting Survey – 30 June 2024 based on the closest corresponding asset class to the relevant Mason Stevens investment option.

Choice Investment Risk Comparison

The level of risk and exposure to the various asset classes and investments are determined by the individual needs of each member in joint responsibility with their financial adviser. In addition, the trustee has governance processes that include the setting of investment limits for funds and conducts market risk stress testing for all investments on an annual basis.

Given the broad list of investment options available across the fund with different risk characteristics and investment objectives and the annual stress testing that is conducted for Prudential Standard SPS 530, the Trustee has determined it is promoting the financial interests of its beneficiaries in respect of investment risk.



Product Appropriateness Assessment

OPTIONS, FACILITIES & BENEFITS

Mason Stevens offers a range of services and products to all members in order to assist them with engaging with their superannuation to optimise their retirement outcomes.

Mason Stevens' online portal allows members to view portfolio valuations, portfolio performance, transactions and download reports and statements. Members may also access this information via the app.

The Trustee has determined that the options, benefits and facilities offered under the product are appropriate to members.

INSURANCE STRATEGY & FEES

Mason Stevens does not offer default cover or any group policies. However, members have access to death, total and permanent disability and income protection cover through a number of insurance providers to suit individual needs with consultation of their advisers. The insurance providers include AIA, TAL and Zurich. The Trustee maintains an insurance strategy that governs Mason Stevens' retail insurance offer to members.

Given insurance cover decisions are member and adviser driven the Trustee does not look to determine impacts of insurance on member balances. However, the trustee has determined there is appropriate accessibility for members to insurance cover.

INVESTMENT STRATEGY

Members may choose to access Model Portfolios with professional model portfolio managers. Members may also invest in Australian and international equities, fixed income securities, managed funds, and term deposits through the self-directed portfolio.

All new investments added to the investment menu (including Model Portfolios) are subject to approval by the Trustee's Investment Committee. All managed funds are required to meet a certain rating from recognised third party research houses such as Lonsec, Morningstar and/or Zenith, or receive an approved rating from the Fund's asset consultant.

The appropriateness of the investment offering is monitored and reviewed on a quarterly basis with annual additional testing via asset consultants who check all managed funds against their determined benchmarks which provide a recommendation if any changes are required.

A majority of Mason Stevens' members' investment portfolios have been prepared with guidance from a financial adviser who developed a diverse portfolio of investments tailored to suit each member's:

- personal circumstances;
- personal investment objectives and long-term goals;
- risk tolerance; and
- expected investment timeframe

Based on the above, the Trustee has determined that the investment strategy for the product is appropriate for members.

SCALE

Mason Stevens Super had 3,404 members with approximately \$1.155 billion in funds under management as at 30 June 2024. While these figures are indicative of Mason Stevens Super's relatively small size in the industry, it is anticipated that Mason Stevens Super will continue to steadily grow and achieve greater scale benefits based on its growth during FY24.

- Funds Under Management ('FUM') grew by 32.24%, compared to the industry median of 9.63%
- Number of member accounts grew by 28.07%, compared to the industry average of 1.10%
- Total net members' benefits flows were positive of \$203.7M, compared to the industry median of \$3.7M
- Net Contribution flows increased from prior year by 3.68%, compared to the industry of 14.31%
- Net Rollover flows changed by -22.45% from prior year, compared to the industry change of -64.67%
- Net members' benefit outflow ratio of 44.35% is more favourable, compared to the industry median of 89.20%

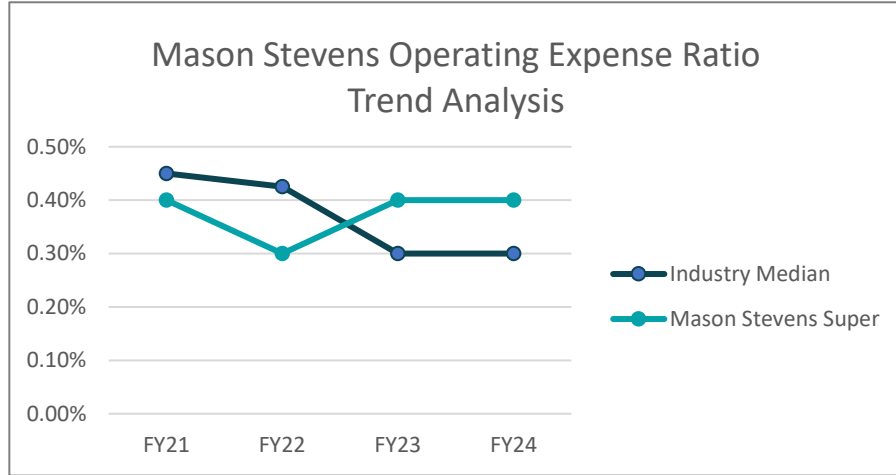
From the above, it is clear that Mason Stevens' growth rate is positive and, on the majority, higher than the industry median. This puts Mason Stevens in an increasingly competitive position.

In addition, there is an ongoing ability to access resources at scale as a result of Mason Stevens's operating model leveraging outsourced administration and an outsourced trustee.

It is concluded that members have not been disadvantaged due to the scale of, and within, the Trustee's business operations but that Mason Stevens would benefit from a continued focus on growth.

OPERATING COSTS

Mason Stevens' operating expense to asset ratio trend is shown in the graph below compared to the industry fund median (derived from APRA data). It is noted that Mason Stevens' operating expense ratio has risen above the industry median fund in FY23 and remained steady in FY24 which is in line with the trend of the industry median which also remained steady in FY24.



The Trustee has determined that the operating costs are considered appropriate for Mason Stevens' members and do not inappropriately erode their retirement balances as, despite the smaller size of Mason Stevens, the operating cost ratio is in line with that of the industry median fund.

BASIS FOR SETTING FEES

Mason Stevens' fee structure consists of a flat dollar account keeping fee and an asset based fee on member balances with a tiered system to limit cross-subsidisation by larger account balances whilst ensuring coverage of the Fund's operational costs and reserves.

The administration fee is accrued daily based on the full account balance which includes both cash and investments and deducted monthly in arrears. This ensures that the cost of maintaining a superannuation account is smoothed over the course of a year rather than members incurring a large impact to their balance at once. Hence, retirement balances are not eroded.

Family linking member pricing for up to six immediate family members is also available for a reduced overall administration fee.

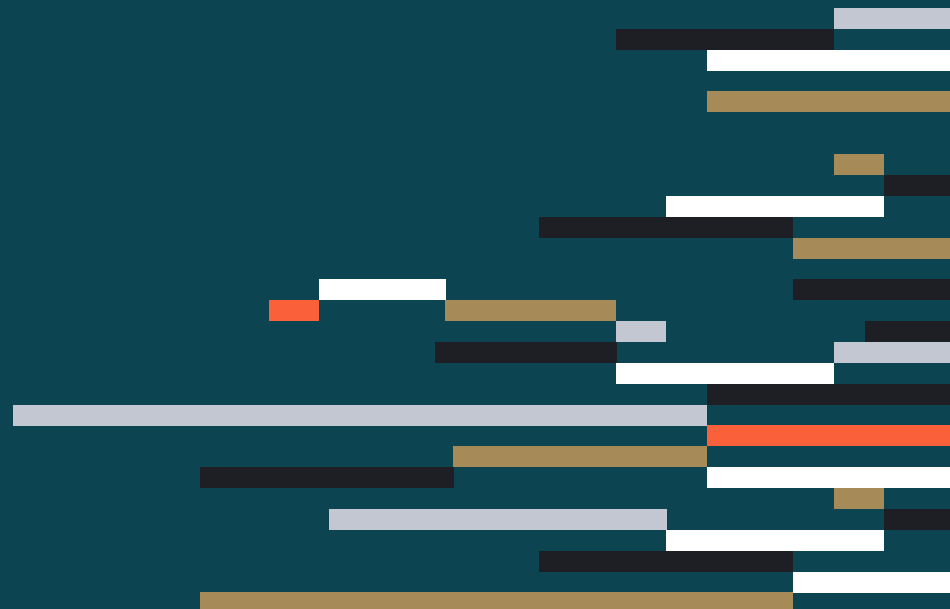
The basis for setting fees is considered appropriate for members and promotes their financial interests, while not inappropriately eroding retirement balances.

Asset-based Admin Fees		
From	To	Rate
\$0	\$250,000	0.44% p.a.
\$250,000	\$750,000	0.22% p.a.
\$750,000	\$2m	0.11% p.a.
\$2m	\$3m	0.055% p.a.
\$3m		Nil
Minimum \$330 p.a.		

Other Account fee		
Expense Recovery fee	0.05% p.a.	Charged Monthly accrued daily
Account keeping fee	\$120 p.a.	Charged Monthly

The logo icon consists of three horizontal bars of varying lengths, stacked vertically, in a gold color. The top bar is the longest, the middle bar is shorter, and the bottom bar is the shortest.

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