




Outcomes Assessment for Financial Year 2019/2020: Bendigo SmartStart Pension

As part of Bendigo Bank, we share in the same philosophies around increasing prosperity of the people and communities we serve. Through Bendigo SmartStart Pension (BSSP), we want to help you prosper in retirement, by keeping our fees low and delivering strong investment returns.

This Outcomes Assessment is an important review on how BSSP is delivering across areas that impact member's retirement savings. This includes investment returns, fees and costs, insurance, benefits, and facilities (key assessment factors).

The process of this review and results of our outcomes assessment is outlined below in three parts. Firstly, we present the key data we used to compare ourselves across the key assessment factors outlined above. We then present an analysis of each of these assessment factors, followed by a final summary (determination) around whether we have met our obligations to promote the financial interest of our beneficiaries. We used the following symbols to show whether we met an objective, partially met it, or did not meet it at all.

Objective was met	
Objective was partially met	
Objective was not met	



Overall, we are pleased with the results and as Trustee have determined that our Pension product promotes the financial interests of our beneficiaries (our members). We have continued to deliver members a simple, low-cost retirement solution with strong investment returns and customer service.

How we compare

We used comparison data at 30 June 2020, from sources such as Chant West and Morningstar.

Industry data for pension products was not widely available. Investment comparisons were conducted using chosen peer groups with the same investment option/age group profile.

Investment returns and risk

Objectives	Results
Achieve net investment returns above the industry average for all investment options	
All investment options within their risk targets	

- All investment options exceeded the average net investment return of the industry over rolling five-year periods.
- Most investment options were within their investment risk targets. The two defensive funds (Bendigo Defensive Index Fund and Bendigo Defensive Wholesale Fund) slightly exceeded their risk objectives, and this is consistent with their material outperformance in the period.



Member fees

Objectives	Results
Member fees no more than the peer group average	⊗

The average member fees per annum are higher than the peer group we compared against.

Against the average of the selected comparable products, Bendigo SmartStart Pension’s (BSSP) administration fee fixed dollar component of \$98 is more expensive than the peer group average of \$91. Against the average of the selected comparable products, the administration fee percentage component of 0.20% is higher than the peer group average of 0.142%.

We note that BSSP won the *Money Magazine* 2021 ‘Best Value Retirement Product’ Award. Products are sorted by lowest overall fee ranking. Funds must be public offer and AAA rated by Selecting Super.

However, we will review BSSP administration fees in light of these results.

Analysis of each of the assessment factors

An important part of this review is how we comply as a Trustee in promoting the financial interests of our members across investment returns, risk, fees, costs, and what options are offered.

Investment returns and risk

Our determination: The investment strategy, including the risk and return targets promotes the financial interests of members.

We considered BSSP’s investment strategies and compared the risk and return across each investment option against industry/peer group averages.

We reached this conclusion based on the following:

- BSSP exceeded the objective of having 75% of investment options in the product meet their investment objectives, with 100% of options exceeding their investment return objectives.
- All investment options exceeded their peer average across investment returns for the rolling 5-year period.

Fees and costs

Our determination: The basis for setting fees and costs charged are appropriate for pension members.

We looked at the impact of fees and operating costs across each investment option and how these compared with the industry average across different member segments.

The representative member fee is comprised of administration and investment fees. This assessment has highlighted that our administration fees whilst not overly expensive, did not meet our internal objectives when compared to the peer group. We will review BSSP administration fees in light of these results.

Operating costs charged to the fund or expense reserve are less than the average of the comparable peer group, and much less than the industry average, and are considered appropriate.



Insurance

There is no insurance offered in BSSP. This is appropriate for members in the retirement phase.

Benefits & facilities

BSSP is designed to be simple and cost effective. As such, our objective is to ensure that services we offer and how we engage with members is relevant and beneficial.

Objectives	Results
Adequate level of customer service	⊖
Providing effective members' education and engagement	⊕

Of the four measures assessed around customer service only our Net Promoter Score was lower than the industry median, which we will focus on improving.

Scale

Our determination: Members are not disadvantaged by our scale

We considered whether our size and ability to continue to attract Bendigo and Adelaide Bank customers hinders our ability to negotiate competitive fees, pool investments and risk. Our assessment showed that we are able to offer a competitively priced product, with strong investment returns.

Bendigo Pension Trustee Determination

BSSP is an account-based pension which aims to provide a low-cost and easy-to-use solution to provide members with a flexible and potentially tax effective income stream in their retirement or as they transition into retirement.

Investment returns exceeded the set investment objectives for each option, with investment risk maintaining risk objectives. The representative member fees did not meet our objective of being no more than the peer group. Basic (yet adequate) tools and facilities are offered to members to assist with keeping costs low, noting that member sentiment indicates that additional tools are not desired.

Through undertaking the member outcome comparisons and assessments and in accordance with the requirements of section 52(9) – 52(11) of the SIS Act, we as Trustee, have determined that we are promoting the financial interests of the beneficiaries in BSSP. However, we acknowledge that this assessment has highlighted that our administration fees could be more competitive, and we will investigate ways to reduce the administration and investment fees.

The comparisons and assessments undertaken for the member outcomes assessment show that BSSP is sustainable in terms of investment returns, fees and costs and scale.

We have balanced the comparative and assessment steps under sections 52(10A) and 52(11) of the SIS Act by considering the key factors as returns, investment strategy, fees, and operating costs. Secondary key factors are any disadvantages from scale, followed by consideration of options, benefits and facilities.



Based on the comparison data and corresponding analysis of the assessment factors have informed this determination. The Trustee has determined that the following are appropriate to members / beneficiaries in BSSP:

- (a) the options, benefits, and facilities offered;
- (b) the investment strategy, including the level of investment risk and the return target;
- (c) the fees and costs; and
- (d) scale.

This determination is made for the financial year to 30 June 2020.

Bendigo SmartStart Pension (ABN 57 526 653 420) (the Fund) is issued by Sandhurst Trustees Limited ABN 16 004 030 737 AFSL 237906 (Sandhurst) a subsidiary of Bendigo and Adelaide Bank Limited (the Bank) ABN 11 068 049 178 AFSL 237879. Sandhurst and the Bank receive remuneration on the issue of the Fund or the service they provide, full details of which are contained in the Product Disclosure Statement (PDS). Investments in the Fund are not deposits with, guaranteed by, or liabilities of the Bank or any of its related entities. This document contains general advice only. Please consider your situation and read the PDS, available at www.bendigobank.com.au, before making an investment decision.