



Australian  
**FOOD  
SUPER**

 Your Industry Fund

# MEMBER OUTCOMES ASSESSMENT SUMMARY

## CHOICE INVESTMENT OPTIONS AND PENSION PRODUCT

MARCH 2024



Australian  
**FOOD  
SUPER**

 Your Industry Fund



**We want to inspire all workers to understand their super, by protecting for today and investing for tomorrow**

## **Our members' best interests are at the centre of everything we do.**

Australian Food Super has been looking after members for more than 35 years.

Our recent rebrand to Australian Food Super has provided the opportunity to assist and engage members in alternate food processing and aligned areas as well as the meat industry where we started.

Our membership has grown over the last 12 months, and this rebranding will allow us to continue slow and sustainable growth and to assist members with similar traits as our current membership. While manual workers are our main member cohort (95%) our products are designed to benefit office workers as well.

We recently brought some of our key administrative services in-house: the contact centre, customers email enquiries, insurance claims and customer complaints. We want to do better in these areas and our assessment has shown us that improvements in these areas, with

our personal oversight, will increase positive member outcomes.

We focus on personal service, and by knowing our membership we can provide an appropriate service and product offering, while managing costs efficiently.

We make our fees low, our insurance simple and affordable, provide a range of investments with comparable returns across 8 investment options, and focus on face-to-face visits and personal service, because we want our members to have the best retirement outcomes possible.

### **From the Australian Food Super Trustees.**

# SUMMARY OF AUSTRALIAN FOOD SUPER CHOICE INVESTMENT OPTION AND PENSION PRODUCT DETERMINATIONS



## FEES

Our fees and costs are amongst the lowest in the superannuation industry. They are fair, sustainable and do not unnecessarily erode member accounts. Our comparison of fees for our Choice investment options and Pension product shows that we are lower than the median of all other super funds. (based on APRA Quarterly Superannuation Product Statistics 30/6/23).



## INSURANCE COVER

Our insurance offering is appropriately tailored to our members with a focus on providing affordable cover to manual workers. We keep it simple with the same premium throughout life and fewer options that can complicate things. Our strategy is to keep premiums less than 10% of the superannuation guarantee contribution of an average worker in our industry. Our Income Protection is amongst the lowest cost in the industry and covers manual and office workers, with a 30-day wait and a 2-year benefit period covering \$2500<sup>^</sup> per month (less tax) as standard default cover. (<sup>^</sup>Or less depending on income).

We compare our premiums to a sample of competitor funds on a regular basis. Our target is to keep our lifetime average premiums lower than 50% of our sample of competitor funds. Our research shows that we are meeting that target



## RETURNS

Our returns are higher than benchmarks and relative to comparable funds. Further details on our returns and how we compare to the median of all other funds with the same defensive/growth asset splits can be found on the following pages.

Our Secure, Capital Stable, Balanced and Growth Investment options passed the Government's 2023 Your Future Your Super Performance Test. Our Shares investment option failed the performance test and is being closed.



## INVESTMENT STRATEGIES/RISK

Our investment strategy is designed for the level of risk our members are willing to accept.

With 7 choice investment options each has a different level of risk and strategy. Read the following pages for information on each investment strategy



## SERVICE

For members still working, we offer a consistent and regular service where we focus on face-to-face client contact, which suits the majority of our manual worker member base. Our Client Service Managers visit large worksites to assist members with super queries and education. We visited sites where 59% of our members received SG contributions in 2023.

75% of members surveyed in our most recent Member Satisfaction Research gave our Client Service Managers an 'extremely satisfied score of between 8-10



## SCALE

The small but agile scale of our fund results in:

- › reduced operating costs
- › no hierarchical barriers
- › a close-knit passionate team
- › opportunities to partner with innovative newcomers to the industry, and
- › the ability to introduce change quickly



## SUSTAINABILITY

Australian Food Super remains a sustainable fund for all members. Our annual growth in 'Number of member accounts' was 5% on 30 June 2023 (APRA fund level statistics 2023). Our recent rebranding has provided the opportunity for us to assist people in aligned food processing areas so we can continue to grow.

We are well below all three APRA Heatmap Sustainability thresholds.



## FEES

We aim to ensure our pricing remains as low as possible so as not to erode member accounts, while still maintaining the service levels members need and expect.

Our fees are amongst the lowest in the industry and we continually seek ways to reduce our costs.

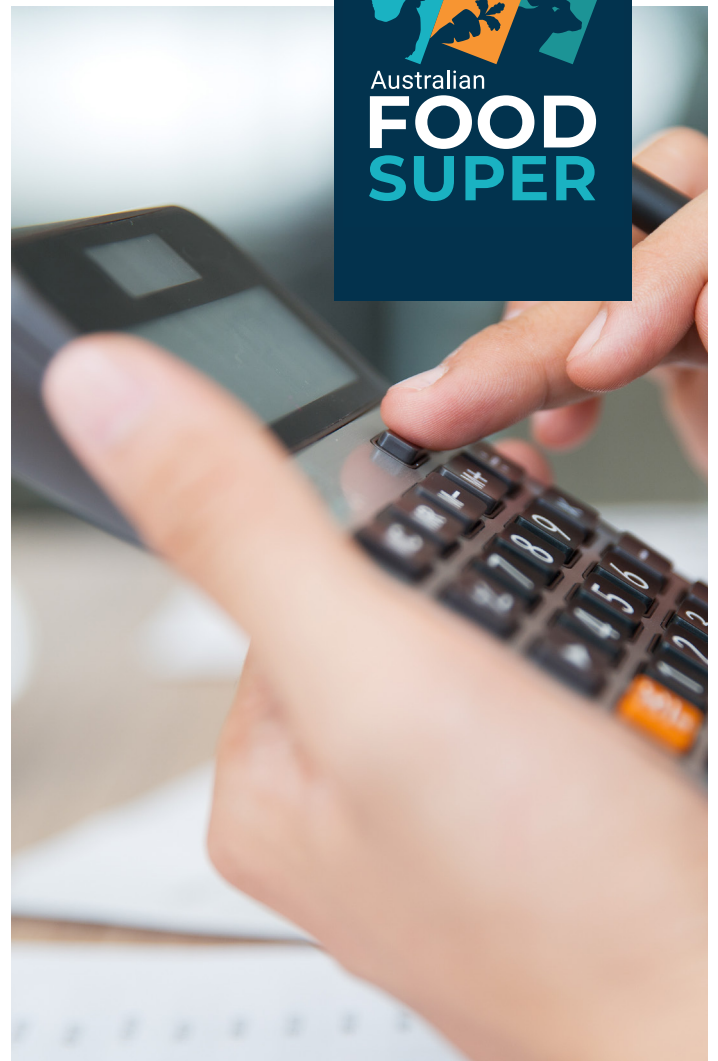
Our target is to cost less than the median of all Choice investment options with the same defensive/growth asset split. For our Secure option, we compared to the median of all Choice investment options invested in 100% Australian Cash only as based on the APRA Quarterly Superannuation Product Statistics – Performance 30 June 2023. We are currently achieving our target.

### The fees include:

- › an administration fee (made up of a flat weekly member fee amount of \$1.70pw plus 0.07% of the account balance
- › and an investment fee and transaction costs ranging from 0% - 1.03%.

Note: The Total Investment Fees include management fees, performance fees and indirect investment fees. These are not drawn directly from member accounts, but are deducted from the assets of the Fund before the annual crediting rate is determined. Administration fees are deducted from member accounts.

The industry standard is to apply the fee on an account balance of \$50,000 for comparison to other super funds.



Choice Investment Option	Admin Fee \$1.70 per week +0.07%	Investment Fee & Trans Costs	Total Fees on \$50,000 per year	Quarterly Total Fees and costs (rep member)*		Comments
				Aust Food Super	Median	
	Admin fees are deducted from Member Accounts	Investment fees are deducted from the investment				
Secure	\$123.40	0.00%	\$123.40	0.06%	0.15%	Our fees are lower than the median
Capital Stable	\$123.40	0.43%	\$338.40	0.17%	0.22%	Our fees are lower than the median
Balanced	\$123.40	0.48%	\$363.40	0.18%	0.22%	Our fees are lower than the median
Growth	\$123.40	0.41%	\$328.40	0.16%	0.22%	Our fees are lower than the median
Shares	\$123.40	0.09%	\$168.40	0.08%	0.22%	Our fees are lower than the median
Property	\$123.40	0.57%	\$408.40	**	**	Our fees are lower than the median
Alternatives	\$123.40	1.03%	\$638.40	**	**	Our fees are lower than the median

Under the Median	Outperforming the Median	Median
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\*APRA Quarterly Super Product Statistics - Performance 30 June 2023 Compared to the median of all Choice investment options with the same growth band.

For Secure option compared to the median of the Choice investment options in 100% Australian cash only.

\*\*Not recorded on APRA Statistics



## INSURANCE STRATEGY AND COST (INSURANCE COVER IS NOT AVAILABLE IN THE PENSION PRODUCT)

**We aim to provide insurance cover to our members that is easy to acquire and balances a level of protection with affordability.**

We believe many of our members employed in heavy manual and blue-collar jobs might not have insurance coverage without their Australian Food Super membership. We aim for the cover to be sufficient to provide basic assistance to members and their beneficiaries without the premiums eroding member accounts.

We understand the working arrangements of members in the food processing and aligned industries. Australian Food Super provides cover for full-time, part-time, casual, visa workers, contractors, and even self-employed members.

Our strategy is to keep premiums less than 10% of the Superannuation Guarantee contribution of an average worker in the food industry. Our Income Protection cover is one of the lowest cost products in the industry open to blue collar, heavy manual workers. Our default IP cover pays \$2,500 per month, less tax (or less depending on income, cover is up to 75% of income), with a 30-day wait and a 2-year benefit period.

We compare the premiums of a sample of competitor funds on a regular basis. Our target is to keep our lifetime average premiums lower than 50% of our sample competitor funds. Our research shows that we are meeting our target.

Many other super funds do not cover the occupations of our members.

Simple to access, affordable and uncomplicated.	Our insurance premiums remain the same through life @ \$9.10 per week	Life insurance and TPD benefits reduce with age	Income Protection remains the same cost with age. 2-year benefit 30 day wait
<b>Default Cover for 26 year old</b>	<b>Default Cover for 36 year old</b>	<b>Default Cover for 46 year old</b>	<b>Default Cover for 56 year old</b>
Life \$124,600	Life \$103,800	Life \$83,100	Life \$60,200
TPD \$62,300	TPD \$51,900	TPD \$41,550	TPD \$30,100
IP \$2,500 per mth	IP \$2,500 per mth	IP \$2,500 per mth	IP \$2,500 per mth
Cost \$9.10 Manual Worker	Cost \$9.10 Manual Worker	Cost \$9.10 Manual Worker	Cost \$9.10 Manual Worker
		Life \$3.54	
		TPD \$2.98	
		IP \$2.75	
		<b>Total \$9.10</b>	



## RETURNS AND INVESTMENT STRATEGIES

Our investment strategies are designed for the level of risk our members are willing to accept.

Below are our returns at 30 June 2023 compared to the median of all superfunds based on the defensive/growth asset split of each choice investment option. The Secure investment option is compared to the median of choice investment options invested in 100% cash.

Please note the Shares option failed the 2023 Government's Your Future, Your Super Performance Test and will be closed.



Choice Investment Option	1 year net Investment Return (rep member) - Annualised		3-year net Investment Return (rep member) - Annualised		5-year net Investment Return (rep member) - Annualised		10-year net Investment Return (rep member) - Annualised		Comments
	Aust Food Super	Median	Aust Food Super	Median	Aust Food Super	Median	Aust Food Super	Median	
Secure	2.67%	2.65%	1.18%	0.96%	1.28%	1.05%	1.82%	1.40%	Our returns are higher than the median across all timeframes
Capital Stable	5.61%	4.70%	3.65%	2.94%	3.55%	3.08%	4.55%	4.16%	Our returns are higher than the median across all timeframes.
Balanced	11.19%	8.75%	8.92%	7.14%	6.38%	5.66%	7.91%	7.12%	Our returns are higher than the median across all timeframes
Growth	12.77%	10.92%	9.91%	9.06%	6.97%	6.69%	8.94%	9.33%	Our returns are higher than the median across 1,3 and 5 yrs. 10yrs is 0.39% lower.
Shares	15.53%	12.86%	10.50%	10.35%	6.27%	7.45%	9.79%	9.22%	Our Shares option failed the 2023 APRA performance test and will be closed. We will offer 2 direct options, 100% Australian Shares and 100% International Shares

Under the Median	Outperforming the Median	Median
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Source: APRA Quarterly Super Product Statistics - Performance 30 June 2023 Compared to the median of all Choice investment options with the same growth band or with similar strategic asset allocations

For Secure option compared to the median of the Choice investment options in 100% Australian cash only.

## CHOICE INVESTMENT OPTION A SECURE INVESTMENT OPTION

The Secure option provides investment in domestic cash.

This is the lowest-risk strategy available to Australian Food Super members.

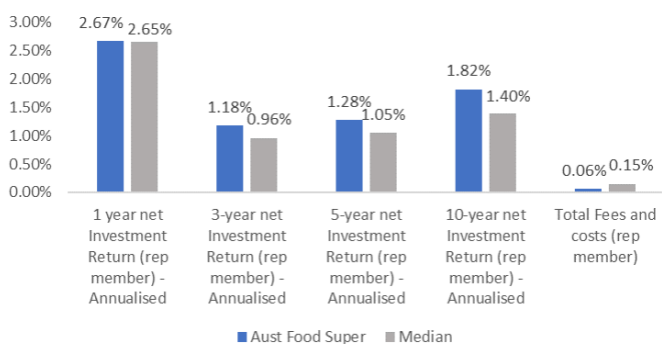
Whilst this option is designed to consistently provide a positive return on investment, long-term investment may result in a low accumulation of retirement savings.

Our Secure option returns have outperformed the APRA benchmark returns over all timeframes and are higher than the median of all other funds returns with the same strategic asset allocation.

The fees for the Secure option are lower than the median of fees for other funds with 100% Australian cash options



Secure vs Median



There is little likelihood that this option will provide a negative return.

Compared to: The median of all Choice Investment options also invested in 100% Australian Cash only.

Source: Quarterly Superannuation Product Statistics – Performance 30 June 2023

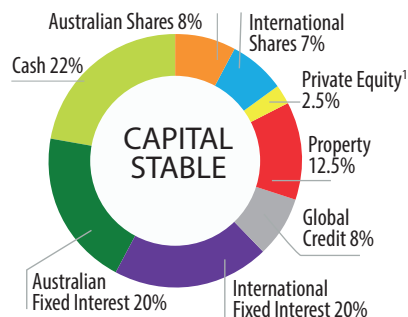
## CHOICE INVESTMENT OPTION B CAPITAL STABLE INVESTMENT OPTION

The Capital Stable option is designed for members who want to target returns that are better than cash, with a lower risk than the Balanced option.

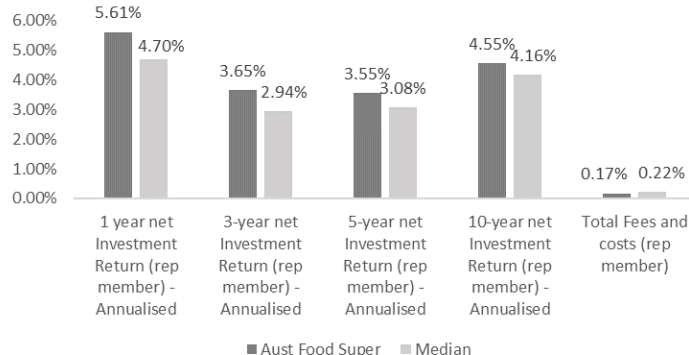
The assets held in this option will be diversified with some small exposure to Australian and international shares. However, the majority of the investment will be in Fixed Interest and cash. The risk profile is greater than the Secure option, but less than the Balanced option.

Our Capital Stable option returns have outperformed the APRA benchmark returns over all timeframes and, are higher than the median of all other funds returns with the same defensive/growth asset split.

The fees for the Capital Stable option are lower than the median of fees for other funds with the same defensive/growth asset split.



Capital Stable vs Median



The estimated probability of a negative return on average is 1.9 out of every twenty years.

Compared to: The Median of all Choice investment options with the same growth band.

Source: Quarterly Superannuation Product Statistics – Performance 30 June 2023

**We have determined that the financial interests of members invested in Australian Food Super's Secure Investment strategy are being promoted.**

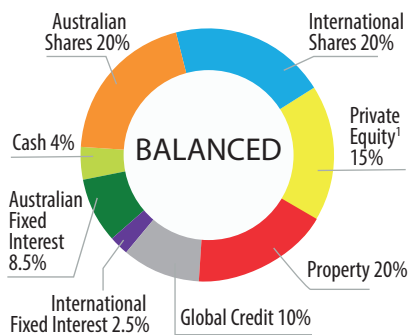
**We have determined that the financial interests of members invested in Australian Food Super's Capital Stable investment option are being promoted.**

## CHOICE INVESTMENT OPTION C BALANCED INVESTMENT OPTION

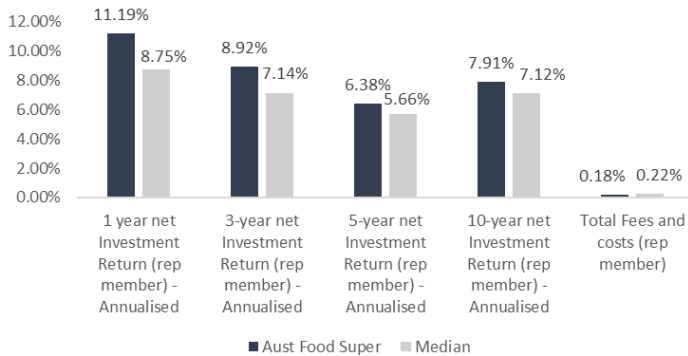
The Balanced option provides a diversified mix of investments, which attempts to provide a balance between risk and return.

Our Balanced option returns have outperformed the APRA benchmark returns over all timeframes and, are higher than the median of all other funds returns with the same defensive/growth asset split.

The fees for the Balanced option are lower than the median of fees for other funds with the same defensive/growth asset split.



Balanced vs Median



The estimated probability of a negative return on average is a 3.9 out of every twenty years.

Compared to: The Median of all Choice investment options with the same growth band.

Source: Quarterly Superannuation Product Statistics – Performance 30 June 2023

**We have determined that the financial interests of members invested in Australian Food Super's Balanced investment option are being promoted.**

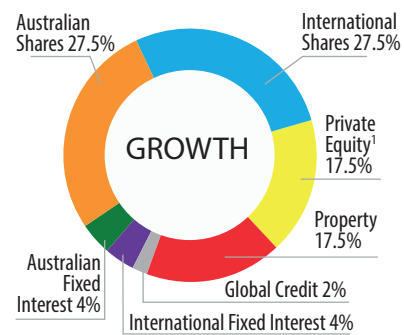
## CHOICE INVESTMENT OPTION D GROWTH INVESTMENT OPTION

The Growth option provides investment mainly in Australian and international shares and alternatives such as infrastructure and private equity. Returns may vary significantly from year to year.

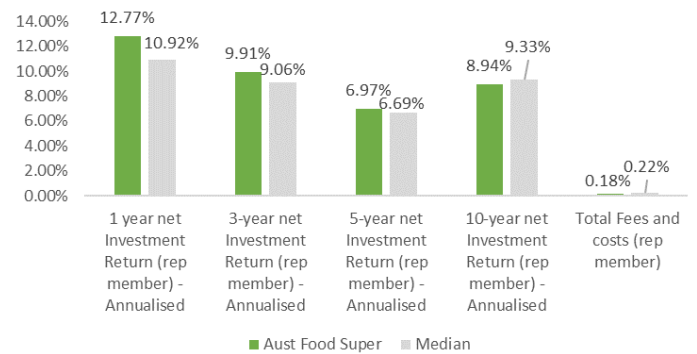
There is a higher probability of negative returns than the Balanced option.

Our Growth option returns are higher than the median of all other funds returns with the same defensive/growth asset split over 1, 3 and 5 years. Over 10 years the return is 0.39% under the median.

The fees for the Growth option are lower than the median of fees for other funds with the same defensive/growth asset split.



Growth vs Median



The estimated probability of a negative return on average 4.6 out of every twenty years.

Compared to: The Median of all Choice investment options with the same growth band.

Source: Quarterly Superannuation Product Statistics – Performance 30 June 2023

**We have determined that the financial interests of members invested in Australian Food Super's Growth investment option are being promoted.**

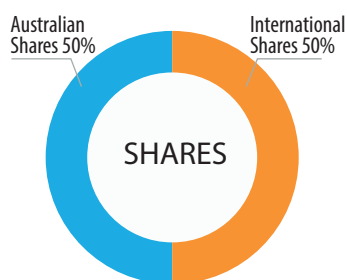


## CHOICE INVESTMENT OPTION E SHARES INVESTMENT OPTION IS CLOSING

The Shares Investment option failed APRA's 2023 performance test. Approximately 900 of our 65,000 members were invested in this option. The investment option was made up of 50% Australian shares and 50% International shares assets.

While Australian Food Super had already taken steps in FY 2022 to change to the current index/passive strategy to address the exposure to underperforming active managers, we will close the option in the best financial interests of these members.

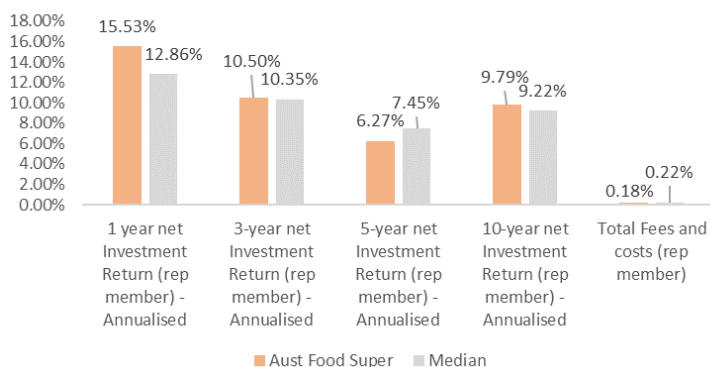
To allow our members to continue to invest in share markets, we will offer two separate investment options in shares; 100% Australian or 100% international, both of which will follow the index/passive strategy.



Our Shares option returns are higher than the median of all other funds returns with the same defensive/growth asset split over 1, 3 and 10 years. Over 5 years the return is 1.18% under the median.

The fees for the Shares option are lower than the median of fees for other funds with the same defensive/growth asset split.

Shares vs Median



The estimated probability of a negative return on average 4.6 out of every twenty years.

Compared to: The Median of all Choice investment options with the same growth band.

Source: Quarterly Superannuation Product Statistics – Performance 30 June 2023

**The Shares Investment option failed APRA's 2023 performance test, therefore, we cannot determine that the financial interests of Australian Food Super's Shares Investment members are being promoted.**

**The Shares investment option is closing and will be replaced by two separate investments 100% Australian equities and 100% International equities.**

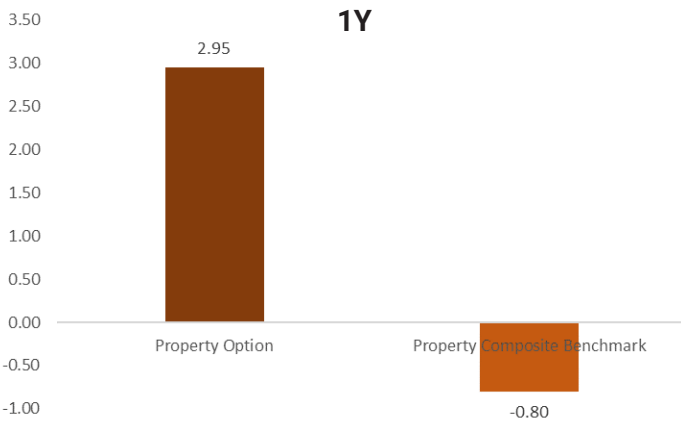
## CHOICE INVESTMENT OPTION F PROPERTY INVESTMENT OPTION

The Property investment option consists of Australian unlisted property.

Our Property option has outperformed the APRA benchmarks over the 1-year timeframe.



Property Option



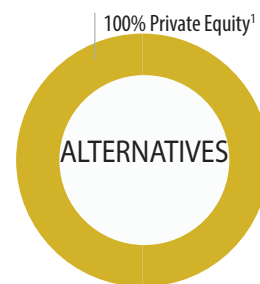
Expected risk of a negative return = 4.8 out of every 20 years

Australian Food Super returns and APRA Benchmarks are shown gross of fees and taxes.

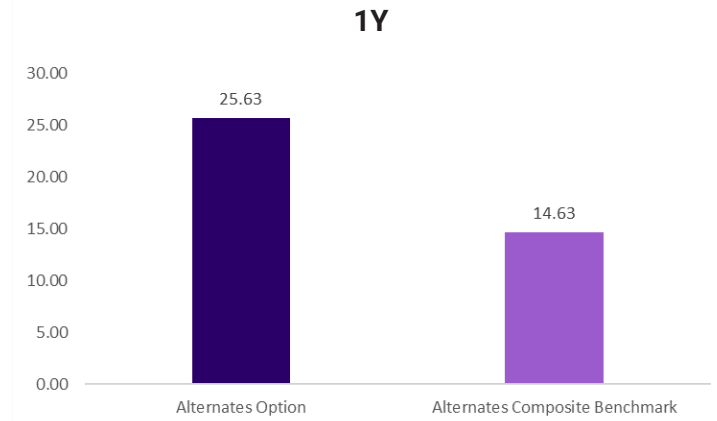
## CHOICE INVESTMENT OPTION G ALTERNATIVES INVESTMENT OPTION

The Alternatives option invests in private equity.

Our Alternatives option has outperformed the APRA benchmarks over a 1-year timeframes.



Alternatives Option



Expected risk of a negative return = 4.2 out of every 20 years

Australian Food Super returns and APRA Benchmarks are shown gross of fees and taxes.

**We have determined that the financial interests of members invested in Australian Food Super's Property investment option are being promoted.**

**We have determined that the financial interests of members invested in Australian Food Super's Alternatives investment option are being promoted.**

## PENSION RETURNS

The Australian Food Super Pension members can access the same investment options as accumulation Choice members.

The administration fees, and all other services are identical for our Pension products as for our MySuper and Choice products.

The differences in returns between accumulation and pension products are largely due to tax, as investment returns are not taxed in the retirement phase



### Long-term Pension net compound average returns.

Net Compound Returns to 30 June 2023.

	SECURE	CAPITAL STABLE	BALANCED	GROWTH	SHARES
Three Years	1.39%	4.17%	10.19%	11.04%	11.71%
Five Years	1.54%	4.13%	7.43%	7.98%	7.42%
Ten Years	2.09%	5.11%	8.79%	9.77%	10.61%

NOTE: These returns are for retirement phase pensions only. For long-term returns for the options in which Transition to Retirement pension assets have been invested since 1 July 2017 please refer to the table showing Long Term Super Net Compound Average Returns.

Source: Australian Food Super website – Long term performance returns

We have determined that the financial interests of Australian Food Super's Pension members are being promoted for all Investment Choice options except the Shares option, which failed the APRA performance test 2023. The Shares option is closing.





## SERVICE

**Our goal is to make it easy for our members to connect with us.**

Being an industry focused fund means we visit our members' work sites on a regular basis (quarterly, 6 monthly or annually). We offer a consistent and regular service that focuses on face-to-face client contact, which suits the majority of our blue-collar member base. Our team is a visible reminder and encouragement to members to care about their superannuation. All staff are qualified to give general advice.

We aim to be available on a regular basis at work sites to at least 50% of our contributing members. We strive to achieve an 'extremely satisfied' score of between 8-10 from at least 75% of our members in our 'member satisfaction' research.

Since 2010 Australian Food Super has engaged an independent company, Woolcott Research, to conduct tracking research. These surveys provide the business with an overview of member satisfaction with our service, product features and the overall performance of the fund.



## SCALE

**The small but agile scale of our fund results in:**

- › reduced operating costs
- › no hierarchical barriers
- › a close-knit passionate team
- › opportunities to partner with innovative newcomers to the industry, and
- › the ability to introduce change quickly.



## SUSTAINABILITY

Our recent rebrand to Australian Food Super has provided us with the opportunity to assist and engage people in alternate food processing industries and aligned businesses. Our membership has grown over the last 12 months, and this rebranding will allow us to continue to grow slowly and sustainably, and to assist people with similar traits as our current membership.

This document is issued by Australian Meat Industry Superannuation Pty Ltd ABN 25 002 981 919, AFSL No. 238829, as Trustee for the Australian Meat Industry Superannuation Trust ABN 28 342 064 803 (Australian Food Super).

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You should also consider the Australian Food Super PDS and Target Market Determination (TMD) available at [ausfoodsuper.com.au](http://ausfoodsuper.com.au).