



Netwealth Superannuation Master Fund

Member Outcomes Assessment Summary

April 2025

Trustee

Netwealth Superannuation Services Pty Ltd
ABN 80 636 951 310
AFSL 528032
RSEL L0003483

Fund Details

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Introduction

Each year, Netwealth Superannuation Services Pty Ltd ABN 80 636 951 310 AFSL 528032 RSE Licence L0003483 (**NSS or Trustee**) in its capacity as Trustee of the Netwealth Superannuation Master Fund (**NSMF**) is required to determine whether the financial interests of members are being promoted.

The Trustee has conducted an assessment using APRA data as at 30 June 2024 supplemented by internal and external data and reports available to the Trustee that cover the 2024 calendar year. For the products listed below the Trustee has determined that it has promoted the financial interests of members. Products 2-4 may collectively be referred to as 'pension'.

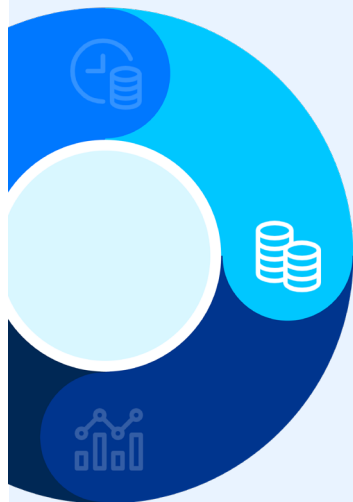
1. Accumulation;
2. Income Stream;
3. Transition to Retirement Income Stream (TTR); and
4. Term Allocated Pension (TAP).

NSMF Profile

30 June 2024

100,142
member accounts

\$30.3b total assets
↑ \$6.3b increase since 30 June 2023



11,166
members with insurance

\$299,000
average account balance
↑ \$30k increase since 30 June 2023

54% 46%
male female

71% 29%
accounts in accumulation accounts in pension

Summary of Findings

This Member Outcomes Assessment explored the attributes below of the NSMF (defined by legislation and APRA Prudential Standard *SPS 515 Strategic Planning and Member Outcomes*).

Based on this, **the Trustee has determined it is satisfied that the financial interests of members have been promoted for all products** due to:

Primary Assessment Factors



Fees and Costs

When compared to similar competitor offerings, all products ranked better than the median for fees and costs.



Investment Returns and Risk

>97.5% of managed funds have an investment grade rating issued by an approved research agency, whilst a small number of investments had investment restrictions applied or were removed.

Secondary Assessment Factors



Options, Benefits and Facilities

Ranked in the top quartile of an independent benchmarking report and no material gaps identified in the desk-based assessment.



Investment Strategy

The Investment Strategy is regularly reviewed, updated and complies with all key elements of APRA's regulatory requirements. An independent internal auditor also confirmed the Investment Governance Framework had a satisfactory control environment.



Insurance Strategy

A breadth of insurance options, including a group insurance offer and a choice of retail insurance providers. An independent internal auditor also confirmed that the control environment of the Insurance Management Framework was representative of good practice.



Insurance Fees

Group insurance rates and features are subject to independent review at each rate cycle, which is typically three years. The group insurance administration fee was found to be competitive against peers.



The Impact of Scale

Total assets, members and average account balance growth outpaced public offer for-profit funds over both the last 1-year and 3-year periods. NSMF also ranked in the top quartile of these funds by total assets.



Operating Costs of the Trustee

The operating expense ratio continued to reduce between financial years and maintained a three-year compound annual growth rate of negative 3%.



The Basis of Setting Fees

Fees reflect access to the benefits chosen by members and the costs of providing those benefits. No material cross subsidisation was identified.

Fees and Costs

Fees and costs for each of the four products were assessed against comparable choice products, across two key dimensions – tax structure (i.e. accumulation or pension) and the breadth of the investment menu.

Accelerator Core has a reduced investment menu whilst Accelerator Plus provides access to a broader range of investment options. The Russell Investment Super Series is a 'Core' type product with a reduced investment menu only available to members who use the services of financial advisers who prefer the Russell investment philosophy. It is not assessed separately; however, it has a lower fee structure than Accelerator Core.

Each of the four NSMF products were compared against similar superannuation wrap products using the average NSMF portfolio balance. The assessment found that the total cost to members for all NSMF products was ranked better than previous year's assessment and was in the first or second quartile as compared to peers. Fees and costs should be viewed in the context of the options, benefits and facilities provided to members. The Trustee does not seek to have the lowest cost offering but rather provide functionality and service benefits to members at a reasonable and competitive cost.

	Accumulation	Income Stream	Pension	
			TTR	TAP
Accelerator Core Rank	4/19	4/19	4/19	4/19
Accelerator Plus Rank	12/26	12/25	12/25	12/25

Learn more about fees and costs:
<https://www.netwealth.com.au/web/resources-and-tools/forms-and-documents/>





Investment Returns and Risk

This section refers to the Investment Research team's monitoring of investment menu options conducted under the oversight of the Trustee's Investment Committee.

The Trustee provides an investment menu to members that aims to covers a range of asset classes, investment styles and risk characteristics so members and their advisers can construct a diversified portfolio appropriate to their needs, preferences, and objectives.

As part of their regular monitoring program, if the Investment Research team form the view an investment option's returns are not in line with the investment style or consistent with the investment process, a recommendation is submitted to the Investment Committee for consideration as to what, if any action should be taken. As a result of this process, there were 46 investment options referred to the Investment Committee, of those, 27 had investment restrictions applied and 14 were removed from the menu.

In addition to the above, over the last 12 months a total of 12 investment options (1% of the available managed funds) were removed from the Accelerator Plus menu, for new investments, as a result of not meeting the Trustee's minimum investment criteria. There were no Accelerator Core or Russell Investments Super Series investment options that were removed from the Investment menu.

Learn more about available investment options:
<https://www.netwealth.com.au/nw/Fund/CompareFundsAndModels/>





Options, Benefits and Facilities

This section is primarily informed by an annual independent benchmarking report and is supplemented by an internally produced desk-based review of the options, benefits, and facilities of key competitors.

The independent benchmarking report (released in February 2025) is a comprehensive review, that compares 591 individual criteria and provides deep insight into the functional position of the Netwealth platform against seven other platforms in the market. Netwealth maintained its second position with an overall score of 90.3%.

Independent Benchmarking Report Category Rankings

Product Offering	Transaction Tools	Decision Support	Reporting	Data, Integration and Security	Retirement Solutions	Overall
#2 of 8	#1 of 8	#3 of 8	#3 of 8	#3 of 8	#5 of 8	#2 of 8





Options, Benefits and Facilities (cont.)

A methodical desk-based assessment of key competitors that have similar characteristics to the NSMF was conducted by the Trustee. The objective was to determine if any material options, benefits, or facilities being broadly offered by other similar superannuation funds were not being offered to members of the NSMF. 108 individual points were reviewed, across four categories as summarised below:

Category	Number of data points reviewed	Number of minor differences identified	Number of material difference identified
Key features	17	Nil	Nil
Insurance	40	Nil	Nil
Trading features	28	2	Nil
Member Services	23	Nil	Nil
Total	108	2	Nil



Investment Strategy

The NSMF Investment Strategy aims to promote diversification and considers the suitability of assets on the investment menu for superannuation. The Investment Strategy also details the classification of assets, approval process (including approved research houses) and investment limits.

The Trustee does not make investment decisions on behalf of members. Rather, the Investment Strategy is designed to allow members to construct their own investment portfolio. To enable members and their financial advisers to select investment options, the Trustee assesses and determines which assets are appropriate for the NSMF. This is done by accessing independent research reports to assist in the monitoring and maintenance of the investment menu and applying investment limits to certain investments to facilitate diversification of a member's portfolio to reduce the risk of concentration to one or more assets or asset classes.

The Investment Strategy is regularly reviewed, updated and complies with all key elements of APRA's regulatory requirements. In June 2024, the independent internal auditor also confirmed the Investment Governance Framework had a satisfactory control environment.





Insurance Strategy

Insurance options are only offered within the accumulation product; therefore, the insurance strategy is only applicable for this product.

The Trustee aims to provide a range of insurance options for the accumulation product. The assessment considered the membership profile of the NSMF and includes:

- Procedures for selecting, renewing, and removing insurers,
- Breadth of insurance options currently available,
- The appropriateness of default insurance,
- Procedures designed to assess the ongoing performance of the insurer(s),
- Improvements made to the group insurance offer as a result of a review in June 2024 by an independent consultant.

In May 2024, an independent internal auditor reviewed the Insurance Strategy and confirmed that the Trustee's Insurance Management Framework, including the NSMF Insurance Strategy, had a control environment representative of good practice.

Learn more about insurance solutions: <https://www.netwealth.com.au/web/personal/insurance/>



Insurance Fees

Insurance fees are only applicable in the accumulation product as insurance is only available in that product.

The Trustee charges an insurance administration fee to accumulation members who hold insurance cover within the NSMF. A review of the group insurance offer was conducted by an independent consultant in June 2024.

As part of the review, a benchmarking comparison against five superannuation funds was conducted. The report concluded that the NSMF group insurance is competitive against those other superannuation funds. The report also noted that the insurance administration fee was the second lowest of the four rates provided. The insurance administration fees are lower for retail insurance than for group insurance, reflecting the higher administrative workload undertaken by the NSMF in managing the group insurance offer.

Members have a choice to select from a group insurance policy and three retail insurance providers, with each offering Death, TPD and Income Protection cover. Members can select the most appropriate fee/feature proposition to suit their personal needs

Learn more about insurance solutions: <https://www.netwealth.com.au/web/personal/insurance/>





The Impact of Scale

The Trustee believes that for the NSMF to effectively leverage scale and compete in the Australian market a superannuation fund needs to grow and sustain total assets. This sections looks at growth trends in membership of the NSMF and total assets in comparison to other public offer for-profit funds in the market.

Since inception, the NSMF has experienced an increase in total members and total assets each year. The Trustee considers the following growth metrics as key indicators of the NSMF's ongoing sustainability. Netwealth has outpaced the public offer for-profit funds in total asset and total member growth over both the last 1-year and 3-year periods.

Growth Metrics	Netwealth 1-Year (% pa)	Public offer for-profit funds Average 1-Year (% pa) ¹	Netwealth 3-Year (% pa)	Public offer for-profit funds Average 3-Year (% pa)
Growth in total assets	+26%	+10%	+21%	+3%
Growth in total members	+13%	-5%	+13%	-5%
Growth in average account balance	+11%	+15%	+8%	+9%

As at 30 June 2024 the NSMF held over \$30B in total assets - ranking 11th of 47 of public offer for-profit funds.

Public offer for-profit funds ¹				
	Smallest	NSMF	Largest	Rank
Total assets (\$K)	\$999	\$30,250,271	\$96,765,571	#11 of 47

¹APRA fund-level superannuation statistics back series June 2004 to June 2024 published 31 January 2025



Operating Costs of the Trustee

This section analyses the trend in operating costs to assess their impact on the financial interests of members.

The decrease in operating expense ratio has continued in FY2024 – resulting in a compound annual growth rate (CAGR) of negative 3% over a three-year period. The current operating expense ratio of the Trustee (0.35%) is lower than the industry average of 0.4%².

	FY2022	FY2023	FY2024	3-year CAGR (%)
Operating Expense ratio of the Trustee (%) ³	0.37%	0.36%	0.35%	-3%
Change YoY (%)	-3%	-3%	-3%	-

²APRA fund-level superannuation statistics June 2024 published 31 January 2025.

³Operating Costs / 12-month average NSMF FUA (based on monthly daily average). Operating costs excludes advice fees paid to licensees.



The Basis for Setting Fees

The basis for setting fees is an internal assessment that focuses on the appropriateness of the fee structure.

The products in the NSMF fall into three key fee structures:

- Accelerator Core;
- Accelerator Plus; and
- Russell Investments Super Series.

The review found the NSMFs operating costs were appropriately reflected in the structure of fees, including the split between fixed and variable. Accounts are subject to a minimum fee as well as a fee cap. There are also activity-based fees that are incurred by members on a user pays basis, ensuring that where practicable the cost of these services are not borne by members who do not use them. The review also found there was no material cross subsidisation between members.

The Trustee concluded the basis on which fees have been set for all products of the NSMF are fair, reasonable, and contribute towards the objective of the fee structure.



About Netwealth

Netwealth is a financial services company listed on the Australian Securities Exchange (ASX: NWL). Netwealth was created with an entrepreneurial spirit to challenge the conventions of Australia's financial services. We are a technology company, a superannuation fund trustee, and an administration business. Above all we exist to inspire people to see wealth differently and discover a brighter future. Founded in 1999, Netwealth is one of the fastest growing wealth management businesses in Australia.

Our financial products are:

- Superannuation including accumulation and retirement income products;
- Investor directed portfolio services for self-managed super and non-super investments;
- Managed accounts;
- Managed funds;
- Self-managed superannuation funds administration;
- Non-custodial administration, and;
- Reporting services.

Netwealth's digital platform supports how our financial products are delivered to market. Financial intermediaries and clients can invest and manage a wide array of domestic and international products through the platform. The platform is created, developed, and maintained by our technology team. It is continuously enhanced based on feedback from financial intermediaries, clients and other users and is widely acknowledged for its industry-leading capabilities. To ensure the effective operation of our financial products and technology platform, Netwealth invests heavily in its people and resources for support, custodial and noncustodial services, and risk and governance management.

Further information

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Netwealth Resources

Superannuation Products and Services:
<https://www.netwealth.com.au/web/personal/super-and-smsf/>

Retirement Planning:
<https://www.netwealth.com.au/web/personal/retirement-planning/>





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