



Member Outcome Assessment

For financial year ended 30 June 2023

The document was issued 13 March 2024 by NESS Super Pty Ltd (the **Trustee**) ABN 28 003 156 812, AFSL 238945 as Trustee of NESS Super (the **Fund**) ABN 72 229 227 691. It may contain general financial advice that does not consider your personal objectives, situation or needs. Before deciding about NESS Super, consider if the information is right for you, your financial requirements and read the Product Disclosure Statement (**PDS**) and Target Market Determination (**TMD**) available at nesssuper.com.au or call **1800 022 067**.

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Contents

1. Summary	4
2. The Fund's Products	4
3. Assessments and Comparisons	5
4. Fees and costs	5
5. Returns	8
6. Investment strategy, level of investment risk and return target	10
7. Insurance strategy and fees	12
8. Options, benefits, and facilities offered to members	12
9. Overall size and scale	13
10. Determinations for the period ended 30 June 2023	13

1. Summary

NESS Super Pty Ltd (the **Trustee**) is the Trustee of NESS Super (the **Fund**). The Fund was established in 1987 by electrical industry representatives to specifically service electrical contractors and their employees. The Fund has evolved to represent workers in all electro-technology industries, including cablers, electrical, communications and electronic technicians. From 2014, the Fund became a public offer fund, which allows all Australian residents to join the Fund.

Each year the Trustee assesses the Fund’s performance in promoting the financial interest of members in each product.

The Trustee has determined that it has met and promoted the best financial interests of its members across all key areas throughout the 2022-23 financial year.

APRA has determined that in relation to the 2022 - 2023 financial year, for the Trustee’s MySuper product (NESS MySuper), the requirement in s 60D(1) of the Superannuation Industry (Supervision) Act 1993 (the SIS Act) has been met. Also referred to as the Annual Performance Test.

APRA has determined that in relation to the 2022-23 financial year, for the Trustee’s trustee-directed product(s) (TDP(s)) – High Growth and Stable choice investment options, the requirement in s 60D(1) of the Superannuation Industry (Supervision) Act 1993 (the SIS Act) has been met. Also referred to as the Annual Performance Test.

The determinations included in this Member Outcomes Assessment have been reviewed and approved by the NESS Super Pty Ltd Board on **13 March 2024**.

2. The Fund’s Products

The Fund offers the following products to members.

Table 1

Product	Attributes
NESS Super	<ul style="list-style-type: none"> • Accumulation phase • MySuper option call NESS MySuper is offered. • The NESS MySuper option is a balanced option by design. • Six (6) choice investment options (High Growth, Stable, Australian Shares, Overseas Shares, Property and Cash) are offered. • Default insurance cover to eligible members, includes life cover (death and terminal illness), total and permanent disablement cover, income protection. • Voluntary insurance cover (subject to underwriting).
NESS Pension	<ul style="list-style-type: none"> • Retirement Phase • Account-based pension (ABP) available to eligible members. • Transition to retirement (TTR) pension available to eligible members. • Seven (7) choice investment options (NESS MyPension, High Growth, Stable, Australian Shares, Overseas Shares, Property and Cash) is offered to the ABP members.

Product	Attributes
	<ul style="list-style-type: none"> Seven (7) choice investment options (NESS MySuper, High Growth, Stable, Australian Shares, Overseas Shares, Property and Cash) is offered to the TTR members.

3. Assessments and Comparisons

In comparing the products mentioned in section 2 with other comparable products, the Trustee has compared each of the following:

- the fees and costs that affect the return to the beneficiaries holding the MySuper or Choice products;
- the returns for the MySuper or Choice products (after the deduction of fees, costs and taxes);
- the level of investment risk for the MySuper or Choice products.

In determining whether the best financial interests of the beneficiaries of the entity who hold a MySuper product or Choice product are being promoted by the trustee, the trustee has assessed each of the following:

- whether the options, benefits and facilities offered under the products are appropriate to those beneficiaries.
- whether the investment strategy for the products, including the level of investment risk and the return target, is appropriate to those beneficiaries.
- whether the insurance strategy for the product is appropriate to those beneficiaries;
- whether any fees or operating costs charged to members are appropriate; and
- overall size and scale

We have assessed our performance against these criteria for the year ending 30 June 2023. A summary of the assessment of these areas is set out below.

4. Fees and costs

Balancing fees and costs charged to members whilst ensuring the quality of products and services offered and returns delivered continues to be a primary focus for the Trustee.

The Trustee has maintained its investment management fees for MySuper and most of the Choice products (investment options) since they were reduced from 28 May 2022.

Our administration fees also remain unchanged, as shown in **Table 2**. In addition, the annual cap on fees will continue to help member's grow their retirement benefits.

Table 2

Product	Fee Type	Fees at 30/6/2023
NESS Super	Fixed dollar fee	\$1.40 per week (\$72.80 per annum)
NESS Super	Asset based (% of account balance)	0.1275%
NESS Super	Fee cap (the annual administration fee is capped at this amount)	\$650 per financial year
NESS Pension	Fixed dollar fee	\$1.40 per week

Product	Fee Type	Fees at 30/6/2023
		(\$72.80 per annum)
NESS Pension	Asset based (% of account balance)	0.1275%
NESS Pension	Fee cap (the annual administration fee is capped at this amount)	\$650 per financial year

Administration Fees

The administration fee for our super and pension products are shown in Table 3.

Table 3 - Administration Fees

Product	Flat \$	Asset based	Total fee per year based on a \$50,000 balance
NESS Super (accumulation)	\$1.40 per week (\$72.80 p.a.)	0.1275% (\$63.75)	\$72.80 + \$63.75 = \$136.55
NESS Pension (retirement)	\$1.40 per week (\$72.80 p.a.)	0.1275% (\$63.75)	\$72.80 + \$63.75 = \$136.55

Investment Management Fees

The investment management fees for our investment options applicable to NESS Super accounts and the NESS Pension accounts are shown in Table 4.

The fees are calculated on a balance of \$50,000. The assessment of the fees on all our investment options show that they are competitive with industry medians.

Table 4 - Investment Management Fees

Investment Options	%	Investment Management Fee ¹
MySuper / MyPension	0.58%	\$290.00
High Growth	0.51%	\$255.00
Stable	0.50%	\$250.00
Australian Shares	0.42%	\$210.00
Overseas Shares	0.45%	\$225.00
Property	0.51%	\$255.00
Cash	0.08%	\$40.00

¹ The investment management fee is an estimated annual amount based on a \$50K account balance.

Comparing Our Fees

When comparing the NESS MySuper fees to other MySuper products, the NESS fees are lower than average on the basis that the NESS MySuper Product was ranked 16th out of 61 MySuper Products².

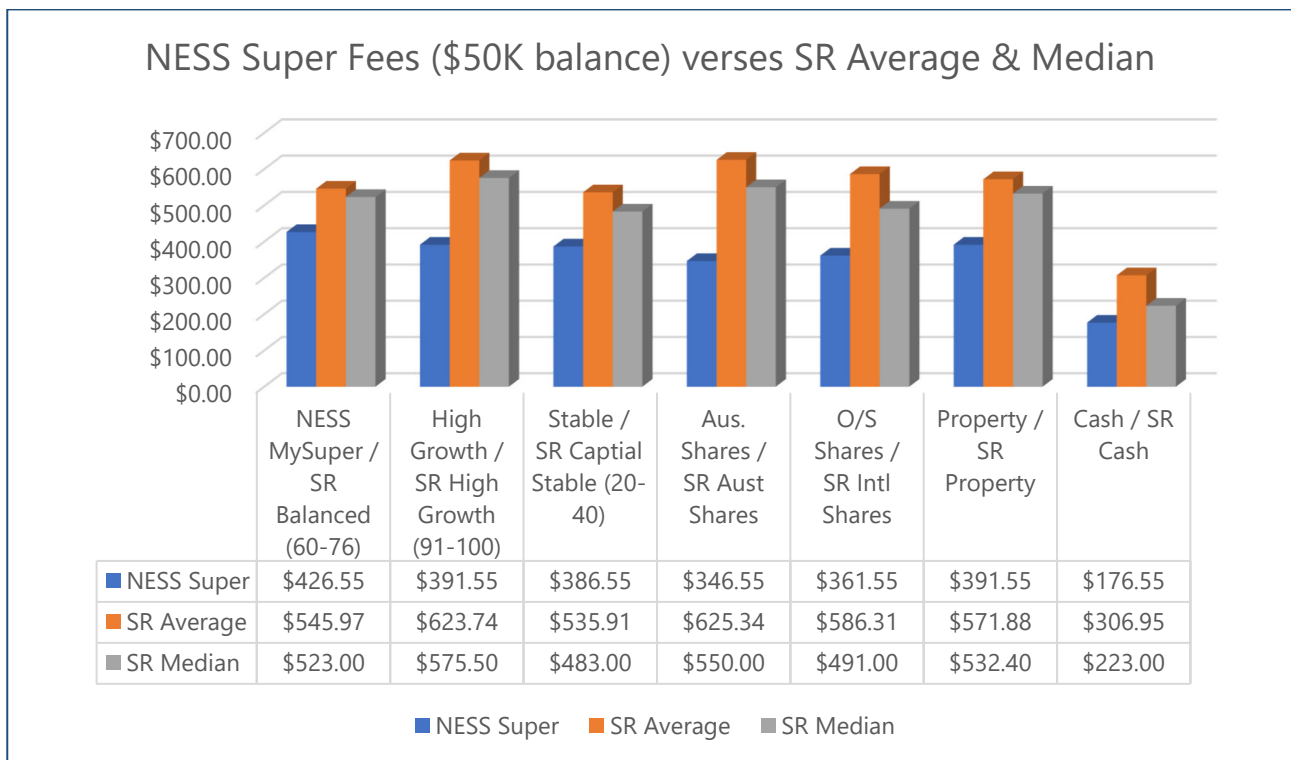
We also compared the NESS MySuper fees to other MySuper products with a single investment strategy, the NESS MySuper fees and costs for a representative member (assumes the member had a balance of \$50,000 for the whole year) was \$426.55 for a financial year, ranking the 12th lowest out of 36 single investment strategy MySuper products³.

We note that many of our competitors and much larger super funds had considerably higher MySuper fees.

A comparison of the fees of NESS Super and NESS Pension for one year assuming the member has a balance of \$50,000 for the whole year compared to the SuperRatings median⁴ for 30 June 2023 is reflected in Figures 1 and 2 below.

As can be seen in **Figure 1** and **Figure 2** the estimated annual fees for each investment option are below the SuperRatings average and median for each investment option type⁵.

Figure 1



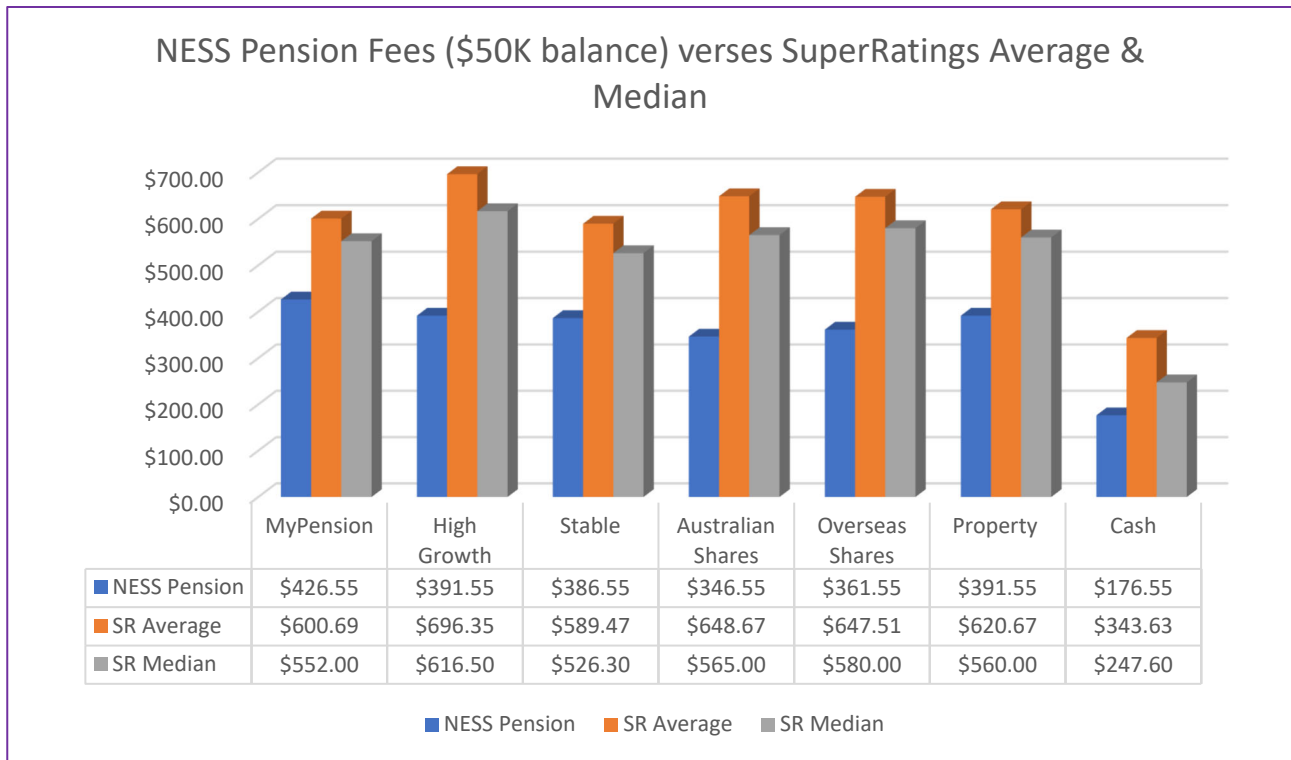
² Source: SuperRatings June 2023 MySuper Fee survey

³ Source: APRA Quarterly MySuper Statistics

⁴ Source: SuperRatings Pty Ltd

⁵ Source: SuperRatings Fee module, data at 30 June 2023

Figure 2



5. Returns

MySuper

The return for the NESS MySuper product for the year ended 30 June 2023 was 9.58% pa net of fees and tax. This result was above the industry median⁶.

The long-term returns for NESS MySuper at 30 June 2023 remain positive, as shown in Table 5 below.

Table 5

Period (year)	1 year	3 years	5 years	7 years	10 years
Return	9.58%	8.06%	5.88%	6.84%	7.23%
Objective (CPI + 3%)	9.78%	8.68%	6.63%	6.18%	5.79%
Super Ratings industry median (Super Ratings Crediting rate Survey Default options June 2023)	9.15%	7.55%	5.78%	6.98%	7.55%

Choice (NESS Super and NESS Pension)

The returns for the Choice investment options for the year ended 30 June 2023 and the long-term returns are shown in Tables 6 and 7 on the following page.

⁶ Source: SuperRatings

Table 6 - Super and Transition to Retirement (TTR) returns as at 30 June 2023

Investment Option	1 year			3 years			5 years			10 years		
	Return	SR median	Relative to Median	Return	SR median	Relative to Median	Return	SR median	Relative to Median	Return	SR median	Relative to Median
MySuper	9.58%	9.15%	Above	8.06%	7.55%	Above	5.88%	5.78%	Above	7.23%	7.55%	Below
High Growth	12.82%	12.74%	Above	10.63%	10.30%	Above	7.24%	7.31%	Below	9.09%	9.14%	Below
Stable	5.17%	4.75%	Above	3.58%	3.09%	Above	3.38%	3.10%	Above	4.51%	4.48%	Above
Aust. Shares	14.34%	13.81%	Above	11.54%	11.24%	Above	6.73%	7.18%	Below	8.63%	8.68%	Below
Overseas Shares	16.88%	17.56%	Below	11.19%	10.80%	Above	8.47%	8.54%	Below	10.55%	10.36%	Above
Property	2.76%	0.64%	Above	6.09%	6.23%	Below	2.47%	3.41%	Below	6.14%	6.85%	Below
Cash	2.01%	2.67%	Below	0.82%	1.01%	Below	1.06%	1.18%	Below	1.61%	1.57%	Above

Table 7 –Account-Based Pension (ABP) returns as at 30 June 2023

Investment Option	1 year			3 years			5 years			10 years		
	Return	SR median	Relative to Median	Return	SR median	Relative to Median	Return	SR median	Relative to Median	Return	SR median	Relative to Median
MyPension	10.59%	8.48%	Above	9.11%	7.11%	Above	5.88%	5.57%	Above	7.52%	7.52%	Parity
High Growth	14.32%	15.52%	Below	12.06%	11.81%	Above	7.42%	8.09%	Below	9.51%	9.98%	Below
Stable	5.20%	5.20%	Parity	3.71%	3.53%	Above	3.47%	3.43%	Above	4.51%	5.05%	Below
Aust. Shares	14.47%	15.33%	Below	Returns are not available as the investment option only commenced 1/2/2021								
Overseas Shares	21.85%	19.62%	Above	Returns are not available as the investment option only commenced 1/2/2021								
Property	-1.05%	-0.69%	Below	Returns are not available as the investment option only commenced 1/2/2021								
Cash	2.35%	3.07%	Below	0.89%	1.18%	Below	1.25%	1.36%	Below	1.85%	1.84%	Above

Note: The SuperRatings (SR) median shown in tables 6 and 7 are from the June 2023 SR Fund Crediting Rate Survey.

6. Investment strategy, level of investment risk and return target

Investment strategy and objectives

The Board reviews the Investment Strategy of the Fund at least annually. The Board has determined that the investment strategy for each product, including the level of investment risk and the return target, is appropriate for those beneficiaries. The investment strategy was reviewed and updated in December 2022 and December 2023.

The choice investment options invest in growth assets (such as Australian equities, international equities, growth alternatives and property) with the balance being invested in defensive assets (such as fixed interest, defensive alternatives, and cash).

Table 8 below shows the target strategic asset allocation that applied from 1 November 2021 for all investment options. The target asset allocations may be adjusted for each accumulation and pension investment option within the ranges that are shown in the brackets.

Table 8

Investment Options	Aust. Equities	Int. Equities	Property	Alternatives	Fixed Interest	Cash
MySuper & MyPension	30 (15-55)	30 (10-50)	15 (0-30)	5 (0-30)	15 (5-30)	5 (0-20)
High Growth	42 (30-60)	42 (30-60)	10 (0-20)	6 (0-20)	0 (0-10)	0 (0-10)
Stable	12.5 (5-25)	12.5 (5-25)	8 (0-20)	7 (0-20)	50 (20-60)	10 (0-20)
Australian Shares	100 (90-100)	0 (0-0)	0 (0-0)	0 (0-0)	0 (0-0)	0 (0-10)
Overseas Shares	0 (0-0)	100 (90-100)	0 (0-0)	0 (0-0)	0 (0-0)	0 (0-10)
Property	0 (0-0)	0 (0-0)	100 (90-100)	0 (0-0)	0 (0-0)	0 (0-10)
Cash	0 (0-0)	0 (0-0)	0 (0-0)	0 (0-0)	0 (0-10)	100 (90-100)

Table 9 below shows the return and risk objectives for each investment option.

Table 9

Investment Option	Target Return Objectives	Target Risk Objectives
NESS MySuper or MyPension Balanced (for the account-based pension members)	<ol style="list-style-type: none"> CPI + 3% pa net of fees and tax (where applicable) over rolling 10-year periods. Outperform the Your Future Your Super benchmark over rolling 8-year period⁷ 	To have no more than 3-4 negative annual returns over any 20-year period.

⁷ This benchmark return is described in SIS Regulations 9AB.13

Investment Option	Target Return Objectives	Target Risk Objectives
High Growth	<ol style="list-style-type: none"> 1. CPI + 4.0% p.a. net of fees and tax (where applicable) over rolling 10 years. 2. Outperform the median SuperRatings Fund Crediting Rate Survey - High Growth over rolling 10-year periods. 	To have no more than 4-5 negative annual returns over any 20-year period.
Stable	<ol style="list-style-type: none"> 1. CPI + 2.0% p.a. net of fees and tax (where applicable) over rolling 5 years. 2. Outperform the median SuperRatings Fund Crediting Rate Survey - Capital Stable over rolling 5-year periods. 	To have no more than 2-3 negative annual returns over any 20-year period.
Australian Shares	<ol style="list-style-type: none"> 1. CPI + 4.0% p.a. net of fees and tax (where applicable) over rolling 10 years. 2. Outperform the median SuperRatings Fund Crediting Rate Survey - Australian Shares over rolling 10-year periods 	To have no more than 6 negative annual returns over any 20-year period.
Overseas Shares	<ol style="list-style-type: none"> 1. CPI + 4.0% p.a. net of fees and tax (where applicable) over rolling 10 years. 2. Outperform the median SuperRatings Fund Crediting Rate Survey - International Shares over rolling 10-year periods 	To have no more than 6 negative annual returns over any 20-year period.
Property	<ol style="list-style-type: none"> 1. CPI + 3.0% p.a. net of fees and tax (where applicable) over rolling 10 years. 2. Outperform the median SuperRatings Fund Crediting Rate Survey - Property over rolling 10-year periods. 	To have no more than 6 negative annual returns over any 20-year period.
Cash	To achieve a return net of fees and tax (where applicable) that is similar to the Bloomberg AusBond Bank Bill Index.	To minimise negative annual returns over any 20-year period ⁸ .

Investment risk

The level of investment risk ranges from **very low** to **very high**, with the estimated number of negative annual returns over a 20-year period ranging from **less than 0.5** to **greater than 6**. The risk level for each investment option as of 30 June 2023 are shown in Table 9 above.

We have compared / benchmarked the risk level of each investment option against comparable investment options. All our investment risk levels are generally consistent with comparable investment options, see **Table 10** below.

⁸ In view of the current low interest rate environment, it is acknowledged that cash may generate negative returns on both a gross and net of fees and tax basis.

Table 10

Option	Benchmark	SRM	Range of comparable risk labels ⁹
High Growth	SuperRatings: High Growth (91-100)	High	High to Very High
NESS MySuper	SuperRatings: Default Options	Medium to High	Low to Very High
Stable	SuperRatings: Capital Stable (20-40)	Medium	Low to Very High
Australian Shares	SuperRatings: Australian Shares	High	High and Very High
Overseas Shares	SuperRatings: International Shares	High	High and Very High
Property	SuperRatings: Property	High	Medium to High and High
Cash	SuperRatings: Cash	Very Low	Very Low

7. Insurance strategy and fees

The Fund offers Life Cover (death and terminal illness), Total and Permanent Disability (TPD) and Income Protection (IP) to eligible members¹⁰ as default cover.

The cover offered is also specific to the electro technology industry and provides cover which may attract loadings in other funds or in the case of IP not always offered.

The principle of the insurance cover offered is that it is affordable for all members and covers them for their industry related activities.

The insurance premiums rose in November 2022 and the Trustee has been able to guarantee the cost of cover for a coming two-year period.

Where other super funds increased the cost of cover during the COVID-19 pandemic, the Trustee was able to keep the cost to members the same during the last two financial years.

NESS has approximately 60% of members with some form of insurance cover as at 30 June 2023.

NESS has paid over \$2.8 million in insurance proceeds to 31 NESS members over the year. For the year ended 30 June 2023 we paid 100% of death claims, 100% of TPD claims and 97% of income protection claims (there was one IP claim that was ineligible)

The Board last reviewed the insurance strategy in June 2023 and has determined that it is appropriate for the members of the Fund. The Fund continues to engage with members to ensure that their insurance cover remains appropriate for the individuals and to ensure that member accounts are not inappropriately eroded.

8. Options, benefits, and facilities offered to members

Our members benefit from a range of good quality products and services which are regularly assessed to ensure they are fit for purpose and meet the member's needs.

⁹ Source: SuperRatings Standard Risk Measure Survey

¹⁰ Refer to the NESS Super Insurance Guide for eligibility conditions.

The internally staffed and operated Contact Centre provides personal service to all members and had over 25,000 interactions with members over the past year. Our member satisfaction survey (NPS results) shows a score that is trending upwards in overall member satisfaction.

The appointment of an internal financial planner has proven popular with our members. We provided financial planning services to over 460 members which included issuing over 130 statements of advice.

Insourcing of insurance claims processing was implemented from December 2021, this has allowed the Fund to better support members and beneficiaries during members times of need.

The Trustee has continued to enhance member services based on member feedback via the Contact Centre and external survey results.

The Trustee has determined that the options, benefits, and facilities offered by the Fund remain appropriate for members and their beneficiaries.

9. Overall size and scale

At 30 June 2023, the fund has over \$1.065 billion in funds under management and over 12,600 members. Our fees (administration fees, investment management fees, and insurance fees) remain low, especially when compared to other competitors and much larger funds. Most of our long-term returns remain above the medium and met our long-term investment objectives. The Trustee is satisfied that scale of the Fund has not disadvantaged members.

10. Determinations for the period ended 30 June 2023

NESS MySuper

In respect of the NESS MySuper product, the Trustee make the following determinations:

Determination
1. The best financial interests of members of the NESS MySuper product are being promoted by the Trustee.
2. Members have not been disadvantaged by the scale of the Trustee's operations.
3. The MySuper product's operating costs are not inappropriately affecting the financial interests of members.
4. The setting of fees is appropriate and fair to NESS MySuper members
5. The options, benefits and facilities offered are appropriate and meet the needs of the members.
6. The investment strategy, including the level of investment risk and return target, is appropriate for members.
7. The insurance strategy is appropriate for members.
8. The insurance fees charged do not inappropriately erode the retirement benefits of members

Choice

In respect of the NESS Super Choice products and the NESS Pension products, which includes:

- NESS Super Choice (High Growth, Stable, Australian Shares, Overseas Shares, Property and Cash)
- NESS Pension (NESS MyPension Balanced, NESS MySuper, High Growth, Stable, Australian Shares, Overseas Shares, Property and Cash)

The Trustee make the following determinations:

Determination
1. The financial interests of the members who are invested in a Choice investment option or the NESS Pension are being promoted by the Trustee.
2. Members have not been disadvantaged by the scale of the Trustee's operations.
3. The NESS Choice and Pension product's operating costs are not inappropriately affecting the financial interests of members.
4. The setting of fees is appropriate and fair for members.
5. The options, benefits and facilities offered are appropriate and meet the needs of the members.
6. The investment strategy, including the level of investment risk and return target, is appropriate for members.
7. The insurance strategy is appropriate for members. Note: insurance is not offered to NESS Pension.
8. The insurance fees charged do not inappropriately erode the retirement benefits of members. Note: insurance is not offered to NESS Pension.



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