



Superannuation

April 2021

What are the Canstar Superannuation Star Ratings?

Canstar's Superannuation Star Ratings use a sophisticated and unique rating methodology that considers investment performance, fees and product features across superannuation products. Canstar's star ratings represent a shortlist of products enabling consumers to narrow their search to products that have been assessed and ranked.

The results are reflected in a consumer-friendly five star concept. 5-Star Rated products have been assessed as being in the top 10% of the products considered within the group of products being assessed.

What types of products are evaluated for Canstar's Superannuation Star Ratings?

To be eligible for evaluation in Canstar's Superannuation Star Ratings, a superannuation product must:

- Belong to a provider open to the public, not restricted solely to members of a specific organisation (i.e. corporate products and products closed to new members are ineligible)
- Be available directly to consumers without the need for an intermediary (such as a financial planner)
- Not be a wrap only product. Wrap platforms are typically only accessible through a broker and can entail wrap fees in addition to fees associated with the superannuation product itself
- For comparison purposes, have seven years of performance data available to receive a star rating (products with three, four, five or six years of performance data will receive an indicative rating)
- Belong to a provider with funds under management (FUM) of at least \$100m (superannuation and pension assets combined)
- PAYG or Employer contribution products to be used for all providers if available.

Star Rating Profiles

Canstar's Superannuation Star Ratings are the underlying Star Ratings used in the Superannuation Award calculations. Superannuation products included in the Canstar Superannuation Star Ratings are assessed across 25 consumer profiles, considering age and account balance. Products are awarded a star rating in each profile based on a relative comparison across their investment performance, fees, insurance offering and product features.

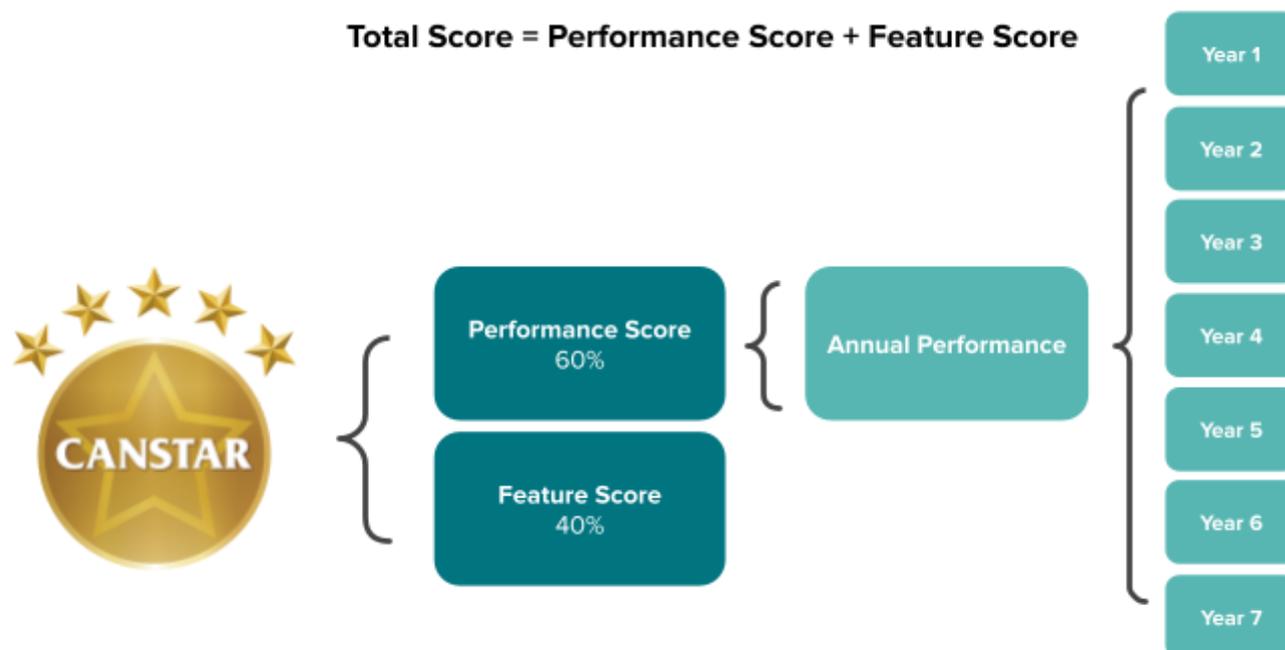
The twenty-five profiles considered in the rating are made up of the ages and balances shown below:

Age	Balance
Twenties (20 to 29 years)	\$30,000
Thirties (30 to 39 years)	\$80,000
Forties (40 to 49 years)	\$180,000
Fifties (50 to 59 years)	\$500,000
Sixties (60 to 69 years)	\$1,500,000

Star Ratings Methodology

Each eligible superannuation product reviewed for the Canstar Superannuation Star Ratings is awarded points for its historical investment performance after fees and the array of features attached to the product. Points are aggregated to achieve a performance score and a feature score.

To arrive at the total score, Canstar applies a weight against the performance score and the feature score. The weights reflect the relative importance of performance and features in determining which products offer outstanding value to consumers. This method can be summarised as:

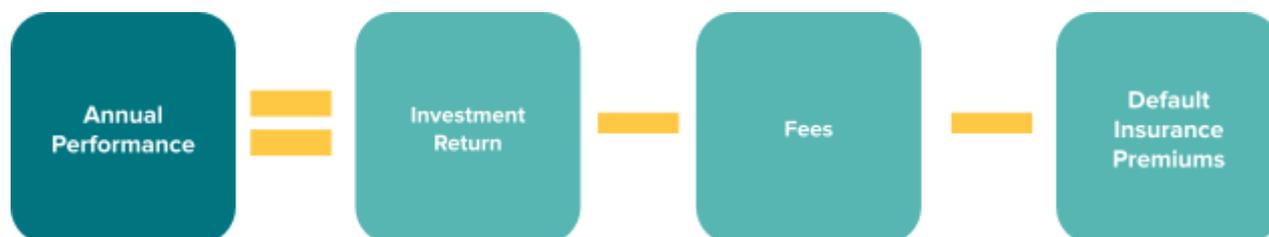


* Each year of annual performance is treated on it's own, with an even distribution of weight applied to each year.

Performance Score

The performance score takes into account a product's annual investment returns net of fees, investment related tax and default insurance premiums. Fees are inclusive of administration fees, investment management fees, performance fees and other indirect costs where applicable.

The Annual Performance can be summarised as follows:



The period of consideration is seven years with each year compared separately and weighted equally. The product with the highest annual performance per year is allocated the maximum score; all remaining products are awarded a score across a normal distribution relative to the average annual performance within the profile.

The base annual performance used is net of investment related tax, investment management fees, performance fees and other indirect costs. The base investment return is subsequently adjusted by both administration fees and default insurance premiums in formulating the Performance Score.

Prior to deduction from the annual investment return, administration fees (where not already expressed in percentage terms) and default insurance premiums are converted to percentage terms relative to the profile balance.

Investment Return

Canstar considers the annual investment return of a product's default investment option, including the default life-stage option when offered. Where a product does not have a default investment option, annual returns for the investment option with the highest funds under management and a 60-80% growth asset allocation are used.

Administration Fees

Canstar captures administration fees to account for their impact on investment returns. Administration fees are deducted from the annual base investment return in compiling the performance score. Where applicable, both dollar and percentage administration fees are considered.

To account for any applicable fee tiering across different balance amounts, 100 account balances are used per profile, built around a distribution based on the minimum, average and maximum account balance specified for each profile.

Balance	Minimum Balance	Average Balance	Maximum Balance
\$30,000	\$6,000	\$30,000	\$54,499
\$80,000	\$55,000	\$80,000	\$104,999
\$180,000	\$105,000	\$180,000	\$254,999
\$500,000	\$255,000	\$500,000	\$744,999
\$1,500,000	\$745,000	\$1,500,000	\$2,255,000

Other one-off fees such as contribution fees, withdrawal fees and advice fees are not considered.

Default Insurance Premiums

While default insurance can be a positive feature within a superannuation product, the associated premiums can impact the value of investment returns. Where a product includes default insurance, premiums for death cover, total and permanent disablement (TPD) cover and income protection are considered. The cumulative annual default insurance premium is then evaluated against the balance within the specific profile and deducted from the annual investment return. Where a product does not include default insurance, no insurance deduction is made.

Feature Score

The feature score takes into account a number of features within five different categories, with individual features allocated points and each category, and subcategory, assigned a weighting. The product with the highest feature score is allocated the maximum score, with all remaining products within the profile scored against it.

The feature categories and subcategories, with assigned weights for each profile considered, are as follows:

Category/Subcategory	Twenties	Thirties	Forties	Fifties	Sixties
Opening	5%	5%	5%	5%	5%
Investment Flexibility	15%	15%	15%	15%	15%
Switching	5%	5%	5%	5%	5%
Contribution method	15%	15%	15%	15%	15%
Managed Funds	60%	60%	60%	60%	60%
Listed Securities	15%	15%	15%	15%	15%
Term Deposits	5%	5%	5%	5%	5%
Insurance	40%	35%	30%	25%	20%
Death Cover Features	20%	30%	40%	40%	40%
Default	50%	50%	50%	50%	50%
Sum Insured Amount	67%	67%	67%	67%	67%
Terms	33%	33%	33%	33%	33%
Tailored	50%	50%	50%	50%	50%
TPD Cover Features	30%	30%	30%	30%	30%
Default	50%	50%	50%	50%	50%
Sum Insured Amount	67%	67%	67%	67%	67%
Terms	33%	33%	33%	33%	33%
Tailored	50%	50%	50%	50%	50%
Income Protection Features	50%	40%	30%	30%	30%
Default	50%	50%	50%	50%	50%
Sum Insured Amount	67%	67%	67%	67%	67%
Terms	33%	33%	33%	33%	33%
Tailored	50%	50%	50%	50%	50%
Support	35%	40%	45%	50%	55%
Tools & Education	35%	35%	35%	35%	35%
Advice	45%	45%	45%	45%	45%
Online Access	15%	15%	15%	15%	15%
Phone Access	5%	5%	5%	5%	5%
Closing	5%	5%	5%	5%	5%

What are the Canstar Outstanding Value - Superannuation Awards?

The Canstar Outstanding Value - Superannuation Awards recognise the providers that provide outstanding value to customers across the range of ages and balances considered in Canstar's Superannuation Star Ratings. Provider's who have cumulatively performed to an exceedingly high standard across the Star Rating profiles will be recognised with the award of Outstanding Value - Superannuation.



How are the Canstar Outstanding Value - Superannuation Awards calculated?

The Canstar Outstanding Value – Superannuation Awards are based on the weighted score of a provider's top performing options across the individual profile Star Ratings. To be considered for an Outstanding Value Award, a superannuation product must, in addition to being eligible for inclusion in the Star Ratings, be available nationwide.

The weight applied to each Star Rating profile is determined based on the prevalence of the balances present in funds belonging to consumers of each age group, while the weight allocated to each age group is evenly distributed. The table below illustrates the respective weight applied to each individual profile considered in the Outstanding Value Awards.

Profile Balance	Profile Age Group					Total (%)
	Twenties	Thirties	Forties	Fifties	Sixties	
\$30,000	16%	10%	6%	4%	2%	38%
\$80,000	4%	8%	8%	4%	3%	27%
\$180,000	-	2%	4%	6%	6%	18%
\$500,000	-	-	2%	4%	6%	12%
\$1,500,000	-	-	-	2%	3%	5%
Total (%)	20%	20%	20%	20%	20%	100%

How often are products reviewed for Star Ratings and Award purposes?

Superannuation Star Ratings and Awards are recalculated annually based on the latest features offered by each provider. Canstar also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazine, television, websites, etc.).

Does Canstar rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking, wealth and insurance products listed below. These Star Ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the Star Ratings as a guide to product excellence. The use of similar Star Ratings logos also builds consumer recognition of quality products across all categories.

Please access the Canstar website at www.canstar.com.au if you would like to view the latest Star Ratings reports of interest.

- Account based pensions
- Business life insurance
- Deposit accounts
- Health insurance
- Landlord insurance
- Margin lending
- Term deposits
- Reward programs
- Travel insurance
- Agribusiness
- Car insurance
- Direct life insurance
- Home & contents
- Life insurance
- Online banking
- Personal loans
- Superannuation
- Travel money cards
- Business banking
- Credit cards
- First home buyer
- Home loans
- Managed investments
- Online share trading
- Pet insurance



COMPLIANCE DISCLOSURE and LIABILITY DISCLAIMER

To the extent that the information in this report constitutes general advice, this advice has been prepared by Canstar Research Pty Ltd A.C.N. 114 422 909 Australian Financial Services Licence ("AFSL") and Australian Credit Licence number ("ACL") 437917 ("Canstar"). The information has been prepared without taking into account your individual investment objectives, financial circumstances or needs. Before you decide whether or not to acquire a particular financial product you should assess whether it is appropriate for you in the light of your own personal circumstances, having regard to your own objectives, financial situation and needs. You may wish to obtain financial advice from a suitably qualified adviser before making any decision to acquire a financial product. Canstar provides information about credit products. It is not a credit provider and in giving you information it is not making any suggestion or recommendation to you about a particular credit product. Please refer to Canstar's FSG for more information.

The information in this report must not be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, redistributed or resold, or stored for subsequent use for any purpose, in whole or in part, in any form or manner or by means whatsoever, by any person without Canstar's prior written consent. All information obtained by Canstar from external sources is believed to be accurate and reliable. Under no circumstances shall Canstar have any liability to any person or entity due to error (negligence or otherwise) or other circumstances or contingency within or outside the control of Canstar or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication, or delivery of any such information.

The ratings and awards results do not include all providers and may not compare all features relevant to you. The rating or award is only one factor to take into account when considering these products. Canstar acknowledges that past performance is not a reliable indicator of future performance.

The word "CANSTAR", the gold star in a circle logo (with or without surmounting stars), "Be Canstar Sure", the word "WEALTHBRICKS" and versions of the foregoing are trademarks or registered trademarks of Canstar Pty Ltd A.C.N. 053 646 165. Reference to third party products, services or other information by trade name, trademark or otherwise does not constitute or imply endorsement, sponsorship or recommendation of Canstar by the respective trademark owner.

Copyright 2021 Canstar Research Pty Ltd A.C.N. 114 422 909.