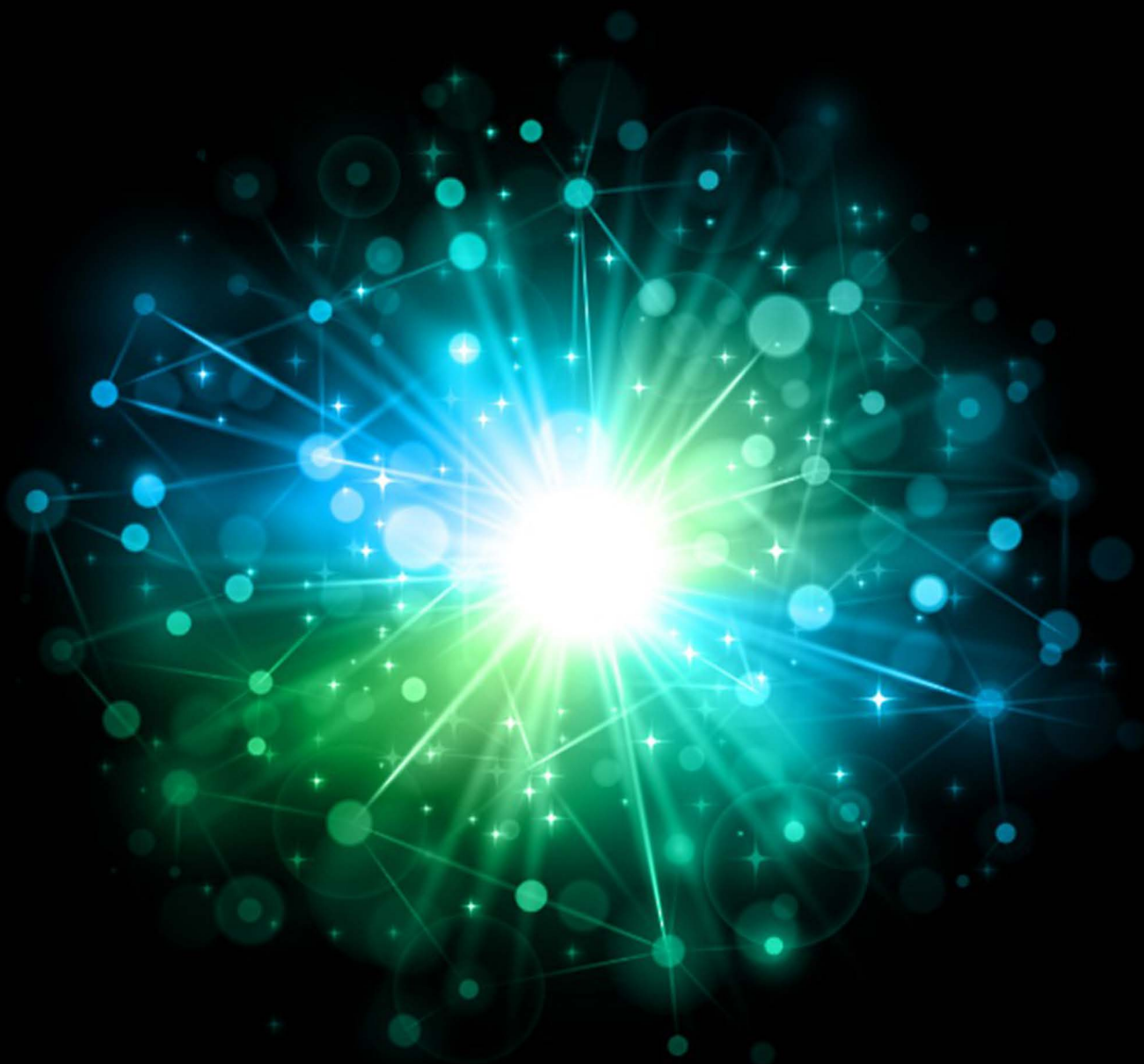


OUTCOMES



Member Outcomes Assessment for the Russell Investments Master Trust

Financial year ending 30 June 2020



Contents

Introduction	3
Product determination and summary	4
iQ Super – General (MySuper)	5
Fees and Costs	5
Investments	6
iQ Super – General and iQ Retirement (Choice)	7
Fees and Costs	7
Investments	8
Other assessment criteria applying to both MySuper and Choice Products	10
Member Service and Operating Environment	10
Insurance	11
Determination summary	11

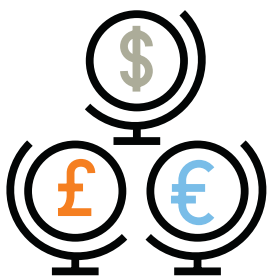
Introduction

At the Russell Investments Master Trust (the Fund or RIMT), our focus is to give you the best chance at a great life after work. We believe delivering high quality outcomes for members can be achieved by engaging our members in their superannuation journey through comprehensive member services, and a competitive and efficient operating environment.

Each year, superannuation trustees must assess whether they have promoted the financial interests of the members who hold their MySuper and Choice Products, when compared to other MySuper and Choice Products in the industry.

This inaugural Member Outcomes Assessment demonstrates how members who hold MySuper and/or Choice Products in the Fund, including the Nationwide Super and Resource Super Divisions, have had their financial interests promoted through the delivery of services and the range of products and features available to them.

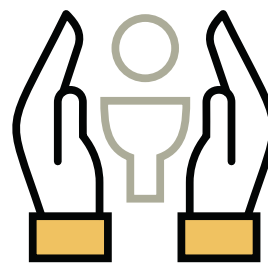
To assist the Trustee, Total Risk Management Pty Ltd (TRM), in making its determination an assessment of performance across 11 criteria in the following four key areas has been undertaken:



Fees and Costs



Investments



**Member Services
and Operating
Environment**



Insurance

To complete the assessment,

- iQ Super – General (MySuper) was compared with other MySuper products, and
- iQ Super – General and iQ Retirement (Choice) were compared against Corporate and Retail Master Trusts, Industry Superannuation Funds and Corporate Superannuation Funds (referred to as the Comparable Peer Group).

Data for the comparisons was sourced from the Australian Prudential Regulation Authority (APRA), Chant West (an independent research, data insights and superannuation consulting company) and internal benchmarks. *The Comparable Peer Group was the superannuation fund data available via Chant West and excluded Public Sector (i.e. government) super funds.*

Product determination and summary

PRODUCT	
iQ Super – General (MySuper)	iQ Super – General and iQ Retirement (Choice)
DETERMINATION	
<i>The Trustee has determined for the 12-month period to 30 June 2020, it has promoted the financial interests of members in the iQ Super – General MySuper Product.</i>	<i>The Trustee has determined for the 12-month period to 30 June 2020, it has promoted the financial interests of members in iQ Super – General and iQ Retirement Products.</i>
PRODUCT SUMMARY	

The outcomes assessment of the iQ Super – General (MySuper), and iQ Super – General and iQ Retirement (Choice) determined we have delivered overall positive outcomes across the assessment areas for both MySuper and Choice Products.

Where the Trustee identified areas for improvements, we worked with our service providers to find relevant solutions to improve member outcomes.

Fees and Costs

The Trustee does not seek to compete with low cost ‘one-size-fits-all’ superfund providers. Its heritage is in providing high-touch member services and developing customised solutions for members. The Trustee intends to continue with this more sophisticated offering, as it believes ultimately this will provide members with the best chance to achieve a great life after work.

Using APRA’s superannuation data, Chant West’s Comparable Peer Group and internal benchmarks to review Member Fees and Costs, and after reviewing our Operating Costs, it is clear that we offer cost-competitive MySuper and Choice products that operate efficiently. In fact, a comprehensive fee review undertaken during the assessment period confirmed this to be the case.

Investments

Our commitment to providing valuable member solutions, designed to improve your retirement outcomes, continues, as showcased by the launch of GoalTracker™ during this period. GoalTracker provides members with an innovative MySuper lifecycle investment approach, and to date has been recognised with three external awards for excellence.

Based on the Trustee’s assessment, the net returns of the MySuper and Choice Products have achieved their investment objectives and provided satisfactory outcomes for members. At the same time, the Trustee recognises the importance of investment performance for member outcomes and is continuing to focus on this area.

Member Services and Operating Environment

Based on the independent benchmarking and internal metrics reviewed, the Trustee is satisfied that we provide a comprehensive and often market-leading range of services and benefits to our members.

Insurance

The Trustee aims to offer members appropriate insurance coverage for a competitive price. By providing flexible arrangements, undertaking regular market reviews and establishing an efficient claims process, the Trustee demonstrates commitment to satisfying members insurance requirements.

APRA data and Chant West surveys provide the Trustee with evidence our insurance offering, costs and claims acceptance rates compare well with other MySuper and Choice Products.

iQ Super – General (MySuper)

From 1 October 2020, iQ Super – General has been renamed iQ Super – For Life.

GoalTracker, an award-winning investment approach was chosen as the MySuper investment option during the year ending 30 June 2020. GoalTracker offers members a market-leading capability to help them focus on their own goals for retirement income through both the personalised lifecycle strategy investment approach and the online retirement tools.

Fees and Costs

PRODUCT SUMMARY

We enable employers to provide highly tailored superannuation benefits for their employees. As a result, the Fees and Costs paid by our members vary depending on their current circumstances. In assessing the Fees and Costs the Trustee considered the arrangements in place for all members and concluded that our fees and costs reflect our superior service offering.

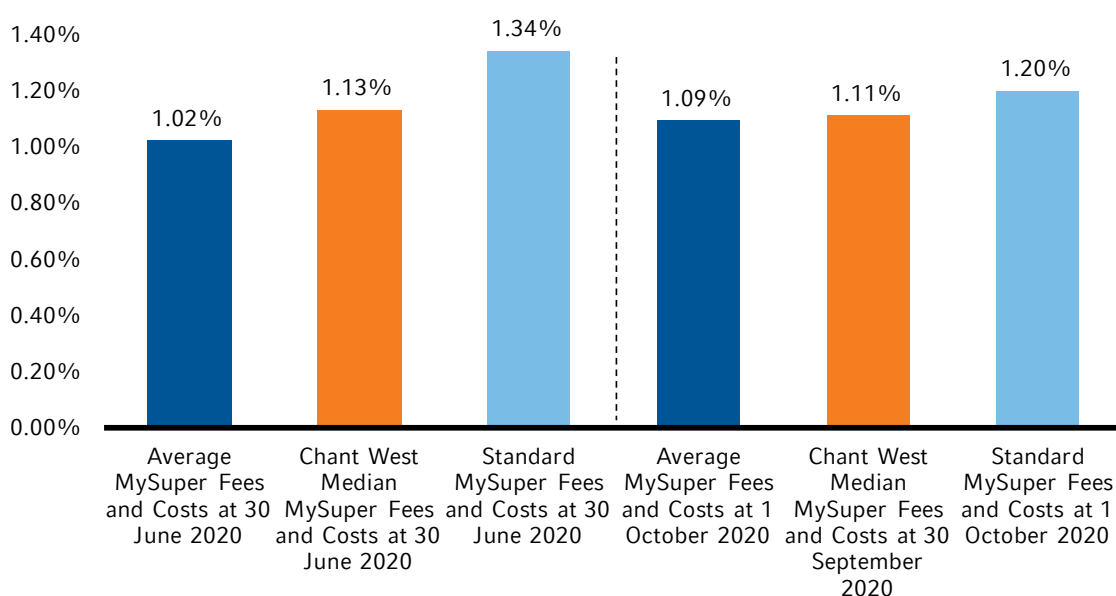
When the Trustee reviewed Fees and Costs for members, they determined the average fees and costs in iQ Super – General (MySuper) at 30 June 2020, were competitive (see Graph 1 below).

'Average fees' and costs, refer to MySuper members across all divisions, including those where employer tailored solutions apply. The standard fee is as per the published Product Disclosure Statements (PDSs).

To ensure we maintain competitive and appropriate fees for our product and service offering, a comprehensive fee review was undertaken in 2020, across both administration and investment fees. This resulted in a range of fee reductions that came into effect on 1 October 2020, with many members paying nearly 50% less in standard administration fees.

The graph below compares both the Average and the Standard MySuper Fees and Costs in the RIMT against other MySuper Options, using Chant West data.

Graph 1: RIMT Fees and Costs (\$50,000 Balance) v Chant West Median
30 June 2020 and 1 October 2020*



* 1 October 2020 Fees and Costs excludes 0.09% of one-off transaction costs for the transition to the GoalTracker option. Please refer to your PDS.

The above chart illustrates relative positioning based on fees as at June 2020. On 1 October 2020, the Trustee introduced changes designed to bring the Standard fee closer to the Average fee being paid. The Chant West data in this graph does not include Public Sector or Retail Passive Funds.

Other criteria reviewed: Basis for setting fees

Fees and Costs comprise various components, including administration and investment fees, insurance costs, maximum fee caps and fixed dollar fees. The administration fees reflect the cost of services and benefits provided to members over their whole RIMT membership period (that is, while employed and after they have left service). The investment fees reflect the costs associated with holding the underlying assets and the insurance costs are the best available, based on claims history and insurance market conditions. Our basis for setting fees is sound and the fees are subject to regular independent review, at least every three years with the next review scheduled for 2022.

Investments

PRODUCT SUMMARY

Net Investment Returns

iQ Super – General (MySuper) changed default investment options on 28 March 2020 and GoalTracker replaced the Balanced Opportunities Investment Option. Investment performance comparisons have therefore been undertaken using a combination of Balanced Opportunities and GoalTracker.

GoalTracker investment returns have met the Trustee's expectations whilst the Balanced Opportunities investment returns were below the median for the period assessed. Going forward, as performance history builds, only GoalTracker returns will be used for comparisons.

You can review investment returns at russellinvestments.com/au/support/investing/performance

Investment Risk

All investing involves risk—it's the trade-off for the return that investors seek. Assets with higher expected long-term returns generally carry a higher level of risk of a negative return in the short term. On the other hand, low risk investments over the long term may mean a member's superannuation savings will not outperform inflation. Russell Investments' global investments expertise means our members get the benefit of Russell Investments' scale and experience when it comes to investment risk.

The investment risks of the MySuper Product are appropriate and have been measured against the Standard Risk Measure (SRM) of all MySuper Products. The SRM provides guidance on the estimated number of negative annual returns of an investment option over a 20-year period. The GoalTracker Investment Option and the Balanced Opportunities Investment Option have ratings within the range used by all other MySuper Products.

Other criteria reviewed: Investment Strategy

When determining whether the MySuper Product promotes the financial interests of members, an assessment of the appropriateness of the investment strategy for the MySuper Product is considered, including the level of investment risk and the return target.

We have a robust investment governance framework, including rigorous processes to set and regularly review the investment strategy for the MySuper Product. A review of the investment objectives (including return targets) and investment strategy was completed in August 2019 and February 2020. These reviews concluded that the investment strategy for the RIMT MySuper Product is appropriate for our members.

iQ Super – General and iQ Retirement (Choice)

Fees and Costs

PRODUCT SUMMARY

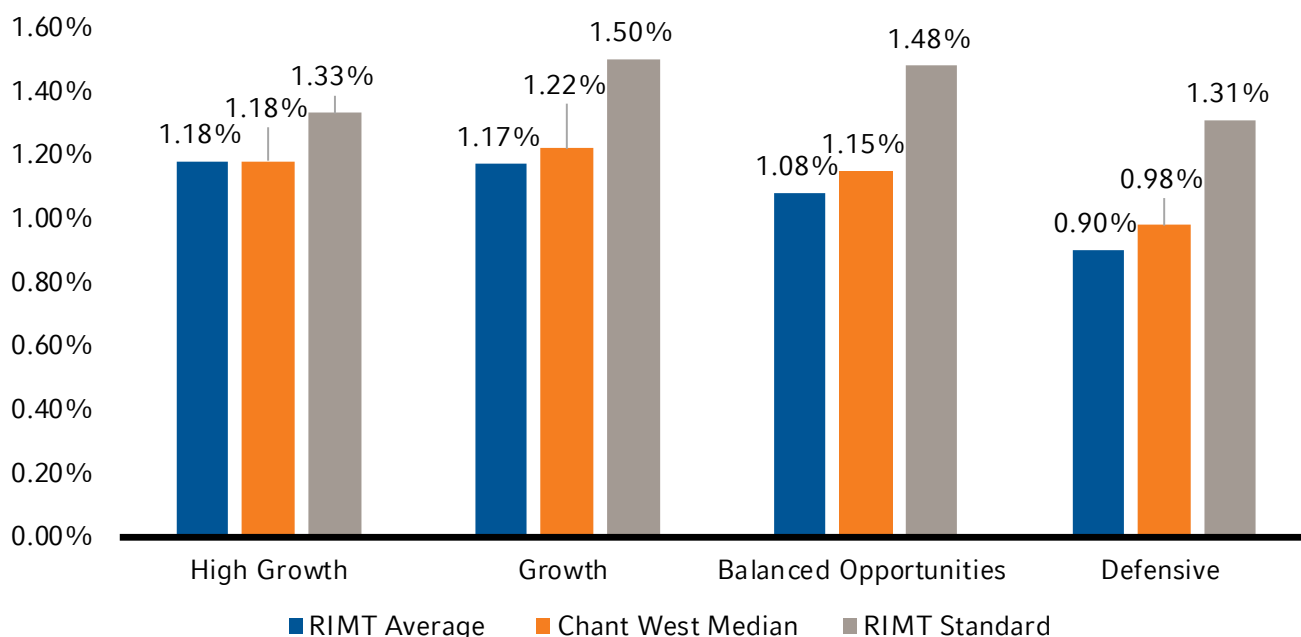
The Fees and Costs for an average member in the nine investment options assessed for the Choice Product at 30 June 2020 were found to be competitive, placing the weighted average fee for members below the medians from the Chant West Comparable Peer Group. See Graph 2 below.

Fees and Costs include both administration and investment fees and costs.

We aim to offer competitive and appropriate fees for our product and service offering, and as such, a comprehensive fee review was undertaken in 2020, across both administration and investment fees. This resulted in a range of fee reductions that came into effect on 1 October 2020, with many of our members paying nearly 50% less in standard administration fees. The fee review also resulted in a decrease in fees across 10 investment options, and an increase for only three options.

Graph 2 shows the average and standard Fees and Costs across the four largest investment options for a member with a balance of \$250,000 compared with the Chant West Fees and Costs median for similar investment options. This comparison was used because \$220,000 is the average balance for a Choice member in the RIMT.

Graph 2: Fees and Costs (\$250,000 Balance) v Chant West Median
30 June 2020



For further details on the current Fees and Costs applicable to your account, please visit russellinvestments.com.au/login to access your PDS or call us on 1800 555 667.

Other criteria reviewed: Basis for setting fees

We aim to offer competitive and appropriate fees for our product and service offering. Fees and Costs are made up of various components, including administration and investment fees, insurance costs (excluding iQ Retirement), maximum fee caps and fixed dollar fees, with all these taken into consideration. The administration fees were found to reflect the cost of services and benefits provided to members, and the investment fees reflect the costs to structure, build and run each investment option, as well as the costs associated with holding the underlying assets. The insurance costs are the best available, based on claims history and insurance market conditions.

Based on the above, the Trustee concluded that our approach for setting fees is sound. The fees are subject to regular independent review, at least every three years with the next review scheduled for 2022.

Investments

In assessing the Investments for the iQ Super – General (Choice), our largest investment options were compared to the Comparable Peer Group, using investment return data from Chant West as at 30 June 2020 over a 10-year period. The four most popular investment options are shown in the graph below.

PRODUCT SUMMARY

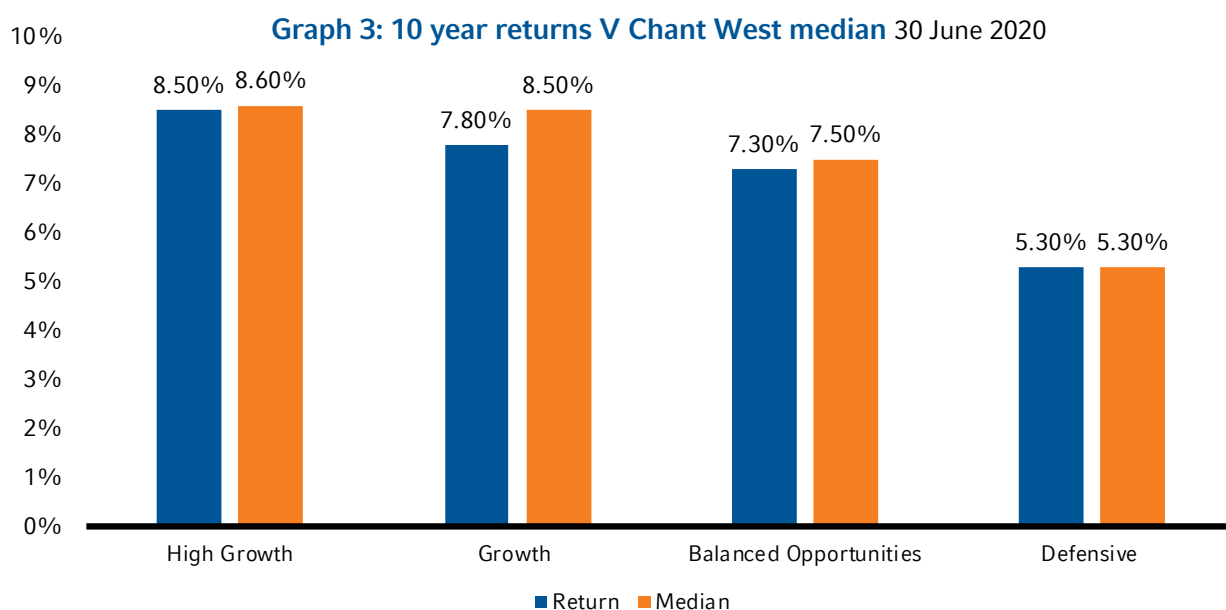
Net Investment Returns

Superannuation is a long-term investment and the graph below shows the net returns for our four most popular investment options—High Growth, Growth, Balanced Opportunities and Defensive over a 10-year period, as compared to the median net return in the Chant West Comparable Peer Group. *Net return means the return achieved after administration and investment fees and costs have been taken into account.*

Over shorter periods, the performance of these options were below median, due to a combination of factors, including:

- strategy positioning and differences in asset allocation exposures relative to other superannuation funds in the peer group, and
- underperformance in some asset classes as our managers avoided being overexposed to some of the more overvalued and riskier parts of those markets.

The trustee recognises the importance of investment performance to member outcomes and will continue to focus on this area.



Past performance is not a reliable indicator of future performance, and caution should also be applied when comparing historical performance with peer groups that are not necessarily managed on a like by like basis.

You can review investment returns at russellinvestments.com/au/support/investing/performance

Investment Risk

All investing involves risk—it's the trade-off for the return that investors seek. Assets with higher expected long-term returns generally carry a higher level of risk of a negative return in the short term. On the other hand, low risk investments over the long term may mean a member's superannuation savings will not outperform inflation. Russell Investments' global investments expertise means our members get the benefit of Russell Investments' scale and experience when it comes to investment risk.

The level of investment risk set for each of the investment options analysed for our Choice Product is appropriate and adherence to these defined risk levels is regularly monitored.

Other criteria reviewed: Investment Strategy

When determining whether our Choice Product promotes the financial interests of members, an assessment of the appropriateness of the investment strategy for our investment options was considered, including the level of investment risk and the return target.

We have a robust investment governance framework and have rigorous processes to set and regularly review the investment strategy of the investment options. A review of the investment objectives (including return targets) and investment strategies was completed in March 2020. This review concluded that the investment strategy for each of the investment options of our Choice Product is appropriate for our members.

Other assessment criteria applying to both MySuper and Choice Products

Member Service and Operating Environment

PRODUCT SUMMARY

Options, benefits and facilities

Our focus is on giving you the best chance at a great life after work by providing personalised support through a combination of innovative, engaging and pro-active member services, with the aim of encouraging better active financial decisions.

This approach has helped many of our members take one or more positive actions with their super and move one step closer to achieving the lifestyle they seek in retirement.

For many members, super can be complex and that is why we recently launched GoalTracker, the first of its kind in Australia. An award-winning innovation, GoalTracker helps members make sense of their super by assisting them to set a personal retirement income goal, understand how they are tracking to this goal, and providing options on how to get and stay on track.



Innovation Award: Technology Innovation from WorldPensionSummit



Best Member Engagement Innovation from Super Fund



Best Fund: Innovation 2020 from Chant West*

* For further information about the methodology used by Chant West, see www.chantwest.com.au

Technology can help to make super simple, accessible and personal, all of which help to make engagement with super easy. Our personalised online To Do List, iOS App and newly launched Android App, transactional secure website, and GoalTracker, are all designed to help members stay informed and take control of their super.

We realise that there are times when members need the opportunity to connect with fund staff in person, one-on-one and over the phone. We are equally as focused on providing these high-touch services to members, as the chance to talk to a trusted guide can give confidence to make important decisions.

Whether it is a one-on-one meeting with a Retirement Consultant, a seminar or webinar, a conversation with a friendly phone consultant or even personal phone-based advice, all these services are offered at no additional cost to members.

The Trustee is committed to understanding our members' needs, and to building innovative and valuable member services that enable us to be a trusted partner along their superannuation journey.

Scale

Russell Investments' global scale of A\$419.4 bn under management (as at 31 Dec 2020) provides the Trustee with global access to investment expertise and the buying power of a multinational organisation.

Other initiatives and external factors

The introduction of the GoalTracker Investment Option has optimised the investment decision process for members by putting them in the most appropriate risk bucket based on their profile.

The sudden onset of the COVID-19 pandemic saw us face numerous challenges to our operating environment. At all times, our focus was on minimising any impact on our members and ensuring that we were communicating regularly to provide clarity during these unprecedented times. We were very pleased that this focus meant there were limited impacts to services and we were able to continue to assist members without interruption.

Insurance

Insurance fees

Chant West analyses Insurance data from all superannuation funds and collates this information into 'Insurance Premium Indices'. Based on Chant West data, our insurance offer was, on average, 30% cheaper than the median in the Comparable Peer Group.

The outcome of the recently completed annual erosion assessment is that our insurance fees do not inappropriately erode member balances for both MySuper and Choice members.

Insurance strategy

Our insurance management framework sets out the insurance strategy and how insurance benefits are sought/offered, monitored, reviewed, renewed and how claims are managed.

In the RIMT, Death and Permanent Incapacity Insurance is provided in accordance with legislation. The preference is for members under age 65, including casuals, part time employees and fixed term contractors, to have access to insurance (Death, Permanent Incapacity and Income Protection). However, it is recognised that some insurers will exclude such coverage for some members. Unless excluded by legislation or the member has opted out, our Insurance Strategy provides insurance coverage to members when they have ceased employment.

We also reviewed our insurance management framework and the insurance strategy, and confirmed it was appropriate for members. Each of our insurers' performance was reviewed for the year ended 30 June 2020 and were found to be satisfactory, and the claims acceptance rates as compared to the APRA data were consistent across all other super funds.

Determination summary

At its Board Meeting on 23 February 2021, TRM, as the Trustee of the RIMT approved the Member Outcomes Assessment and determined:

- the RIMT MySuper Product promoted the financial interests of members holding the product during the 12-month period to 30 June 2020.
- the RIMT Choice Product, consisting of iQ Super – General and iQ Retirement, promoted the financial interests of members holding the product during the 12-month period to 30 June 2020.