



# Summit® Personal Super and Personal Pension

## How we are helping our members

### Member Outcomes Assessment

Financial Year ending 30 June 2021

**Incorporating Summit Personal Super, Summit Personal Pension and Summit Term Allocated Pension.**

**Note: Summit Term Allocated Pension was closed to new members in 2007.**

About this document and assessments

Issued by N.M. Superannuation Proprietary Limited (NM Super) ABN 31 008 428 322 AFSL 234654 RSE L0002523 as Trustee for the Wealth Personal Superannuation and Pension Fund (Wealth Fund) ABN 92 381 911 598. Summit Personal Super and Personal Pension is a registered trademark of NMMT Limited ABN 42 058 835 573.

# Introduction

AMP began offering life insurance in 1849. AMP has evolved over 170 years to now provide wealth, investment, advice and banking products and services to millions of Australians. We remain committed to helping all Australians achieve their goals, no matter how big or small.

As Trustee for Summit Personal Super and Personal Pension, NM Super acts independently from AMP and oversees \$116 billion in retirement savings across two super funds for over a million members. Our strategy is to deliver sustainable and enhanced outcomes for all members, including Summit Personal Super and Personal Pension, where your account is held. We're responsible for developing and implementing strategies to manage your super savings.

Our strategy is underpinned by five strategic pillars. These pillars drive our plans and actions to deliver outcomes to members through service, investment performance and product features.



Enhanced member outcomes & experience



Competitive product & investment performance



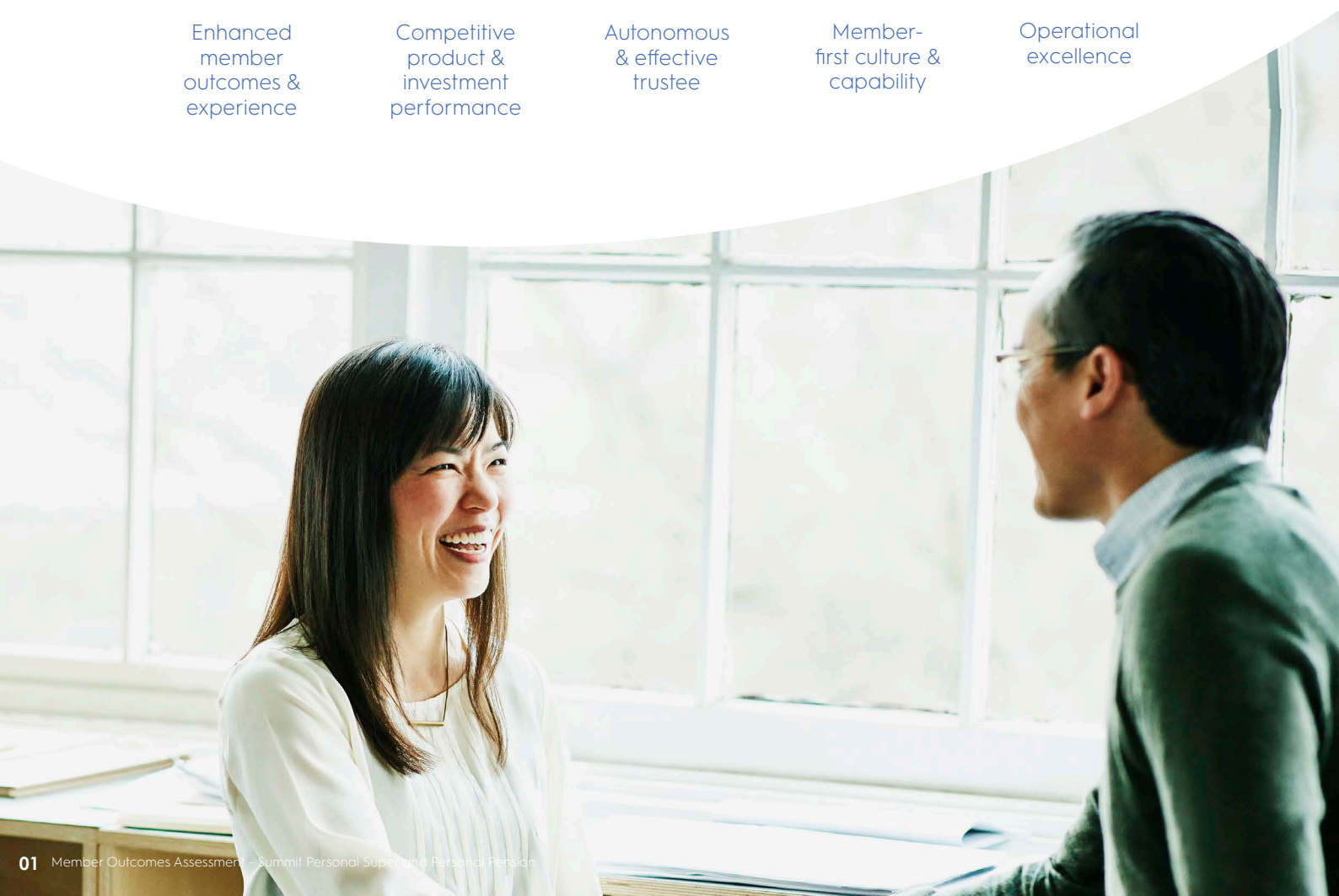
Autonomous & effective trustee



Member-first culture & capability



Operational excellence



## Summit Personal Super and Personal Pension

Summit Personal Super and Personal Pension are part of the Wealth Personal Superannuation and Pension Fund (Wealth Fund), one of Australia's largest super funds with around \$53.4 billion in member funds and over 295,000 member accounts.

Summit Personal Super and Personal Pension provides members (via their financial advisers) access to a comprehensive menu of investments. By making active investment choices, members can save and grow their super and, at the right time, convert their super savings into regular pension payments. Summit Personal Super does not offer an authorised MySuper product.

## About our assessment and determination

We looked at how Summit Personal Super and Personal Pension performed for members during the financial year ending 30 June 2021 across the following areas:



**Investment performance** including investment strategy, investment risk & net returns\*



**Fees & Costs** including the basis for setting fees & appropriateness for members



**Scale of the Wealth Fund** including operating expenses & benefits to members



**Member experience** including the options, benefits & facilities offered to members



**Insurance offering** for members including the insurance strategy & level of premiums

\* It is important to remember that past performance is not indicative of future performance.



## Summary of the assessment and determination

As Trustee for the Wealth Fund, we have determined that we are promoting the financial interests of Summit Personal Super and Personal Pension members. The reasons for this include:

- The investment strategy, risk exposure and performance are appropriate for members. The investment menu offers members investment choice spanning the investment risk spectrum and there are appropriate investment governance processes to make sure investments are fit for purpose.
- The basis for setting fees is appropriate and a range of fee reductions were introduced on 1 August 2021 making fees mostly competitive.
- The scale of the Wealth Fund allows us to offer appropriate product features to members, including mostly competitive pricing, and enables us to invest in enhanced services.
- Member options, benefits and facilities are appropriate in terms of members' engagement, as well as the provision of digitally enabled communications. Further investment in member services is a strategic priority. Our ongoing platform and product development also supports advisers, making it more efficient to advise our members.
- The insurance available provides members with a choice of insurers and types of cover. Insurance is appropriate and in line with our insurance strategy.



## Improvements delivered to members in FY20/21

### Fee reductions

We delivered a range of administration<sup>1</sup> and Trustee fee reductions effective 1 August 2021, significantly improving Summit Personal Super and Personal Pension fee competitiveness.

### Advice fee policy

We introduced an advice fee policy, setting out the rules for charging financial advice fees to members. We're continually monitoring financial advice fees to protect the financial interests of our members.

### Enhanced member services

We've delivered the following for our members in FY20/21:

- 94% of COVID-19 early release of super withdrawals within 5 business days.
- Improved newsletters, communications and annual statements design.
- Enhanced security and two-factor authentication for online password protection.
- Digital member services, including webchat, courtesy call backs, service centre smart call routing and straight-through processing of requests and forms.

### Governance

Strong governance is always a key priority of the Trustee Board. We have renewed the Trustee Board and Executive Management Teams. For more information see the [Wealth Fund Annual Report 2021](#).

## Improvements in FY21/22 and beyond

Our purpose, vision and five strategic pillars remain unchanged for FY21/22. Our key areas for improvement will include:

- Expanding the investment menu with environmental, social and governance (ESG) options.
- Simplifying products and enhancing their features and benefits.
- Enhancing digital experiences with initiatives such as a new member app, a better website experience and more digital processes and communications.
- Continuing to invest in technology to lower operational costs and improve member services.
- Developing new retirement solutions, tools, education and support.

<sup>1</sup>The reduction in administration fees and removal of the Trustee fee did not include changes to other fees and costs (such as fees and costs charged by underlying investment managers or other third parties, or transactional or operational costs etc).



## Investments

Summit Personal Super and Personal Pension offers a wide range of investment options including single and multi-sector managed funds (with access to active, passive and socially responsible investment approaches), managed portfolios, direct shares and exchange traded funds, and term deposits. The range of investment options allows members to construct portfolios that suit their objectives with their financial adviser.

### Investment strategy and governance

The investment strategy of Summit Personal Super and Personal Pension is to give members access to leading Australian and international investment markets and investment managers with a range of asset allocations to accommodate varying risk appetites. We provide the flexibility to enable members to switch investment options, implement investment strategies that are tailored to their needs and create portfolios to complement their risk appetites.

Our investment governance framework outlines the structures, policies and processes for managing investment options. This is supported by expert independent investment advice provided by JANA Investment Advisers. During FY20/21, by adopting an enhanced investment due diligence process, we improved how we go about placing investment options 'on watch' and closing investment options that aren't meeting expectations.

### Risk

The Summit Personal Super and Personal Pension investment menu offers members over 300 managed funds and 20 managed portfolios spanning the investment risk spectrum.

We monitor investment risk through the volatility or deviation from return objectives. This volatility measure or Standard Risk Measure (SRM)<sup>2</sup> is used by all super funds. Volatility indicates the tendency of returns to rise or fall in a certain period. Monitoring volatility enables our members to choose appropriate investments based on their risk tolerance combined with their investment horizon.

We analysed data from Morningstar<sup>3</sup> which showed most Summit Personal Super and Personal Pension managed funds experienced similar volatility<sup>4</sup> to comparable managed funds<sup>5</sup> during the year. However, we also found that overall investment returns outperformed comparable managed funds in six out of the seven<sup>6</sup> SRM bands.

<sup>2</sup> Standard Risk Measure is an indicator based on guidance from the Australian Prudential Regulation Authority (APRA). Summit Personal Super and Personal Pension has introduced the SRM in accordance with recommendations from the Financial Services Council (FSC) and Association of Superannuation Funds of Australia (ASFA).

<sup>3</sup> Morningstar Australia (Morningstar) is a data provider to the financial services industry.

<sup>4</sup> 'Volatility' is a measure of how far investment returns move up and down over an investment time horizon.

<sup>5</sup> Morningstar group managed funds into peer group categories which can be reasonably considered to be close investment alternatives (for example, the tax treatment and legal characteristics of the managed funds are the same, or benchmarks, asset class and/or total exposures to various sectors are similar) and for which performance and other measures, such as fees, are comparable.

<sup>6</sup> The investment menu underperformed in SRM band 5 (medium to high).





## Performance

We assessed investment returns against our Trustee return targets, as well as performance against similar managed funds. When compared to Morningstar data, more than 60% of Summit Personal Super and Personal Pension managed funds outperformed similar managed funds over our stated investment time horizon<sup>7</sup>. This represents investment return outperformance for over 60% of assets under management for Summit Personal Super and over 60% of assets under management for Summit Personal Pension.

We regularly monitor underperforming managed funds to make sure the investment strategy, risk exposure and investment objectives remain appropriate for members. The assessments we use for performance may be different to the Government's performance test, which has not been finalised for choice investments at this time.

You can find out more about investment options and risk in the Summit Investment Options document at [northonline.com.au](http://northonline.com.au).

## Outlook and actions

In FY21/22 we'll continue to focus on improving member outcomes, for example, through the design of our investment menus and close options where appropriate. AMP has appointed a new Chief Investment Officer responsible for the Trustee's investment framework, research, strategy and portfolio management for many multi-manager options on the Summit product menus.

<sup>7</sup> The Trustee's investment time horizon for a managed fund is generally in accordance with its asset class time horizon.



## Fees and costs

The fee structure of Summit Personal Super and Personal Pension is appropriate. Summit Personal Super and Personal Pension has structured its investment offer into Investor Select and Summit/North Select menu options.

The fees paid by members depends on their chosen investments and account balance. This is unlike most wrap platforms, where members must pay the higher administration fee on the equivalent of the Investor Select investment menu for their total investment balance, even if some of their investments are in other options.

### Actions taken to reduce fees since 30 June 2021

A range of fee reductions were introduced on 1 August 2021, significantly improving Summit Personal Super and Personal Pension fee competitiveness. For example, an average Summit Personal Super and Personal Pension member has an account balance of \$180,000. If they are fully invested in the Investor Select menu, they have saved \$427 pa in administration fees since the fee reduction (annualised). Similarly, a member with the same account balance invested in the Summit/North Select menu has saved \$709 pa in administration fees (annualised) since the fee reduction.

### Investor Select (fee analysis prior to the reduction in fees effective 1 August 2021)

Since Investor Select investment options are generally available on competitor platforms with the same investment fees, we only compared the administration fees for these options when assessing fee competitiveness in the year to 30 June 2021. At that time, we compared administration fees for Summit Personal Super and Personal Pension with the largest eight contemporary wrap products in the Australian market<sup>8</sup>. This peer group represents the largest market share of wrap platform products. Product pricing within this group of eight competitors is close across account balances and small pricing changes by one competitor can impact how we benchmark our product competitiveness.

Against this group, Summit Personal Super and Personal Pension administration fees for Investor Select options were higher than the competitor average. Since the repricing, administration fees for Investor Select options were competitive (performed better than or at median) for investment balances up to \$1,000,000 (apart from account balances between \$100,000 and \$250,000).

On average, members in Summit have two-thirds of their investments in Investor Select investments.

### Summit/North Select (fee analysis prior to the reduction in fees effective 1 August 2021)

For Summit Personal Super and Personal Pension, we compared total administration and investment fees for our specialised range of diversified active and diversified index investment options with competitors, where available. Pricing structures for these investment option ranges varies across competitors.

For the balanced diversified active/index investment options we found:

- For the year to 30 June 2021, Summit/North Select index and active options total fees were higher than the competitor average.
- Since the repricing on 1 August 2021, Summit/North Select active options were competitive (performed better than or at median) for investment balances up to \$250,000. Summit/North Select index options were competitive (performed better than or at median) for investment balances up to \$500,000.

## Outlook and further actions

Offer competitiveness, including administration and investment fees is a key focus for our future plans. Strategies to improve fees and simplify and transform products and services are being developed.

<sup>8</sup> The universe of wrap platform products includes eight contemporary offers and many non-contemporary super and pension products. There are varying pricing structures across the universe of wrap platform products. There is limited data availability for non-contemporary products for comparison purposes.





## Scale and operating expenses

### Size and fund growth

Summit Personal Super and Personal Pension is in the Wealth Fund, which ranks in the top quartile of super funds in Australia, with around \$53.4 billion in member benefits and over 295,000 member accounts. The Wealth Fund is the fifth largest super fund in Australia for pension payments, making payments of \$1.4 billion to members per annum, of which about \$64.6 million was paid from Summit Personal Pension over the year to 30 June 2021.

There is over \$1.9 billion in member assets and 10,000 member accounts in the Summit range of products. Throughout FY20/21, members invested in the Summit range have 'traded-up' to other platform offers, including to MyNorth, which is part of the Wealth Fund. Our focus is on investing in products and services to grow and retain membership through a range of strategies.

### Operating expenses

The costs of administering the Wealth Fund are key to the fees our members pay. Retaining and growing our membership is key to increasing scale, investing in services and keeping operating costs low. Our members do not directly pay for operational costs such as regulatory change, strategic investments, errors and fines. These costs are incurred by NMMT Limited (NMMT), the platform service provider to the Wealth Fund.

We conducted an independent review of platform service fees paid to NMMT during FY20/21 and they were found to be appropriate<sup>9</sup>. We're continually working with all service providers to reduce operating expenses through scale efficiencies, which have a direct impact on member fees. Overall administration operating costs are better than the industry's median<sup>10</sup>.

We currently offer nine platform product solutions across the Wealth Fund. The focus in FY21/22 and beyond will be to further simplify and enhance these offers and make the Wealth Fund more efficient to benefit members.

<sup>9</sup> Benchmarking conducted by Deloitte Australia in December 2020.

<sup>10</sup> APRA Annual Superannuation Statistics, June 2021. Released December 2021.



## Member options, benefits and facilities

### Member satisfaction, advocacy and complaints

We monitor member feedback in a number of ways, including Net Promoter Score (NPS), which measures the willingness of members to recommend a company's products or services, and complaints. We use member feedback to improve our products and services. Our scores indicate that 34% of Summit Personal Super and Personal Pension members have rated the interaction either a 9 or 10 out of 10 based on the experience they've received.

A number of our broader initiatives have prompted strong member engagement. We supported the Australian government's early release of super scheme in 2020, which enabled eligible Australians to access up to \$20,000 of their super early, if they were facing financial hardship because of COVID-19. Over 27,000 early release of super (ERS) payments valued at over \$250 million were made from the Wealth Fund<sup>11</sup>, with 94% of requests processed within 5 business days. Other community initiatives included:



AMPs launch of its *Simplifying Investing* podcast series, aimed at helping Australians build their knowledge of super and take greater control of their retirement.



Training staff on using clear language without confusing and technical jargon to make super and retirement concepts easier to understand.



Partnering with Good Shepherd to provide support services to members experiencing financial hardship.

### Service delivery through our contact centre

We aim to provide a high level of service to all our members and we faced a number of service challenges in FY20/21, receiving over 220,000 phone calls. The pressures caused by COVID-19 including remote working for our employees, challenges recruiting employees and high processing levels to deliver ERS payments in a timely manner, meant our service level didn't meet our member expectations in some areas such as call centre wait times.

We know we need to adapt to reach the service standards members expect from us. So, improving our service to members and advisers is a key imperative. We intend to invest more in our technology and our people, and identify ways of becoming more effective and flexible in a remote working environment.

<sup>11</sup> The scheme allowed members to access up to \$10,000 of their superannuation before 1 July 2020 and then another \$10,000 between 1 July and 31 December 2020.

## Platform functionality and offer improvements

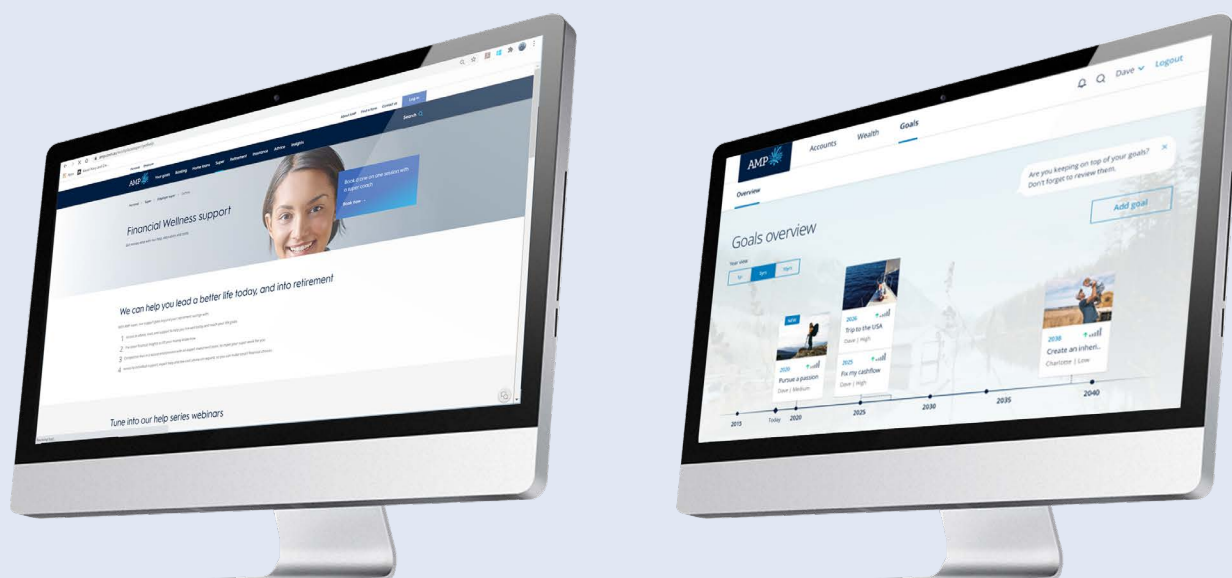
The platform offer is competitive, ranking better than average across three of four categories against 15 market-leading platforms when benchmarked independently by Investment Trends, a leading financial services research company.

Key platform and product offer improvements during FY20/21 included refreshed, more personalised annual statements, a two-factor authentication and North Online forgotten password process for additional account security on North Online.

## Financial advice

Many of our Summit Personal Super and Personal Pension members have a financial adviser relationship. In addition to financial advice provided by many independently licenced financial advisers across the nation, our members also have access to financial advice provided by AMP, one of Australia's oldest and largest financial advice networks.

In FY20/21 we implemented an advice fee policy to protect our members' balances from unnecessary fee erosion.





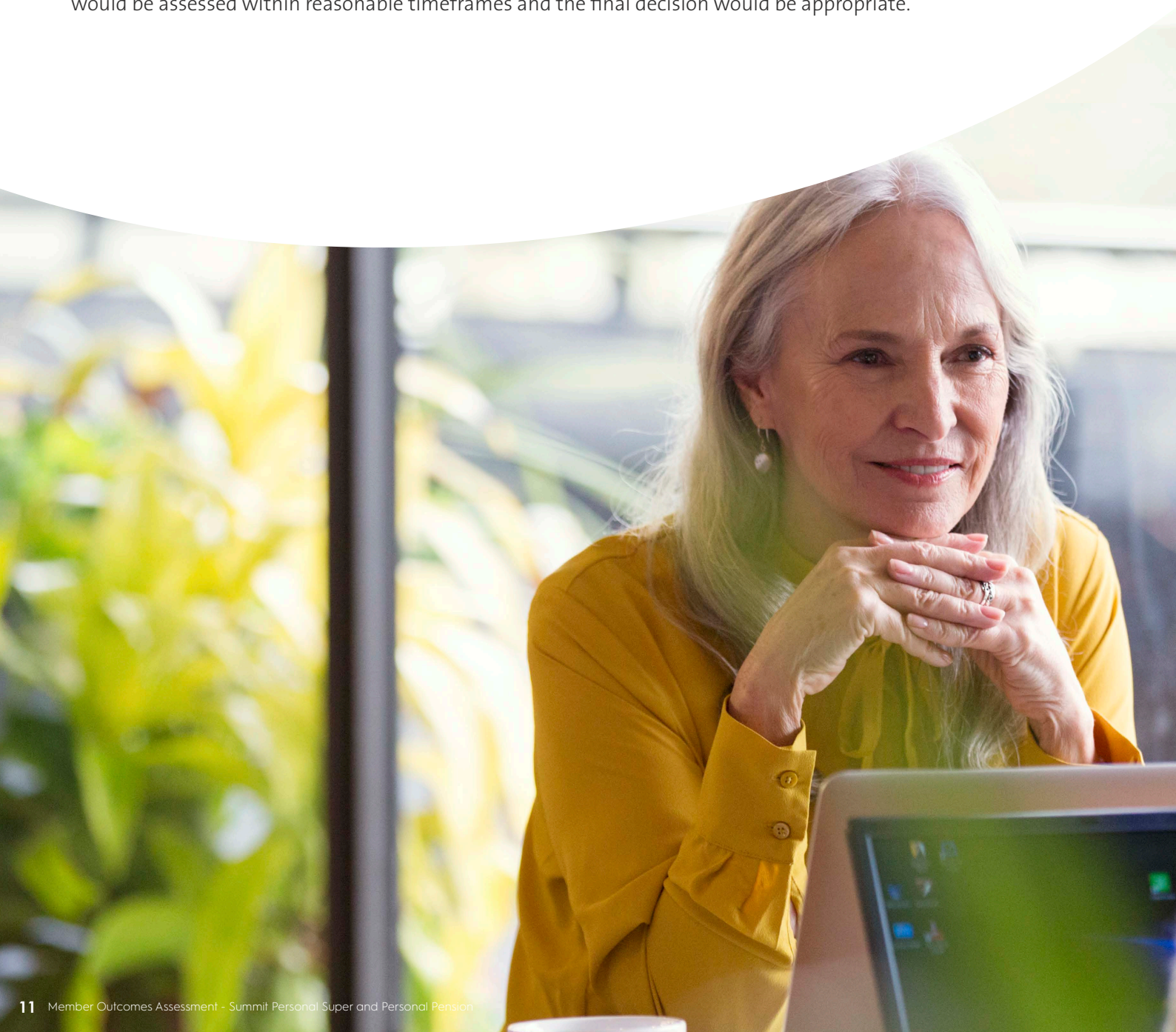


## Insurance

Through Summit Personal Super and Personal Pension, members can obtain insurance cover from providers such as TAL and AIA Australia. We have insurance available to members that balances cost with the level of benefits. Summit Personal Super members can choose from life, total and permanent disability (TPD) and income insurance. Summit Personal Pension members can apply for life insurance.

It's important that members' super balances aren't eroded by insurance premiums. While members with insurance have selected the type and level of insurance cover to meet their needs, usually through the help of a financial adviser, we reminded members during the year of the risks that insurance premiums may pose to retirement income streams.

We apply an insurance philosophy of fairness and empathy. Claims acceptance rates for members were better than industry averages and the time taken to assess claims was acceptable compared with industry benchmarks. Even though claims dispute levels have been higher than industry averages, members can be confident that a claim would be assessed within reasonable timeframes and the final decision would be appropriate.



## Wealth Fund and Summit Personal Super and Personal Pension

As at 30 June 2021



**\$1.9bn**

in member assets in Summit Personal Super and Personal Pension

**\$53.4bn**

net member assets in the Wealth Fund



**Over 10,000**

Member accounts in Summit Personal Super and Personal Pension

**Over 295,000**

Member accounts in the Wealth Fund



**-17% growth**

in total member assets in Summit Personal Super and Personal Pension over the year

**17% growth**

in the Wealth Fund during the year



Member Demographic

**70%**

in accumulation

**30%**

in pension phase

**57%**

male

**43%**

female

**48**

average age



**\$1.4bn**

in retirement payments from the Wealth Fund.  
The fifth largest super fund in Australia for pension payments



**\$180k**

average account balance in Summit Personal Super and Personal Pension

**\$183k**

average account balance in the Wealth Fund



**\$81m**

in insurances claims paid to  
Wealth Fund members

**\$10m**

in insurance claims paid to  
Summit Personal Super and  
Personal Pension members



Access to over

**300**

managed funds and managed portfolios through Summit  
Personal Super and Personal Pension

## Further information

For more information about the investment objectives, fees and costs and risk associated with investing in superannuation please refer to the [Summit Personal Super and Personal Pension Product Disclosure Statement](#).

For information on the Wealth Personal Superannuation and Pension Fund, which offers the Summit Personal Super and Personal Pension plans, please refer to the [Wealth Personal Superannuation and Pension Fund Annual Report 2020/21](#).

The information provided in this Product Determination is general information only. It is not financial product advice nor is it a substitute for obtaining proper financial advice that is tailored to your personal circumstances, financial goals and needs. It's important to remember past performance is not an indicator of future performance.

All information in this Product Determination was obtained from sources the Trustee considers to be reliable, however it does not guarantee it is accurate, free of errors or complete. You shouldn't rely upon it. The Trustee doesn't accept any liability for any resulting loss or damage whatsoever to a reader or any other person.

## Contact us

**phone** 1800 667 841  
**web** [northonline.com.au](http://northonline.com.au)  
**email** [north@amp.com.au](mailto:north@amp.com.au)  
**mail** North Service Centre  
GPO Box 2915  
MELBOURNE VIC 3001