Superannuation: why all the fuss?

John Dyer
Chief Financial Officer
Agenda

Superannuation: why all the fuss?

What does this mean for the future of advice?

What else are we doing at UniSuper?

A look back on 2015/16
Superannuation: why all the fuss?

From a macro perspective...

- A large budget deficit
  - Generous tax concessions perceived to advantage the ‘wealthy’
- The size of the superannuation system - $2 trillion
- An ageing population
- Australians living longer
  - Super balances likely to run out
  - Ongoing pressure on the aged pension
  - Growth in the demand for financial advice
Superannuation: why all the fuss?

Advice at UniSuper

The profile of current ‘advice clients’ is:

• 45 years seems to be the earliest age threshold

• $250K is the equivalent FUM threshold
The profile of current ‘advice clients’ is that $250K is the lower limit

- I gave my first contribution to super in 1987 when I turned 25
- And that was lucky my organisation had a super scheme
- SGC did not start until 1993 at 3%
- Did not reach 9% until 2002
What does this mean for the future of advice?

- There is nothing short of extraordinary growth in the demand for financial advice
- How will the industry deal with ‘Follow-up Advice’?
- It can only be satisfied with an increased exposure to robo-advice type solutions
- There is an impost on the tax system as it transitions from super being only a minor to major part of people’s wealth and retirement income source
What else are we doing at UniSuper?

We have progressed and delivered a number of projects including:

- On-Campus Consultant at almost every university
- Implementation of ‘EmployerConnect’ program
- Statement of advice / Compare Me tools
- Retirement adequacy research
- Digital transformation
- On-demand education
- Financial literacy program
- Building a market-leading ‘CIPR’ FlexiChoice
Investment returns

2015/16 was another year of top quartile investment returns to members

<table>
<thead>
<tr>
<th>Balanced</th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
<th>7 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>UniSuper return</td>
<td>5.91%</td>
<td>10.22%</td>
<td>9.55%</td>
<td>9.46%</td>
<td>6.33%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quartile performance</th>
<th>Q1</th>
<th>Q1</th>
<th>Q1</th>
<th>Q1</th>
<th>Q1</th>
</tr>
</thead>
</table>

| Rank                  | 4<sup>th</sup> out of 188 | 2<sup>nd</sup> out of 171 | 2<sup>nd</sup> out of 160 | 5<sup>th</sup> out of 150 | 13<sup>th</sup> out of 123 |

Source: SuperRatings as at 30 June 2016
A look back on 2015/16...

Fees

UniSuper has continued to deliver at peer-relative low fees

<table>
<thead>
<tr>
<th>Super Balance</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000</td>
<td>10th</td>
</tr>
<tr>
<td>$50,000</td>
<td>8th</td>
</tr>
<tr>
<td>$250,000</td>
<td>2nd</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pension Balance</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000</td>
<td>5th</td>
</tr>
<tr>
<td>$250,000</td>
<td>4th</td>
</tr>
<tr>
<td>$500,000</td>
<td>4th</td>
</tr>
</tbody>
</table>
A look back on 2015/16...

Service

<table>
<thead>
<tr>
<th>Administration</th>
<th>Contact centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>98% of administration requests processed within one day of receipt</td>
<td>82% of calls answered within 20 seconds and 80% received first call resolution</td>
</tr>
</tbody>
</table>

Net Promoter Score for various service channels:

- Member Services: +13
- Live Chat: +53
- FAC: +26
- Adviser: +47
- Member Centre: +69
A look back on 2015/16…

Multi-award winning fund

- Chant West Super Fund of the Year 2016
- Chant West Super Fund of the Year 2015
- Chant West Best Fund: Investments 2015
- Conexus Financial Super Fund of the Year 2016
THANK YOU