

SuperRatings' ratings methodology has been designed to reflect each fund's value for money. The "best value for money" funds receive our Platinum rating whereas those funds that offer the lowest value for their members in our assessment, receive an Other rating.

In understanding the "value for money" proposition we believe that the "best value for money" funds provide the greatest potential to maximise the retirement savings of their members in a well serviced, secure environment whilst offering suitable benefits such as insurance, help and guidance, and quality digital services.

It is important to identify that a lower rating (such as Silver or Other) does not indicate in any way that a fund is unsuitable for investment. Rather, these ratings indicate that the same or similar features offered by these funds may be available in a more efficient environment.

To maintain the integrity of the ratings process, SuperRatings utilises a practice of distributing all results as follows, with a +/- 5% tolerance in final ratings outcomes across all accumulation products:

| Rating   | Distribution      |
|----------|-------------------|
| Platinum | Top 25% of funds  |
| Gold     | Next 25% of funds |
| Silver   | Next 25% of funds |
| Other    | Next 25% of funds |

## Ratings Awards



**Platinum** – A "best value for money" superannuation fund that is well balanced across all key assessment criteria in a robust, secure and proven governance/risk framework.



**Silver** – A "reasonable value for money" superannuation fund that is performing well in a number of assessment areas but with average or below average features and/or performance in a number of other areas of our assessment.



**Gold** – A "good value for money" superannuation fund that is strong in nearly all assessment areas but with average features and/or performance in one or more of our assessment criteria.



**Other** – An Other rated fund usually has average or below average features and/or performance across a number of assessment areas. These funds frequently have many competitors that offer superior performance and structures in a more efficient environment.

## Ratings Methodology – Assessment Criteria

SuperRatings' ratings methodology covers an extensive range of areas of a superannuation fund's offering. The data assessed covers information both in the public domain as well as aspects which are sourced directly from funds. Our ratings system covers seven main assessment components. These are reviewed both quantitatively and qualitatively and are individually weighted. Each rated fund is provided with regular Request for Information documents from SuperRatings to maintain our data. Where a fund does not respond or the data provided cannot be substantiated, then the response used will, where appropriate, be assumed to be at the 75th percentile of our universe. Where two or more products have identical features, only one is counted towards the relevant overall ratings award on the distribution of ratings. Details of the assessment modules and their weightings are as follows:

| Assessment Module   | Weighting   |
|---|-------------|
| Investments, including performance and standard deviation, and investment processes   | 25%         |
| Fees and Charges, including cost of product across various account balances, transparency and sustainability of fee structure | 15%         |
| Digital and Service, including online and phone-based services, service standards, member analytics and employer servicing    | 15%         |
| Help and Guidance, including member education, tools and calculators, webinars/seminars, advice and adviser servicing         | 15%         |
| Governance, including trustee and committee structure and processes, risk management and service provider monitoring          | 10%         |
| Insurance, including retirement capabilities, product flexibility and pension servicing                                       | 10%         |
| Qualitative Overlay, including overall benefits, flexibility and choice, transparency and usability                           | 10%         |
| <b>Total Assessment</b>   | <b>100%</b> |

## Why SuperRatings?

SuperRatings encourages and pursues greater transparency within the superannuation industry. Our aim is to drive better outcomes for members via data, analytics, insights and innovation. We undertake comprehensive research into the trends and positioning of Australia's major superannuation funds, which, matched with the strength of our datasets, provide informed opinions on the best superannuation and pension products in the industry.

SuperRatings has in place a skilled research team which draws on a robust research process and extensive superannuation data to undertake in-depth assessment of superannuation and pension products. The research team has broad experience within the financial services sector with a focus on superannuation and undertakes continuing professional development (CPD) training to continually build on their knowledge and skills.

No fees are paid by superannuation and pension funds to SuperRatings for entering into the review process and rating their superannuation and pension products, however we are remunerated by funds for the subsequent use or publication of our ratings logos.

## Managing Conflict of Interest

SuperRatings is aware of the inherent potential conflicts of interest associated with the provision of ratings and how we are remunerated for our services. SuperRatings has in place a comprehensive set of policies, procedures, and information barriers (both permanent and temporary) consistent with our regulatory obligations under Regulatory Guide 79, to manage either perceived or actual conflicts of interest. For further information, please refer to Lonsec Group Conflicts of Interest Statement at <https://www.lonsec.com.au/important-documents/>



Get in touch

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**About SuperRatings** This information sheet is issued by SuperRatings Pty Ltd ABN: 95 100 192 283). SuperRatings is a Corporate Authorised Representative (CAR No.1309956) of Lonsec Research Pty Ltd ABN 11 151 658 561, AFSL No. 421445 (Lonsec Research) a fully owned subsidiary of Lonsec Holdings Pty Ltd ABN: 41 151 235 406 (Lonsec Group). Generation Development Group Limited ABN 90 087 334 370 is the parent company of Lonsec Group. SuperRatings believes that professional financial advisers need informed opinions on the best superannuation and pension financial products to provide real value for their clients. To meet this need, SuperRatings has in place an experienced research team, which draws on a robust research process to undertake in-depth assessment of superannuation financial products.

**Warnings:** Past performance is not a reliable indicator of future performance. Any expressed or implied rating or advice presented in this publication is limited to General Advice and based solely on consideration of the merits of the superannuation financial product(s), without considering any person's particular financial circumstances. The reader should read the Product Disclosure Statement and seek personal advice before making a decision on the financial product. SuperRatings' research process relies upon the participation of the superannuation fund or product issuer(s). Should the superannuation fund or product issuer(s) no longer be an active participant in SuperRatings' research process, SuperRatings reserves the right to withdraw the rating and document at any time and discontinue future coverage of the superannuation and pension financial product(s).

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