

The logo for SUPER RATINGS, featuring the words "SUPER" and "RATINGS" stacked vertically in white, uppercase letters within a blue square. The background of the entire page is a complex digital wireframe structure in shades of blue and cyan, with several bright, glowing orange and red streaks of light sweeping across the scene from the bottom right towards the top left.

**SUPER
RATINGS**

**OnePath Custodians Pty Limited
Administration Benchmark Review**

October 2017



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1. Introduction

OnePath Custodians Pty Limited (“OnePath”) has engaged SuperRatings Pty Ltd (“SuperRatings”) to provide benchmarking of the Administration Service Standards across the following products, which are all managed by OnePath MasterFund (“the Fund”);

- OnePath OneAnswer (“OneAnswer”);
- OnePath OneAnswer Frontier (“Frontier”);
- OnePath Employer Super (“Employer Super”); and
- ANZ Smart Choice (“Smart Choice”).

We note that as requested by OnePath, we have removed OneCare Super from our benchmarking analysis.

Data has been sourced from the Services and Performance Standards (Schedule 1) within the Master Investment Terms – Superannuation Fund Administration Agreement (“the Agreement”) and responses to the SuperRatings 2017 Annual Survey.

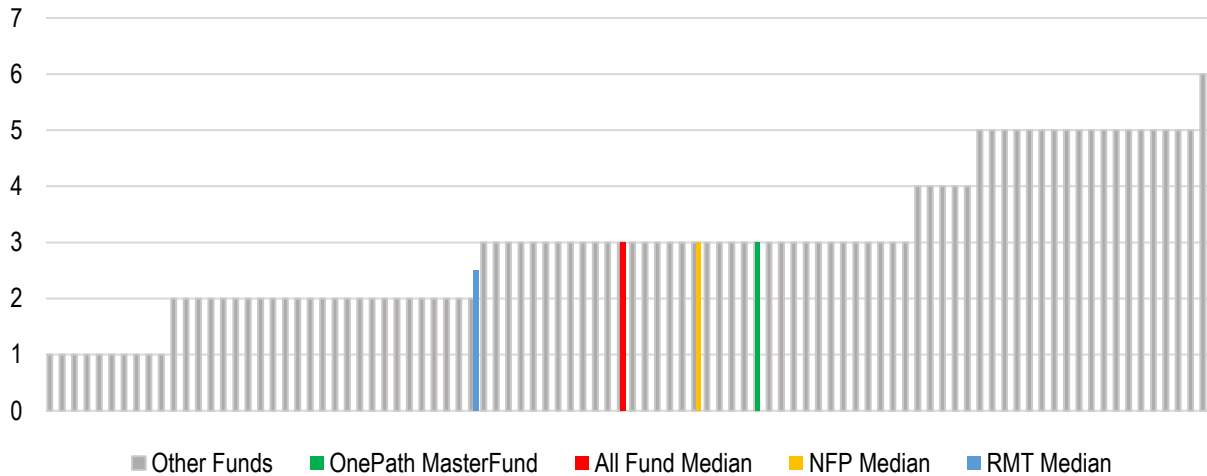
The methodology we have adopted involved benchmarking OnePath’s service standards against the SuperRatings All Fund Median, the Not for Profit (“NFP”) Median and the Retail Master Trust (“RMT”) Median based on a 100% completion rate of each administration activity.

The remainder of this report documents the relative positioning of the Fund’s product range against industry wide medians and peers.

2. Service Benchmarks and Achievements

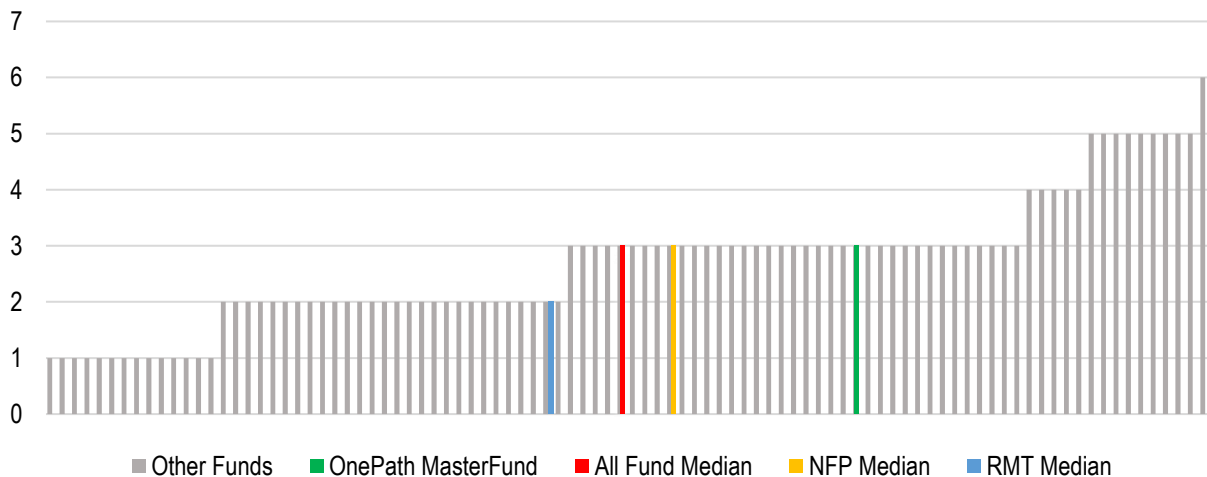
2.1. Contributions and Rollovers

Number of days to post contributions to member accounts



With respect to the posting of contributions to member's accounts, the Fund maintains a 3 day service standard which is in line with the NFP Median and the All Fund Median. The RMT Median is more competitive operating at 2.5 days. It must be noted however that contributions via cheque typically require additional time to process.

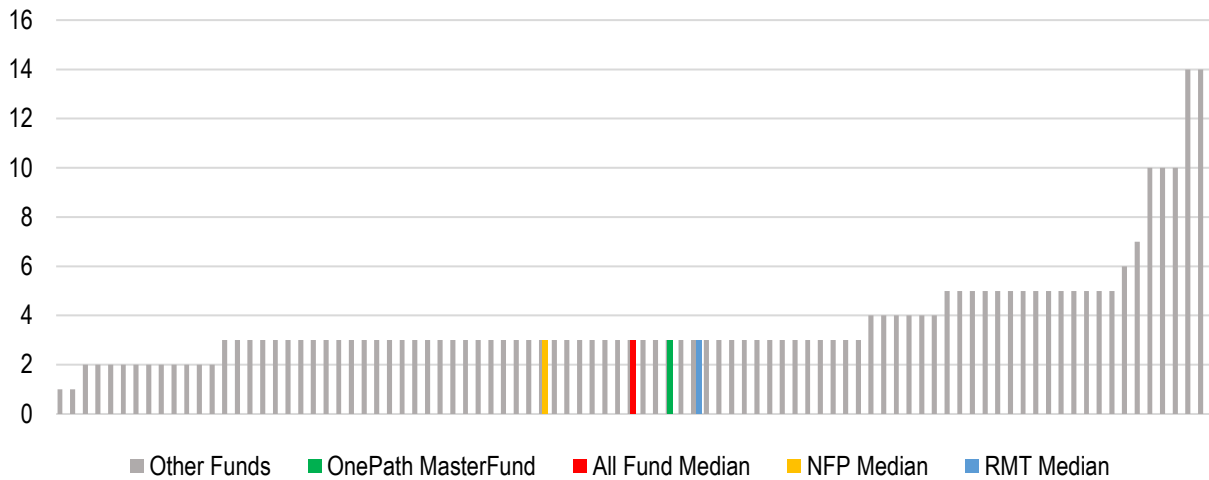
Number of days to post rollovers to member accounts



The Fund posts rollovers to members' accounts within 3 days of all requirements being met. Similar to contributions, this service standard sits in line with the NFP and All Fund Medians, however sits above the RMT Median of 2 days.

2.2. Withdrawals

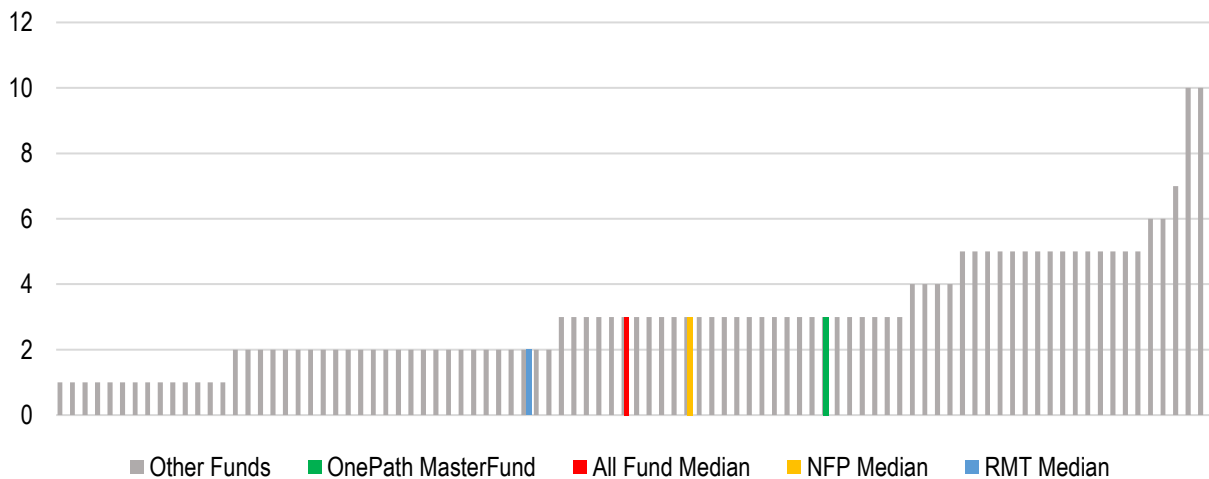
Benefit payment or “rollover out” request - the number of days from receipt of request to payment being sent



The Fund’s service standard for processing electronic rollover and benefit payment requests is 3 days. This is in line with the NFP, RMT and All Fund Medians.

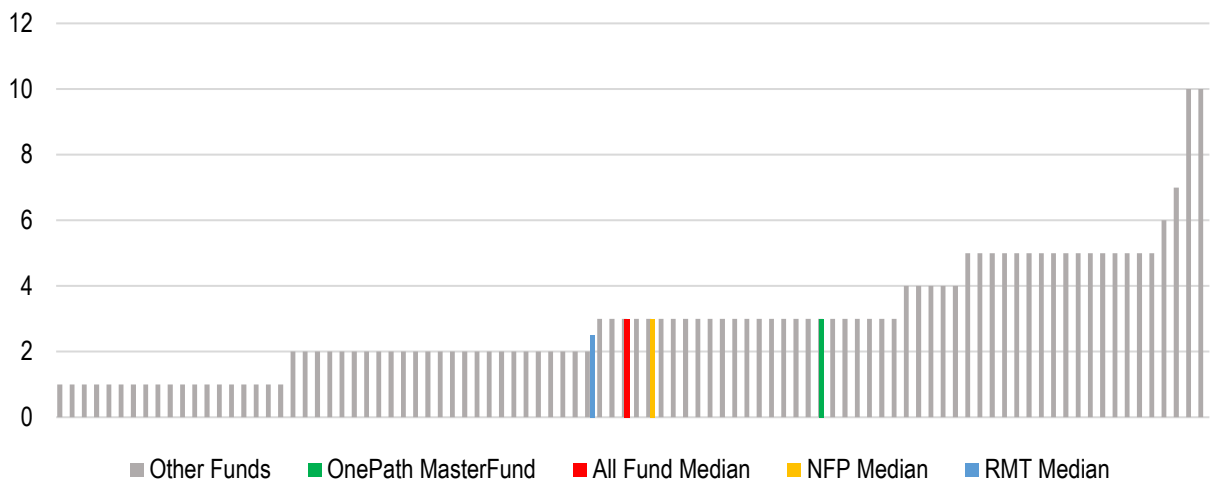
2.3. New Business

Number of days to process new member applications



With respect to new member applications, OneAnswer and Smart Choice (Retail) maintain a 3 day service standard for processing new member applications where all requirements are met upon application. The Fund’s service standard sits in line with the NFP and All Fund Medians, however sits above the RMT Median of 2 days.

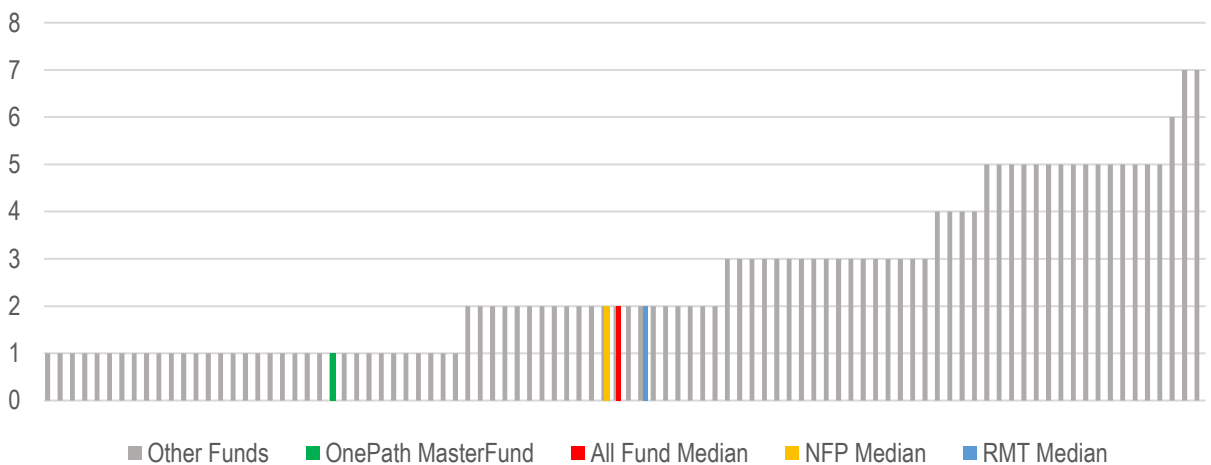
Number of processing days to process new employer applications



Smart Choice (Employer) establishes new employers within its systems with a service standard of 3 business days, which sits in line with the NFP and All Fund Medians but above the RMT Median of 2.5 days.

2.4. Switches

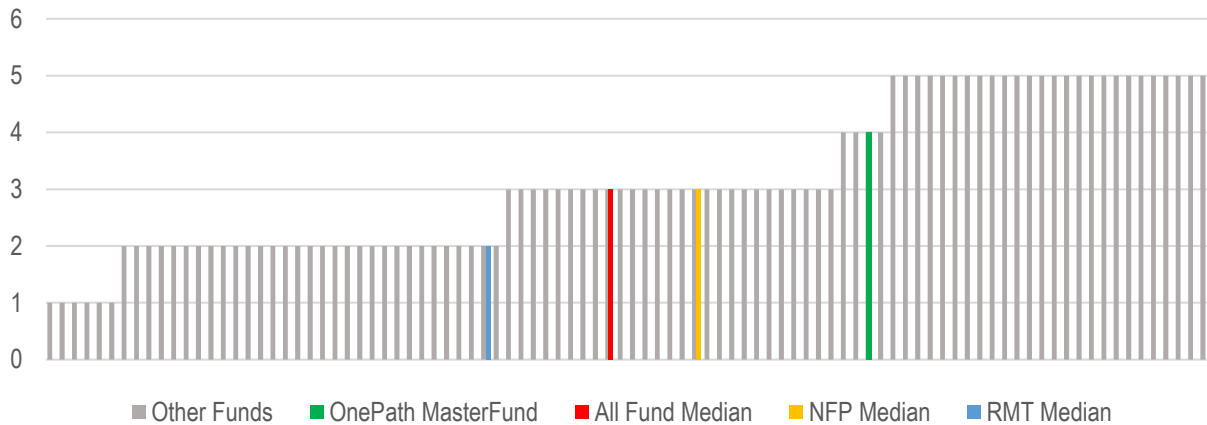
Number of days to process investment option switches



In relation to the processing of member's investment switches, the Fund utilises a service standard of 1 day once all requirements have been met. This is below the NFP, RMT and All Fund Medians of 2 days.

2.5. Maintenance

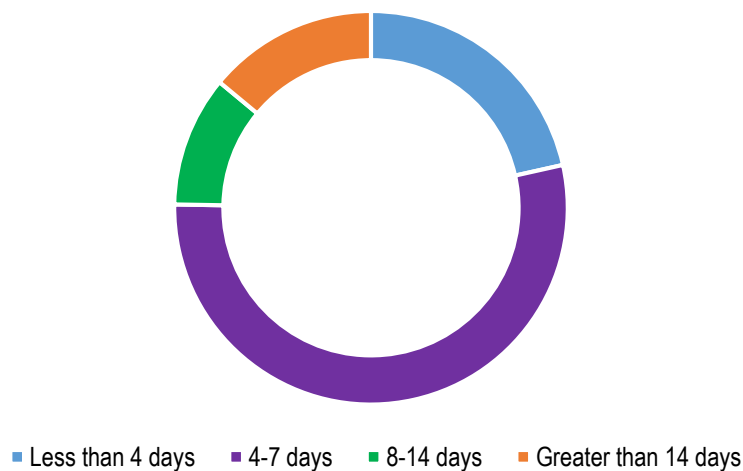
Maintenance of member records - The number of days to process/alter member account details upon receipt of certified documents



The Fund's service standard to process/alter member account details upon receipt of certified documents is 4 days. This service standard sits above the RMT Median of 2 days, along with the NFP and All Fund Medians of 3 days.

2.6. Insurance Claims

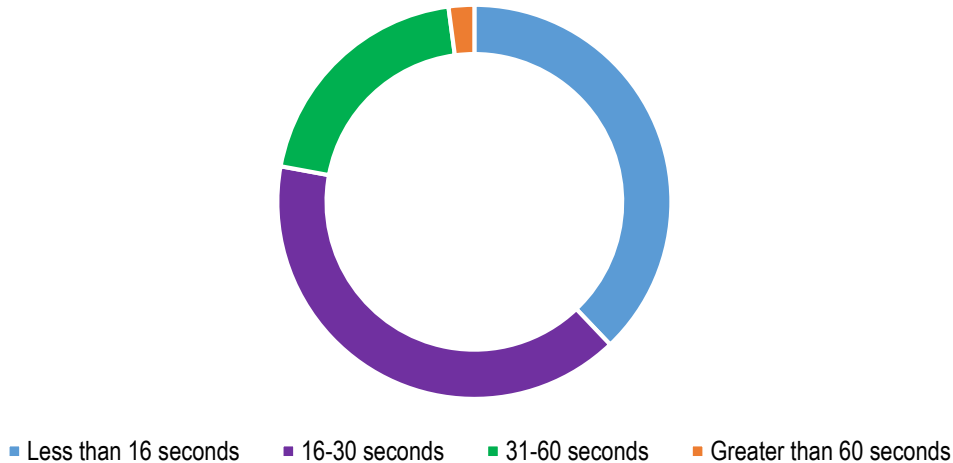
Number of days to process insurance claims and submit to the Trustee for approval for payment



The Fund has a 5 day service standard in relation to the number of days for a claim to be sent to the insurer and a further 5 day service standard for a claim to be sent to the Trustee Benefit Review Team. We note that as provided through our SuperRatings 2017 Annual Survey, OnePath MasterFund has advised that currently in relation to this service standard, 12 days is required to process insurance claims and for it to be submitted to the Trustee for approval for payment, which sits above the majority of the industry.

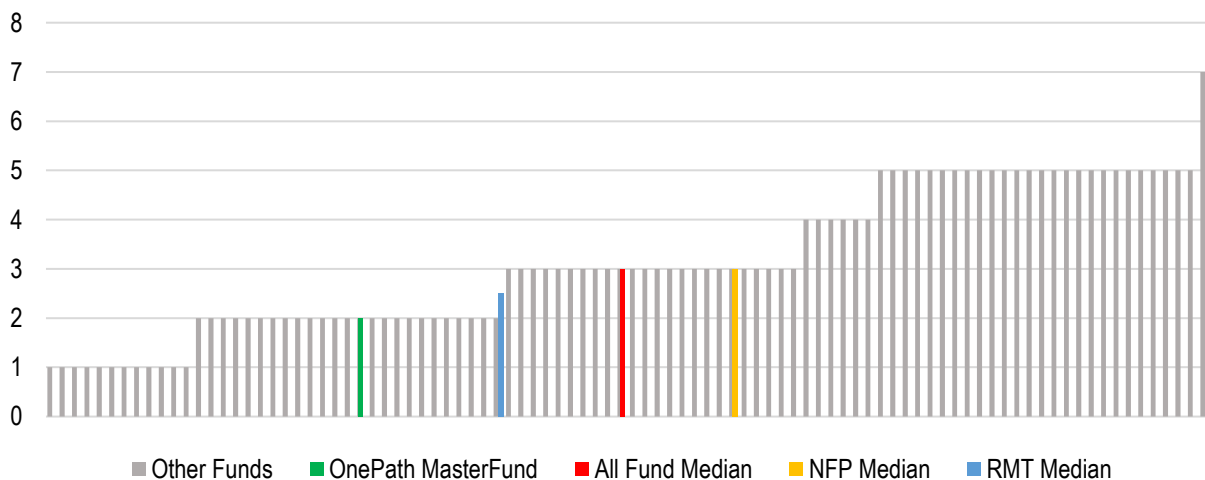
2.7. Inbound calls and emails

Average call wait time after exiting IVR (Interactive Voice Response)



The majority of the industry has an average call wait time of under 30 seconds. The Fund's average call waiting time of 31-60 seconds sits above this.

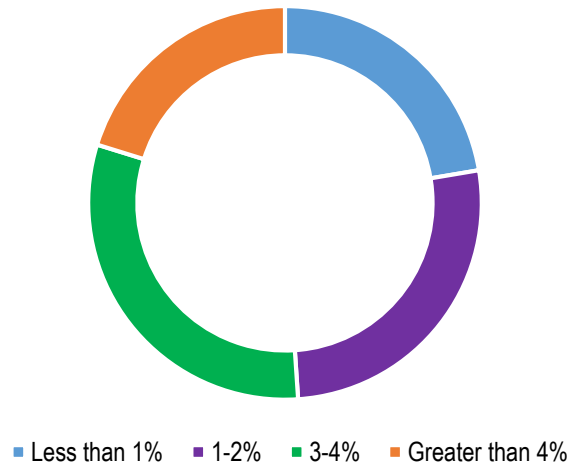
Number of days to answer routine correspondence/written enquiries from members



The Fund maintains a 2 day service standard for answering routine correspondence and written enquiries from members via email. This service standard sits below the RMT Median of 2.5 days and the NFP and All Fund Medians of 3 days. However, we note that as provided through the SuperRatings 2017 Annual Survey, OnePath MasterFund has advised that currently in relation to this service standard, 5 days are required to answer all routine correspondence/written enquiries (e.g. postal, fax and email), which sits above the majority of the industry.

2.8. Abandonment rate

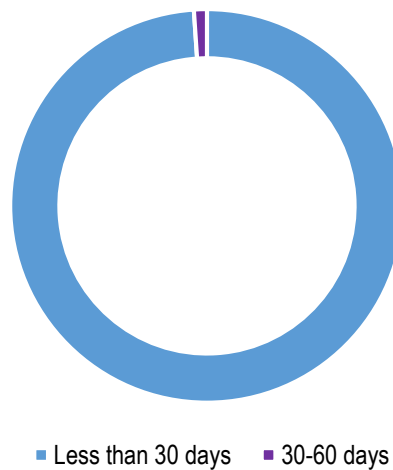
Call abandonment rate



The Fund has a call abandonment rate of less than 4% which is in line with where majority of the industry sits.

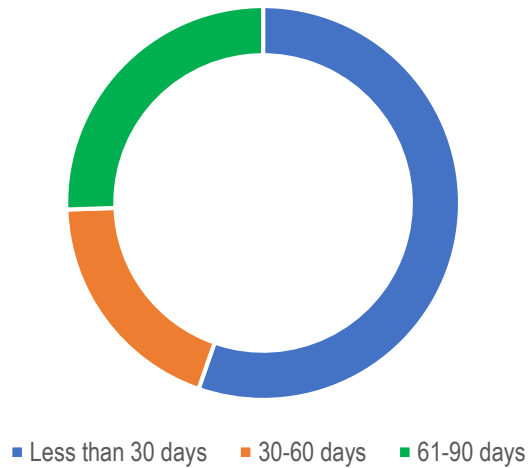
2.9. Complaints acknowledgement and resolution

Number of days to respond to complaints – initial response



With respect to the acknowledgement of complaints, similar to the majority of the industry, the Fund provides members with an initial response in less than 30 days (as supplied within the SuperRatings 2017 Annual Survey). More specifically, the Fund provides an acknowledgement response within 24 hours for the majority of issues.

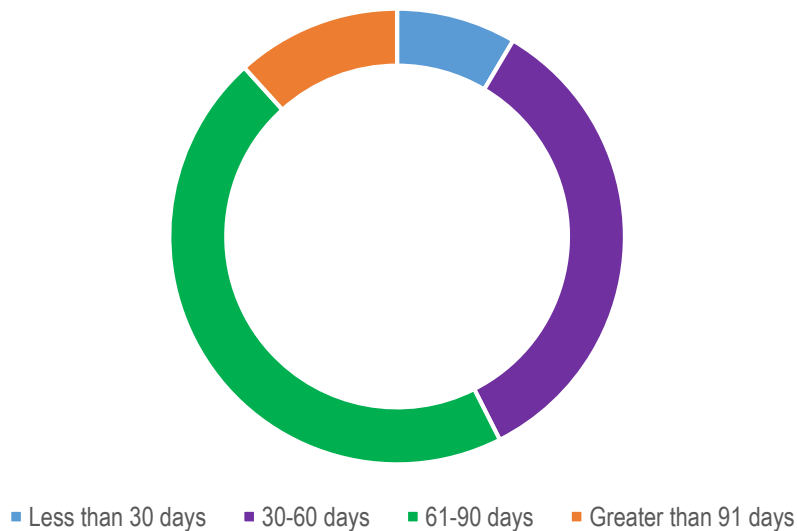
Number of days to respond to complaints – formal response



The Fund maintains a service standard of 15 business days for the provision of a formal response or resolution to members. As displayed in the above chart, over half of the industry provides a formal response within 30 days.

2.10. Annual Statements

Number of days to issue 30 June member statements



OneAnswer, Frontier and Smart Choice (Retail) issue member statements by 30 September each year, which is in line with the majority of the industry (within 90 days). However, OnePath Employer Super issue employer statements by 31 December each year.

3. Other services

Given the limited visibility over internal business rules provided by funds, we are unable to provide in-depth industry comparisons for the following services:

- Registration queries;
- Follow-up of outstanding requirements;
- Reserve accounts;
- PAYG & Annual Pension pack; and
- Notice information pack

However, given our previous experiences with dealing with other funds, the Funds service standards in relation to transition planning are not unreasonable. Similarly, the tasks and service levels in relation to Defined Benefit items are mostly compliance driven (i.e. the statutory limits placed by legislation or regulatory standards). More specifically, the service standards for the items focused on monthly monitoring and notifiable events are not unreasonable.

Lastly, tasks in relation to ATO Regulatory Reporting, contributions tax and adviser payments/reporting service standards are regulatory compliance activities, hence there are limitations in appropriately benchmarking these across the industry.



4. Summary

SuperRatings notes that funds have generally tightened their service standards in regards to contributions and rollovers over recent years owing to the implementation of the SuperStream back office requirements. As a result, this has improved and increased administrative efficiencies, thus ultimately benefiting members.

As such, Smart Choice generally utilises service standards which are in line with the All Fund Median, albeit are generally less competitive than the RMT Median. Likewise, OneAnswer (Frontier) and Employer Super are also competitive relative to the industry and generally perform in line with the NFP and All Fund Medians.

In terms of possible improvements and based on the Services and Performance Standards (Schedule 1) provided within the Agreement and the SuperRatings' 2017 Annual Survey, the Fund may consider focussing on improving the time taken to process the maintenance of member records.

Overall, the Fund generally has service standards that are in line with the industry. The Fund has service standards that are competitive in areas such as call waiting times, the processing of investment switches and the time required to respond to complaints.