

PPS Mutual Super Fund

Member Outcomes Assessment
For the year ended 30 June 2024

28 February 2025





Executive Summary

Introduction

The PPS Mutual Super Fund (PPSM) provides members with access to death and disablement insurance cover inside superannuation. PPSM doesn't provide accumulation style superannuation account balances or investment returns to members.

This Member Outcomes Assessment focuses on an assessment of product appropriateness against key factors that can affect superannuation, specifically consideration of PPSM's insurance strategy and insurance fees. Unlike a typical superannuation fund's Member Outcomes Assessment, this report does not contain comparative analysis relating to fees and costs, investment returns or investment risk as these elements are not relevant for PPSM given its structure as an insurance-only fund.

Ultimately a determination (contained on the following page) is made for PPSM as to whether the product is serving the financial interests of the members. This assessment was undertaken in February 2025, and is relevant for the financial year ended 30 June 2024.

Product Determination

The Trustee has determined that it is promoting the financial interests of the beneficiaries of its product on the basis that:

- Insurance Premiums when compared against peers for different types of risk and levels of cover across various age groups are generally in line with peers for white collar professionals;
- PPSM issued profit share assignment for the year of 3.5% (post tax) of premium paid plus 6.50% (post tax) of opening balances;
- PPSM has strong claims approvals for claims received; and
- The Trustee has determined that the options, benefits and facilities offered under PPSM are appropriate to members. PPSM offers unique features that have been tailored and designed to meet the needs of its members; individuals working in certain professions, including doctors, lawyers, accountants and engineers.



Product Appropriateness Assessment

INSURANCE STRATEGY & FEES

PPS Mutual has been established on a mutual model, with the PPS Mutual Super Fund (PPSM) also offering a profit-sharing arrangement with members. PPSM provides members with access to insurance offering death, total and permanent disability and disability income insurance benefits. It does not provide members with access to an accumulation account.

PPSM is only available to individuals who are eligible to practise in one of 27 professions including doctors, lawyers, accountants and engineers or have a 4 year bachelors, masters, or doctorate in a defined professional field from an approved university. The insurance cover is tailored to meet the needs of professionals and designed to be flexible to the member's changing needs.

PPSM has a number of unique features that have been developed for the professional market:

- The ability to increase cover without medical underwriting on certain career events such as setting up private practice;
- Cover automatically indexes each year in line with the higher of inflation or the increase in professional earnings; and
- The ability to take parental leave and then return the sum insured to the previous level without medical underwriting.

INSURANCE STRATEGY & FEES

PPSM does not provide default level of cover. The product is designed for risk and level of cover to be determined with the consultation of an adviser by the insured.

As this product is designed for financial adviser consultation, financial advisers determine the appropriateness of the insurance and the cost of cover, as such, the Trustee does not look to measure the impact of insurance eroding members' retirement income for members. Based on the above we have determined that there is no inappropriate erosion of members' retirements income due to the impact of insurance premiums.

However, pages 8- 10 contain analysis of insurance premiums against 9 peers* based on 3 different risks and levels of cover between the ages of 35-50 (in 5 year increments). The 3 risk types and levels of cover include:

- Life Cover \$1m– White Collar Professional
- Life Cover \$1m + TPD Cover \$1m + Income Protection (IP) \$12.5k (30 day wait, To Age 65) – White Collar Professional
- Income Protection (IP) \$12.5k (30 day wait, To Age 65) – White Collar Professional

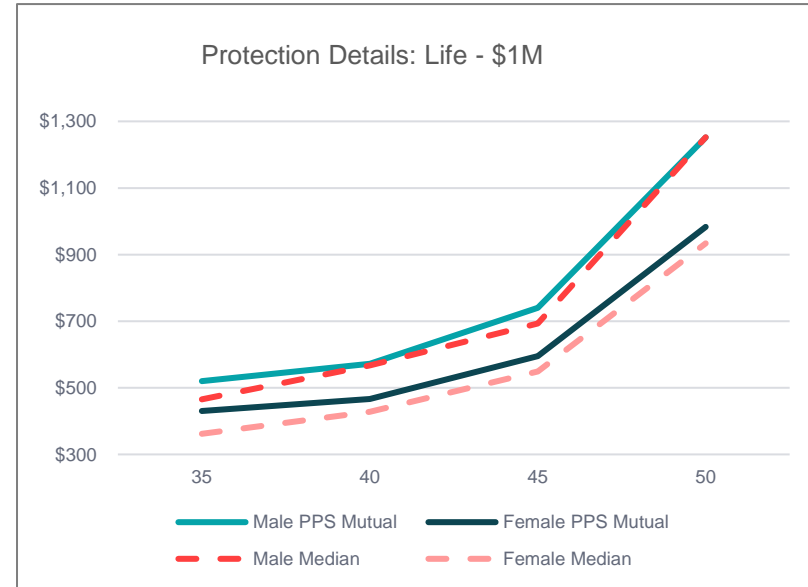
The Trustee has determined that PPSM insurance premiums are generally competitive against peers.

Costs Comparison \$1M Life Cover standalone

The following table and graph compare PPSM's insurance premiums for a \$1m life cover standalone for a white collar professional for both male and female against 9 peers* between the ages 35-50.

PPSM's premiums are slightly higher at all age levels for \$1M Life Cover standalone at professional collar rates compared to the median, with the exception of Males aged 50 which are equal to the median.

| Age | Male (Age Next Birthday) | | | | Female (Age Next Birthday) | | | |
|------------|--------------------------|-------|-------|---------|----------------------------|-------|-------|---------|
| | 35 | 40 | 45 | 50 | 35 | 40 | 45 | 50 |
| PPS Mutual | \$520 | \$572 | \$740 | \$1,252 | \$430 | \$466 | \$595 | \$983 |
| Median | \$465 | \$567 | \$693 | \$1,252 | \$362 | \$427 | \$549 | \$934 |
| High | \$564 | \$586 | \$828 | \$1,522 | \$434 | \$466 | \$649 | \$1,177 |
| Low | \$373 | \$482 | \$630 | \$1,100 | \$301 | \$391 | \$506 | \$887 |

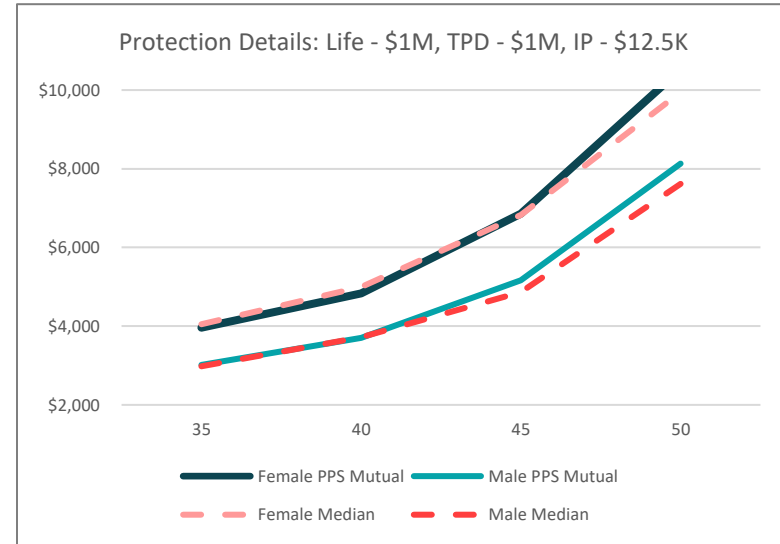


Costs Comparison Life Cover \$1m + TPD Cover \$1m + IP Cover \$12.5k monthly benefit

The following table and graph compare PPSM's insurance premiums for \$1m life cover + \$1m TPD cover + \$12.5k monthly benefit for Income Protection (IP) for a white collar professional for both male and female against 9 peers* between the ages 35-50.

PPSM's premiums are comparable at all age levels up to age 45 for \$1m life cover + \$1m TPD + \$12.5k IP cover at white collar professional rates compared to the median. PPSM's premiums are higher against peers for both Male and Female for age 50.

| Age | Male (Age Next Birthday) | | | | Female (Age Next Birthday) | | | |
|------------|--------------------------|---------|---------|---------|----------------------------|---------|---------|----------|
| | 35 | 40 | 45 | 50 | 35 | 40 | 45 | 50 |
| PPS Mutual | \$3,015 | \$3,703 | \$5,169 | \$8,131 | \$3,962 | \$4,837 | \$6,855 | \$10,525 |
| Median | \$2,981 | \$3,718 | \$4,867 | \$7,616 | \$4,050 | \$4,995 | \$6,828 | \$9,948 |
| High | \$3,407 | \$4,018 | \$5,456 | \$9,050 | \$6,199 | \$6,503 | \$7,630 | \$11,857 |
| Low | \$2,804 | \$3,041 | \$4,013 | \$6,155 | \$3,722 | \$4,102 | \$5,234 | \$7,834 |



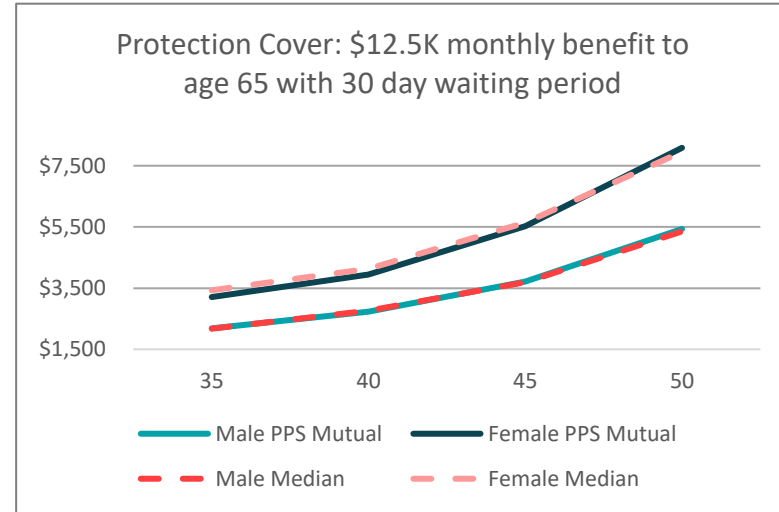
* Source: Iress Researcher for the peer group includes AIA, MetLife, Clearview, MLC, OnePath, TAL, Zurich, NEOS and Encompass. Medians, High and Low are inclusive of PPSM in Peer group analysis. Protection details are for \$1M Life cover + \$1M TPD Cover + \$12.5K IP with 30 days waiting period benefit period to age 65 for Non-Smoker with a stepped style policy.

Costs Comparison of IP Cover \$12.5k monthly benefit

The following table and graph compare PPSM's insurance premiums for a \$12.5k monthly benefit for Income Protection (IP) for a white collar professional for both male and female against 9 peers* between the ages 35-50.

PPSM's premiums are comparable at all age levels for \$12.5k IP cover at white collar professional rates compared to the median.

| Age | Male (Age Next Birthday) | | | | Female (Age Next Birthday) | | | |
|------------|--------------------------|---------|---------|---------|----------------------------|---------|---------|---------|
| | 35 | 40 | 45 | 50 | 35 | 40 | 45 | 50 |
| PPS Mutual | \$2,186 | \$2,734 | \$3,716 | \$5,434 | \$3,210 | \$3,948 | \$5,522 | \$8,086 |
| Median | \$2,176 | \$2,762 | \$3,693 | \$5,355 | \$3,430 | \$4,134 | \$5,643 | \$7,954 |
| High | \$2,656 | \$3,073 | \$3,922 | \$5,975 | \$5,502 | \$5,743 | \$6,717 | \$9,407 |
| Low | \$2,043 | \$2,061 | \$2,879 | \$3,970 | \$3,050 | \$3,319 | \$4,242 | \$5,920 |



* Source: Iress Researchers for the peer group include AIA, MetLife, Clearview, MLC, OnePath, TAL, Zurich, NEOS and Encompass. Medians, High and Low, include PPSM in Peer group analysis. Protection details are for +\$12.5K IP with 30 days waiting period benefit period to age 65 for Non-Smoker with a stepped style policy.

Insurance Claims

PPSM received two (2) Death claims, and five (5) Income Protection claims between 1 July 2023 and 30 June 2024 all of which were accepted. The Trustee has determined that based on the strong claims approval rate, that the financial interest of beneficiaries is being met with regards to claims services for PPS Mutual Super Fund.

| PPSM | Accepted | Declined | Acceptance Ratio |
|-------------------|----------|----------|-----------------------|
| Death | 2 | 2 | 100% |
| TPD | 0 | 0 | No claims to consider |
| Terminal illness | 0 | 0 | No claims to consider |
| Income Protection | 5 | 5 | 100% |
| Total | 7 | 7 | 100% |

OPTIONS, FACILITIES & BENEFITS

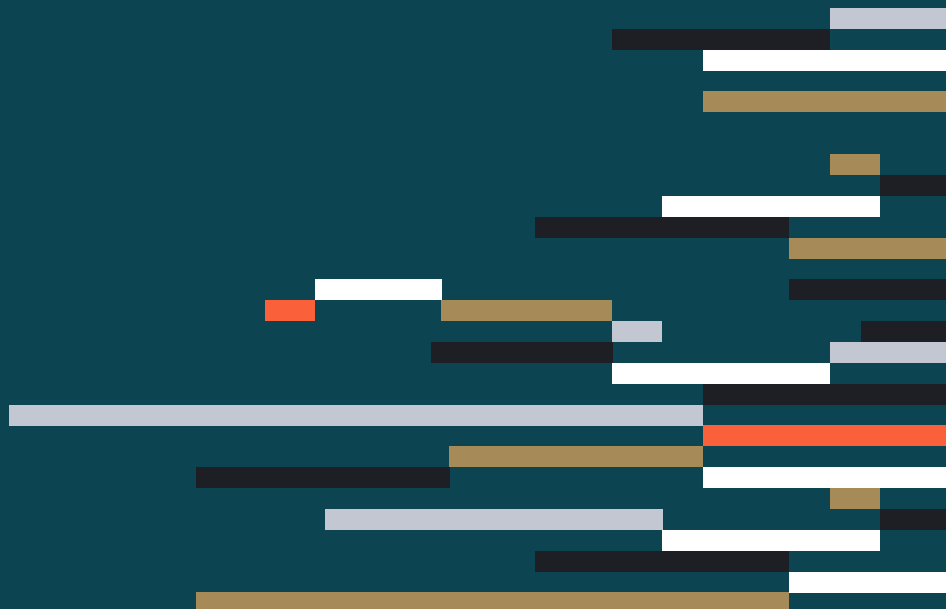
PPSM with its mutual fund structure provides beneficiaries access to profit sharing agreement. Additionally, they have digital offerings to assist the insured and their advisers in servicing their insurance. PPSM provide adviser onboarding which involves a training and accreditation process before being able to recommend PPS Mutual Professionals Choice. PPSM's tools to members' financial advisers to support members' needs, include:

- Training and support for back-office teams as well as for the advisers;
- The ability to quote online with a highly visual quoting tool that demonstrates the benefits and structures selected;
- The ability to make changes to client details and quote and apply for additional business online;
- Regular briefings on industry issues; and
- Support in developing marketing tools for adviser groups.

The Trustee has determined that the options, benefits and facilities offered under the product are appropriate to members.



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