

MANILDRA FLOUR MILLS RETIREMENT FUND

MEMBER OUTCOMES ASSESSMENT

ANNUAL DETERMINATION: 30 June 2022

Each year we are required to assess our performance and based on that assessment make an annual determination that we are promoting the financial interests of our members.

The Fund is a small corporate fund that operates solely for employees of the Manildra Group. The Trustee offers one product for members in the accumulation phase and one product for retirement phase members.

The Trustee's primary objectives are to:

- Protect the assets of the members; and
- Grow the Fund's assets and membership base in order to operate effectively and efficiently.

Assessing our performance

To compare the Fund with other funds, the Trustee has identified a number of measurable features:

- the return for the Fund (after the deduction of fees, costs and taxes);
- the fees and costs that affect the return to the beneficiaries holding the investment in the Fund;
- the level of investment risk for the Fund;
- insurance cover offered; and
- member services, engagement and education.

The Trustee will assess the Fund's performance on these features against benchmarks and several comparison funds.

Comparison funds

Five funds have been chosen for comparison purposes. These comparison funds are a mixture of corporate funds, industry funds that employees of Manildra may be members of, and a retail fund.

They are:

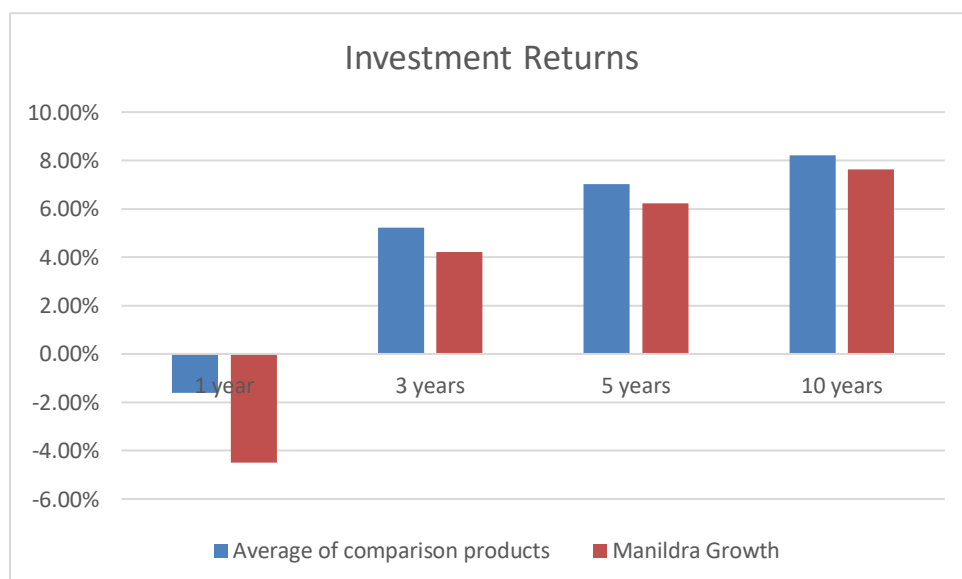
- Australian Super - Balanced
- Qantas Super – Altitude
- Telstra Super – Balanced
- Mercer Super Trust – Growth
- REST Super – High Growth

Investment returns

The Trustee’s specific objectives for the Fund’s assets are described as:

- Investment return objective
To achieve an investment return net of tax and investment fees and costs, over rolling 5 year periods of 3% p.a. more than the annual rate of increase in CPI over the period.
- Investment risk objective
To achieve a positive investment return, net of tax and investment fees and costs, in sixteen out of twenty years on average over the long term.
- Peer objective
To achieve at least the average return after fees and tax, over rolling 5 year periods, of a range of similar investment options chosen from peer funds.
- Benchmark objective
Outperform the benchmark portfolio after fees and tax over rolling 5 year periods

The table below demonstrates the Fund’s investment returns over 1 year, 3 years, 5 years, and 10 years and the average return of the comparison funds.



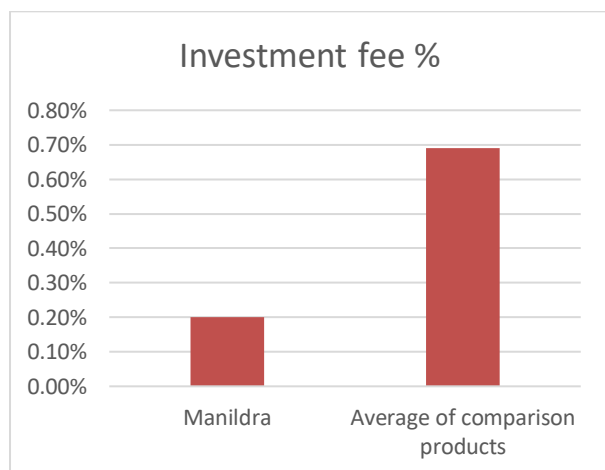
Overall the Fund consistently compares competitively with the comparison funds, although the one year return is noticeably lower than the average return of comparison funds.

Fees and costs

Administration costs for the operations of the Fund are not borne by the members but by the employer sponsor. This means that the comparison with all the other funds in the peer group is very favourable.

	Manildra	Comparison Funds Average
Admin fee for \$50,000 balance	\$0	\$160.40

Investment fees



The Manildra investment fees are lower than for other funds because:

- over 62% of the Fund’s investments are in index funds, which have lower fees (in the range 0.16% to 0.29%);
- there are no fees for the directly held investments in property, fixed interest and cash; and
- the Fees in the Dimensional Value Trust are very low at 0.336% for an active managed fund.

Insurance

- The cost to members of insurance premiums is 0.1% of accumulation fund members account balance at year end
- Manildra generally has higher sums insured for death and TPD cover.
- The premium rates for income protection cover are generally better than other funds, although they have increased this year.
- The insurance offer is superior in many ways to peer funds, although a simpler structure as befits the size of the Fund.

Manildra Flour Mills Retirement Fund determination

- The financial interests of the members are being promoted by the Trustee.
- Although the scale of the fund is small it is not impacting the members' overall interests.
- The operating costs are not affecting the financial interests of members as they are borne by the employer sponsor.
- The options and benefits offered are appropriate for the members who are all choice members.
- The investment strategy, including the level of investment risk and return target is appropriate for members.
- The insurance strategy is appropriate for members.
- The insurance fees charged do not inappropriately erode the retirement incomes of members.