



-  1300 049 532
-  help@spaceship.com.au
-  www.spaceship.com.au
-  Live chat

Spaceship Super

Member Outcomes Assessment (2020)

Spaceship Capital Limited is the promoter of Spaceship Super. Spaceship Super is issued by Diversa Trustees Limited (ABN 49 006 421 638, RSEL L0000635) as trustee of the Tidswell Master Superannuation Plan (ABN 34 300 938 877) (Fund). Spaceship Super is a sub-plan of the Fund.

This document is general in nature as it has been prepared without taking account of your objectives, financial situation or needs. You should consider the relevant Product Disclosure Statement and Reference Guide, and obtain appropriate financial and taxation advice, before deciding whether Spaceship is right for you.

All investment products have an element of risk. As share markets go up and down, so too can the value of your investment. Please consider the risks involved before you jump on board.

Contents

Assessing our performance	1
Determination	1
Investment returns and risk	2
Fees and costs	3
Member services and product options	4
Insurance	5

Financial Year in Review 2019-2020

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.

We offer two investment options to members:

- The Spaceship GrowthX option; and
- The Spaceship Global Index option.

Assessing our performance

The Trustee's strategic objective is to deliver quality, value-for-money outcomes for members, achieve sustainability and success over the long term, and help members meet their superannuation needs.

We have established a number of objectives and outcomes we aim to achieve for our members across three categories:

- **Investment strategy and level of investment risk and return:** delivering exceptional investment performance through our Spaceship GrowthX option;
- **Fees and costs that affect the member returns:** providing a varied fee structure and a fee reduction, which was implemented in December 2020; and
- **Member services and product options offered to members:** enhancing member experience features.

We have assessed our performance against these objectives and outcomes for the year ending 30 June 2020. A summary of the assessment in each of these areas is set out in more detail below.

Determination

Based on the assessment of the outcomes achieved, we have determined that:

- members' interests are being promoted;
- the basis for the setting of fees is appropriate for members;
- members have not been disadvantaged due to the scale of, and within, the Trustees' business operations;
- the operating costs of the Trustees' business operations are not inappropriately affecting the financial interests of members;
- the options, benefits and facilities offered under the product are appropriate for members; and
- the investment strategy for the product, including the level of investment risk and the return target, is appropriate for members.

As the Fund does not offer insurance, consideration as to whether there is inappropriate erosion of members' retirement income due to the impact of insurance premiums is not applicable.

Investment returns and risk

Investment return

The investment-related outcomes assessment considers the investment strategies and compares the risk and returns achieved by each investment option to comparable products in the industry and peer groups.

We have determined our investment objective to be the rate of inflation (Consumer Price Index) plus an additional amount depending on the risk profile of the investment option.

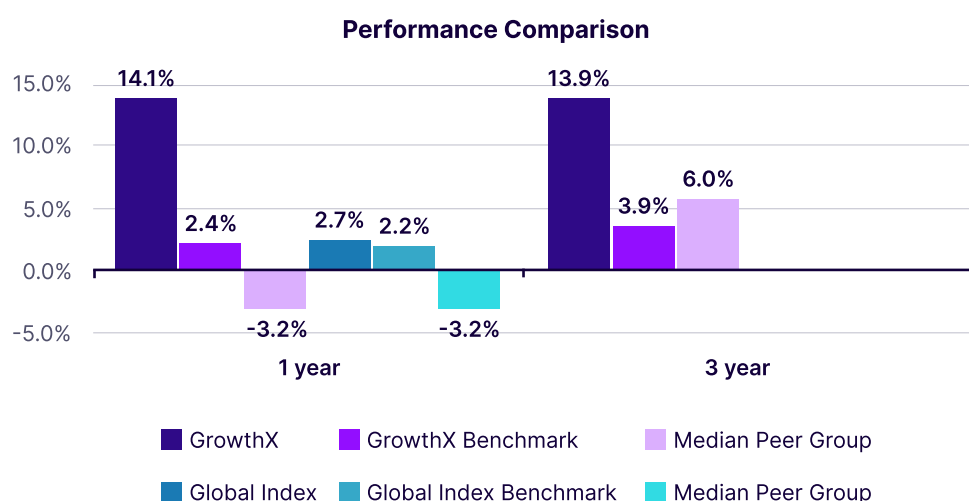
We used SuperRatings survey data as the basis of our assessment of our investment options. SuperRatings specialises in ratings and research for the super industry and compares funds across a range of quantitative and qualitative factors.

The options were measured against a peer median¹. We have used comparable investment options within our peer group with asset allocation to growth assets between 91% to 100% and established benchmarks.

The GrowthX investment option, where the majority of our members are invested, has delivered strong performance for members over the last three years.

The below graph shows the investment performance return comparison, which reveals the following findings:

- The GrowthX investment option delivered a return of 14.06% for the year and a return of 13.94% pa over a three-year period. This was the top performing fund over a three-year period in the SuperRatings survey for Growth and High Growth investment options, outperforming the median return of 5.95% within the peer group.
- The Global Index investment option also delivered a positive return, exceeding the median return of the peer group by delivering a one-year return of 2.67% (a three-year return is not available).



Past performance is not a guide to, or reliable indicator of, future performance.

¹ Peer Group - (Industry Public offer, Industry – Personal, Master Trust – Corporate and Master Trust – Personal as classified by SuperRatings).

Level of investment risk

As a choice product, Spaceship offers two growth investment options. Spaceship generally attracts younger members (under the age of 40) who are seeking growth options. The investment options offer appropriate levels of investment risk for our core cohort; overall, the level 6 investment risk based on the Standard Risk Measure (4 to less than 6 estimated number of negative annual returns over any 20-year period) is intended to be suitable for members who are comfortable accepting short-term volatility in order to achieve higher expected returns.

We believe that the investment strategy, level of risk, and return target is appropriate for our member cohort.

Fees and costs

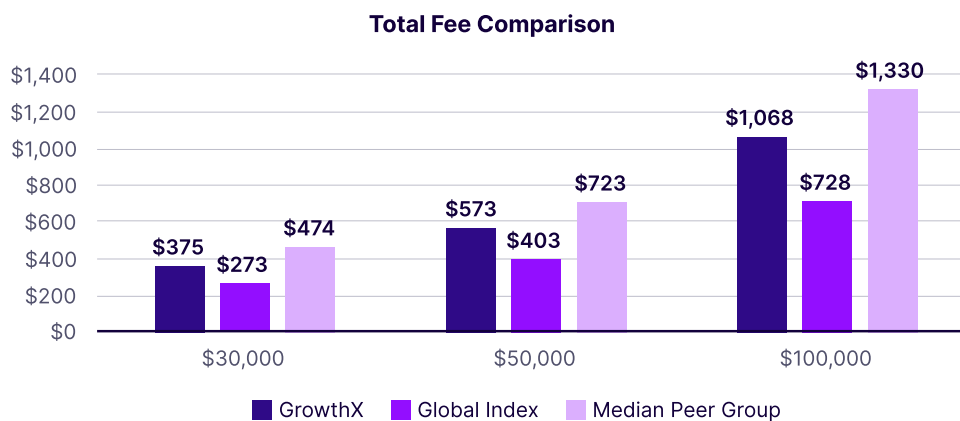
Our aim is to maintain an adequate fee structure to ensure that member services can be appropriately delivered.

Our two investment options have different fee levels. Members were charged a mix of a flat fee of \$78 pa, plus a percentage fee of 0.99% pa for the GrowthX option (including investment fee) or a percentage fee of 0.65% pa for the Global Index option, as at 30 June 2020.

A combination of flat fee and percentage fee was deemed appropriate due to the fact that Spaceship has a wide range of account balances and the median balance has continuously increased (from \$19,000 in June 2017 to \$33,000 as at 30 June 2020). The fixed administration fee ensures that higher accounts are not eroded. The variable fee component helps ensure low balance members are not disadvantaged.

In order to better understand the impact of our fee structure on an individual member's account, we conducted testing of members' fees charged per annum, using the fee structure in place on 30 June 2020 for both investment options, based on members with balances of \$30,000, \$50,000, and \$100,000. Spaceship Super's average balance was \$54,000 and the median balance was \$33,000 as at 30 June 2020.

The below graph shows a total fee comparison of all investment options available in the peer group². The graph shows that our fees are competitive, and both investment options are less expensive than the comparative median.



² Peer Group - (Industry Public offer, Industry – Personal, Master Trust – Corporate and Master Trust – Personal as classified by SuperRatings including comparable investment options such as High Growth (91-100)).

On 18 December 2020, we introduced the following fee changes.

For the **GrowthX** investment option:

- The investment fee reduced from 0.195% pa to 0.193% pa.
- The administration fee reduced from 0.795% pa to 0.723% pa.

As a result of these changes, the cost of the GrowthX option — the total amount a member would be charged in a calendar year if their balance was \$50,000 — decreased from \$573 to \$536.

Additionally, we reduced the buy/sell spread from 0.246% / 0.247% to 0.198% / 0.199%.

For the **Global Index** investment option:

- The administration fee reduced from 0.65% pa to 0.58% pa.

As a result of this change, the cost of the Global Index option — the total amount a member would be charged in a calendar year if their balance was \$50,000 — went from \$403 to \$368.

We have further measured our costs by calculating the operating expense ratio of the Fund against all superannuation funds using the publicly available statistics issued by APRA (Australian Prudential Regulation Authority). The results reveal that Spaceship's operating expense ratio is 0.91%. This is above the median of 0.60% for retail funds. We will continue to review the operations of the Fund to find efficiencies and improve members outcomes as the Fund grows.

Taking this into consideration, on balance, we have determined that we have promoted the financial interests of our members and our fees remain appropriate.

Member services and product options

We launched our product in 2017, and as at 30 June 2020, we had more than 5,500 active members with approximately \$300 million under management. Our objective is to educate our members about super and personal finances. We have been actively engaging with our members by providing a range of services during the year and implementing a number of improvements.

The improvements made and new services offered in the 2020 financial year include:

- Building the functionality for Spaceship Voyager customers to link their Spaceship Super accounts — and see when, where and how their super is invested — within the Spaceship app;
- Supporting our members who needed to access their super through the COVID-19 early release program; and
- Launching a new website, making it easier for members to find out information about Spaceship Super and read our educational content.

Since 30 June 2020 we have moved from weekly to daily unit pricing (on 18 December 2020). This change means members will have more up-to-date information on their account balance.

Spaceship grew its funds under management over the year, increasing its net assets by more than \$40 million. We also experienced a low net members' benefits outflow ratio (i.e. more money came into the Fund via benefit flows-in and inward rollovers than money went out of the Fund via benefit flows-out and outward rollovers) in comparison to the industry. The industry ratio was 351% as per the publicly available statistics issued by Australian Prudential Regulation Authority (APRA) and for Spaceship Super it was 83%, improving our sustainability and scale.


In December 2020, Spaceship members were transferred as part of the larger fund – Tidswell Master Superannuation Plan to a new trustee, Diversa Trustees Limited. The intention is that Spaceship will benefit from the greater scale of the Diversa business.

We believe that we met our objective to provide products that are valued by our members, and this is also reflected by our NPS score of 63 (measured between -100 and 100) as at November 2020.

Considering the product benefits and improvements we implemented during the year, we have assessed that we have promoted the financial interest of our members and we believe we have met our objective to provide products, services, and facilities that add value to members, and are commensurate to the fees paid.

Insurance

Spaceship does not currently offer insurance. However, as Spaceship Super grows, we will consider an insurance offering for our members. As our members have no insurance, assessment of whether there is inappropriate erosion of members' retirement income due to the impact of insurance premiums is not applicable.

 1300 049 532

 help@spaceship.com.au

 www.spaceship.com.au

 Live chat