Equity Trustees

AIA Insurance Super Scheme No 2
MEMBER OUTCOMES ASSESSMENT

INTRODUCTION

In this report, Equity Trustees Superannuation Limited publishes the results of our annual assessment of how well the AIA Insurance Super Scheme No 2 product (the **product**) issued from Smart Future Trust (the **fund**) provides member outcomes and promotes members' financial interests. The assessment is based on information as at 30 June 2025.

METHODOLOGY AND STRUCTURE

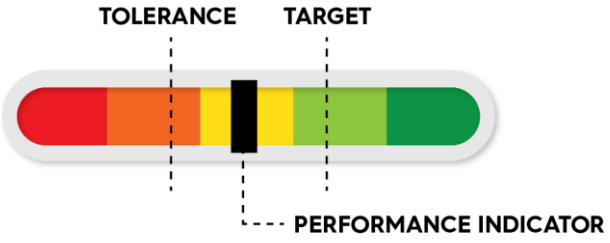
In conducting this assessment, we compared the product to other choice superannuation products included in statistical data published by the Australian Prudential Regulation Authority (**comparable products**) using the criteria in Part 6 of the *Superannuation Industry (Supervision) Act 1993* and Prudential Standard SPS 515 *Strategic Planning and Member Outcomes*.

This report includes:

- our overall assessment of whether the product provides optimal member outcomes and promotes their financial interests;
- a dashboard that depicts our assessment of the product's market-relative performance for each outcome we aim to provide members;
- a table summarising the key metrics that we relied on when making this assessment; and
- our commentary on this performance that includes action items to improve suboptimal performance.

For each member outcome, the dashboard presents the relevant segment of market performance. The width of each segment is based on the range of market performance for each outcome and is specific to each outcome. The positioning of the black performance indicator bar against the colour coding is our assessment of how well the outcome has been delivered. The colour coding gives a visual representation of performance that moves from neutral (yellow) through orange to least tolerance (red), and in the opposite direction from yellow to the target (or green) area of the dashboard. The assessment of each member outcome is based on several equally-weighted metrics. Accordingly, if one metric is outside our tolerance level it doesn't automatically mean the entire member outcome is outside our tolerance level.

Example dashboard for illustrative purposes only



The target is generally the average position of the comparable products while the tolerance level is the trigger for us to consider any necessary actions to improve member outcomes.

Please visit our website to view a short video that provides more information about the operation of the dashboard.

OVERALL ASSESSMENT

Having carefully considered the comparisons of the product with comparable products set out in this report, including the dashboards, metrics, commentary and other relevant information available to us at the time of writing, we have concluded that as a result of the following factors the product is promoting members' financial interests:

1. the insurance premium charged for the product does not inappropriately erode members' account balances;
2. the insurance strategy for the product is appropriate;
3. the options, benefits and facilities offered in the product are appropriate for members;
4. the scale of the product and the fund does not disadvantage members; and
5. the insurer's financial strength is appropriate to ensure members' financial interests are protected.

DASHBOARD

STRATEGIC CONTEXT

Working together with the fund's promoter, AIA Australia Limited, the purpose of this product is to provide members with access to insurance cover through superannuation to be held within the fund.

The product accepts superannuation contributions and rollovers for the purposes of paying insurance premiums for the insurance cover. It does not provide superannuation account balances or investment returns to members.

The insurance cover you select under the product is provided under an insurance policy issued to the trustee as the policy owner. The insurance policy provides the insurance benefits for you as a fund member and the life insured.

The product is a choice insurance-only product.

INSURANCE CLAIM MANAGEMENT

Outcomes	Valid claims are accepted and paid in a timely manner.

Our product's performance relative to comparable products



Metrics

Ref	Metric Label	Value	Tolerance	Target
6.1	Insurer's declined claims ratio - life cover	0.00%	4.00%	3.00%
6.2	Insurer's average time to decision - life cover	1.27	2.00	1.50
6.3	Insurer's declined claims ratio - TPD cover	33.80%	20.00%	16.00%
6.4	Insurer's average time to decision - TPD cover	5.51	8.00	7.00
6.5	Insurer's declined claims ratio - IP cover	7.06%	6.75%	5.25%
6.6	Insurer's average time to decision - IP cover	1.41	2.00	1.50
6.7	Insurance-related EDR complaints	1.28	1.40	0.70

6.2, 6.4 and 6.6 The time to decision is measured in months.
6.3 – 6.4 TPD means "Total and Permanent Disablement".
6.5 – 6.6 IP means "Income Protection".
6.7 EDR means "External Dispute Resolution". This is the annual number of insurance-related complaints to the Australian Financial Complaints Authority per 10,000 member accounts.

Commentary

The performance indicator measures the acceptance of insurance claims, the timeliness of claim decision-making and the quality of the claims process against comparable products.

The performance indicator, which is within our tolerance level, is based on an equal weighting of all the metrics in the above table.

The insured benefits in this product are supported by individual insurance policies. For this suite of policies, in the year ended 30 June 2025 the insurer:

- paid 65 life insurance claims and declined 0 life insurance claims;
- paid 47 TPD insurance claims and declined 24 TPD insurance claims; and
- paid 158 IP insurance claims and declined 12 IP insurance claims.

The insurer's declined claims ratio for TPD and IP covers is outside of our tolerance **level, however** every declined claim is reviewed individually by our specialised claims team to make sure the insurer has acted fairly and reasonably, and consistently with the relevant policy terms and conditions. Based on these reviews, we are comfortable that all denied claims have been considered appropriately.

Considering all these matters, we are satisfied that valid claims are being assessed and paid in line with policy terms and conditions.

MEMBER SERVICES

Outcomes	Administration services satisfy member expectations.

Our product's performance relative to comparable products



Metrics

Ref	Metric Label	Value	Tolerance	Target
8.1	Administration-related EDR complaints	1.95	3.50	1.50
8.2	Service Level Achievement	88.54%	80.00%	95.00%
8.3	Information security controls	Effective	Partially Effective	Effective
8.4	Retirement education services	Partially Effective	Partially Effective	Effective

8.1 EDR means "External Dispute Resolution". This is the annual number of administration-related complaints to the Australian Financial Complaints Authority per 10,000 member accounts.
8.2 Service level achievement measures the portion of new member, contribution and benefit payment transactions that were processed within our service level.
8.4 This is our view of the effectiveness of the Administrator's information and cyber security controls based on an independent review completed during the year.
8.5 The metric rates how effective the retirement guidance and tools are in helping members plan for retirement.

Commentary

The performance indicator measures the delivery of administration services against our service levels and the cost of similar services in comparable products.

The performance indicator, which is within our tolerance level, is based on an equal weighting of the above metrics.

Administration related complaints, service level achievement and information security controls were within our tolerance and target level.

Retirement education services for the fund were assessed as partially effective, indicating that some initiatives are in place in the fund to support members in understanding their retirement needs and the fund's Retirement Income Strategy. Noting the product is to provide members with access to insurance cover through superannuation and this metric is secondary to that requirement, we are comfortable that the services are adequate.

As a result of these assessments, we are comfortable that administration services generally satisfy member expectations. Therefore, we consider the options, benefits and facilities offered in the product to be appropriate for members.

SCALE

Outcomes	The fund is likely to deliver optimal outcomes in the future.

The scale of the fund relative to comparable products



Metrics

Ref	Metric Label	Value	Tolerance	Target
9.1	RSE adjusted total accounts growth rate	3.75%	-5.00%	3.00%
9.2	RSE Net Cash Flow Ratio	-3.38%	-6.00%	4.00%
9.3	RSE Net Rollover Ratio	-1.05%	-9.00%	-1.00%

9.1 The RSE adjusted total accounts growth rate is the average annual percentage change in member accounts averaged over the three year period, excluding successor fund transfers (SFTs) and account consolidations.
9.2 The RSE Net Cash Flow Ratio is members' benefits flows in less members' benefits flows out as a percentage of cash flow adjusted net assets averaged over the three year period, excluding SFTs.
9.3 The RSE Net Rollover Ratio is rollovers in less rollovers out as a percentage of cash flow adjusted net assets averaged over the three year period, excluding SFTs.

Commentary

The performance indicator measures the fund's growth and ability to deliver scale benefits to members against other funds.

The performance indicator, which was within our tolerance level is based on an equal weighting of the above metrics. No action is required as a result of this assessment.

Therefore, we are comfortable that the scale of the product and the fund does not disadvantage members.

LIQUIDITY

Outcomes	Benefit and rollover requests can be met in a timely manner from insurance policies.

Our product's performance relative to comparable products



Metrics

Ref	Metric Label	Value	Tolerance	Target
10.1	Insurer financial strength rating	AA	BBB	AA

Commentary

The performance indicator measures the fund's ability to meet benefit requests in a timely manner.

We regularly monitor whether the insurance policies would be able to meet cash requirements in extreme situations.

Based on our analysis, we consider that benefits are supported by an insurer with a strong capacity to meet its financial commitments.

As a result, we are comfortable that the level of liquidity risk for the product is acceptable.

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