


# Vision Super Update

## FinPro - Professional Development Seminar

9 October 2014



Sean Ellis, Head of Growth  
Noelle Kelleher, CFO

# Agenda

- ✓ The year just gone – financial year 2013/14
- ✓ Client Servicing
- ✓ SuperStream – what do you need to know?
- ✓ Defined Benefit funding update

# The year just gone – financial year 2013/14



## 2013/14 – A year of change

- ✓ New prudential standards from the regulator
- ✓ Stronger Super – SuperStream & MySuper
- ✓ Organisational change to the senior management team
  - New CEO – Stephen Rowe
  - CIO – Michael Wyrsh
  - Head of Growth – Sean Ellis
  - Client service team expanded
    - Shareen Han – key relationship contact for FinPro

# Key outcomes for the 2013/14 year

- ✓ SuperRatings - Platinum rating for the 9<sup>th</sup> year in a row
- ✓ 2013/14 Investment performance
  - Default Balanced Growth – 13.72%
    - Ranked number 5 out of the 47 funds rated
  - Balanced Option – 11.66%
    - Ranked at number 3 out of 71 funds rated
- ✓ Data quality – ranked in the top 3 for 3 years running
- ✓ MySuper authorisation and commencement
- ✓ SuperStream
  - ATO pilot group (contributions)
  - First to send contributions under the new standards

## Key outcomes for the 2013/14 year

- ✓ Major cost-down project commenced
  - Material service providers
  - Fund managers
  - Savings from the 2013/14 year  $\approx$  \$5m+pa
  - Significant basis point savings ( $\approx$  10bp)
- ✓ Investment philosophy/beliefs
- ✓ Moved buildings
  - Level 15, 360 Collins St, Melbourne
  - Cheaper & greener
- ✓ Independent director search (and appointment)

# Client Servicing

A dedicated team of superannuation specialists to assist you with all your superannuation queries.



# SuperStream

- ✓ Legislative requirement
- ✓ Vision Super provides full solution
- ✓ First ATO cross certified





# Defined Benefit Funding Update



# Defined Benefit Funding Update

- ✓ 30 June 2014 actuarial investigation (triennial) in progress
- ✓ APRA's SPS 160 requirements
  - Significant change in APRA's funding requirements
  - Funding calls have to be made if certain trigger points reached
    - Generally if VBI < 97%
    - During an actuarial review/investigation if VBI < 100%
- ✓ Vested benefit index (VBI)
  - Quarterly estimates – September, December, March
  - Actual annual – June

[www.visionsuper.com.au/db](http://www.visionsuper.com.au/db)

# Defined Benefit Funding Update

Quarter ended	VBI
<b>30 June 2012</b>	<b>94.4%</b>
<b>30 June 2013</b>	<b>100.7%</b>
30 September 2013	103.1%
31 December 2013	105.1%
31 March 2014	104.6%
<b>30 June 2014*</b>	<b>103.4%</b>

\* Actuarial investigation is still underway. Funding call could be made if the VBI falls below 100% prior to the actuarial report being signed. Current market volatility is being closely monitored.

Key actuarial assumptions	As at 30 June 2014
Net investment returns	7.5% pa
Salary inflation	4.25% pa
Price inflation	2.75% pa

# Defined Benefit Funding Update

## ✓ What you can do to help us

- Keep employee data up-to-date
  - eg. Salaries, employment status (eg. casual to non-casual)
- Where are you in your budgeting cycles?
- Impact of salary increases on DB funding obligations

## ✓ What we are doing

- Continuing to investigate investment strategies to reduce investment volatility
  - eg. Asset allocation mix, tail-risk hedging
  - Trade-off – timing/cost of the protection/benefits (if any)
    - lower the returns => funding calls are likely to be more frequent

