Australian Expatriate Superannuation Fund (AESF)

Member Outcomes Assessment

For the year ended 30 June 2025

25 February 2026

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Introduction

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Introduction

What is the Member Outcomes Assessment?

This document will focus on the key outcomes found within the assessment in relation to the Australian Expatriate Superannuation Fund ('AESF'). It analyses how AESF's products compare to similar products and whether these products are serving the financial interests of members. The document will present the final conclusions and summary, before going into detail on steps 1 and 2 of the assessment.

All data is reported in accordance with APRA requirements. This assessment was undertaken in February 2026 and is relevant for the financial year ended 30 June 2025.

Approach for this assessment

Step 1: Measure and compare products

1. RETURN COMPARISON	2. PERFORMANCE TEST	3. FEE COMPARISON	4. RISK COMPARISON
A comparison of investment returns	*Measures performance against APRA benchmarks*	*A comparison of fees and costs*	*A comparison of asset allocations and risk targets*

Step 2: Assess product appropriateness

Assessment of product appropriateness against key factors that can affect superannuation

Section 52 (11)*
1. Options, benefits and facilities
2. Investment strategy
3. Insurance strategy and fees

SPS 515^
4. Scale
5. Operating costs
6. Basis for setting fees

Step 3: Publish determination

A publication with a determination for each product is required to assess whether the financial interests of the beneficiaries who hold the product are being promoted.

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** Section 52 of Superannuation Industry (Supervision) Act 1993*
^ Prudential Standard SPS 515 Strategic Planning and Member Outcomes

Executive Summary

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Product determination

Diversa Trustees Limited (the Trustee) has determined that it is promoting the financial interests of the AESF beneficiaries of its **Accumulation product** and that of its **Pension product** on the basis that:

- AESF is unique, being Australia's only public offer retail superannuation fund that is listed with the HMRC ROPS list in the UK as a Qualifying Recognised Overseas Pension Scheme (QROPS), allowing expats to transfer their UK Pension to Australia;
- For fees and costs, whilst administration fees for AESF at a product level are generally higher than the industry peer fund median, this reflects AESF's platform fee structure and the unique nature of AESF (with the added administrative complexity of expatriate pension fund holders);
- The vast majority of AESF investment options outperformed the industry median over all measured time periods (i.e. 1, 5 and 10 years);
- Although AESF's operating expense ratio was higher than the industry median in FY25, the Trustee notes that the operating costs for AESF are reasonable given the added administrative complexity of a QROPS fund and the unique services offered to AESF members; and
- A majority of the objective assessment factors, being AESF's options, benefits and facilities, investment strategy, insurance strategy and insurance fees, operating costs, scale and the basis for setting fees, are considered appropriate for AESF's members and do not inappropriately erode their retirement balances.

AESF Overview

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Overview

Australian Expatriate Super Fund (AESF) is Australia's only public offer retail superannuation fund that is listed as a Qualifying Recognised Overseas Pension Superannuation (QROPS) Fund on the HMRC ROPS list, offering a seamless transfer process for members with a UK pension.

AESF has a dedicated team of retirement specialists that provide expert guidance through every step of the journey supporting members to transfer their UK pension to Australia.

The following types of products are available within AESF:

- Personal Super (Accumulation, Transition to Retirement and Pension), and
- Super – QROPS (Accumulation, Transition to Retirement and Pension).

Investments in these products are managed through a cash hub, which enables access to a wide range of investment options including cash and foreign exchange currency, managed funds, exchange traded funds in Australian and UK domiciles, and commodities investments.

For the purposes of this member outcomes assessment, the analysis is focused on the 10 AESF investment options with the highest concentration of invested assets at 30 June 2025, having at least 5-years of return data available.

Comparative Assessment

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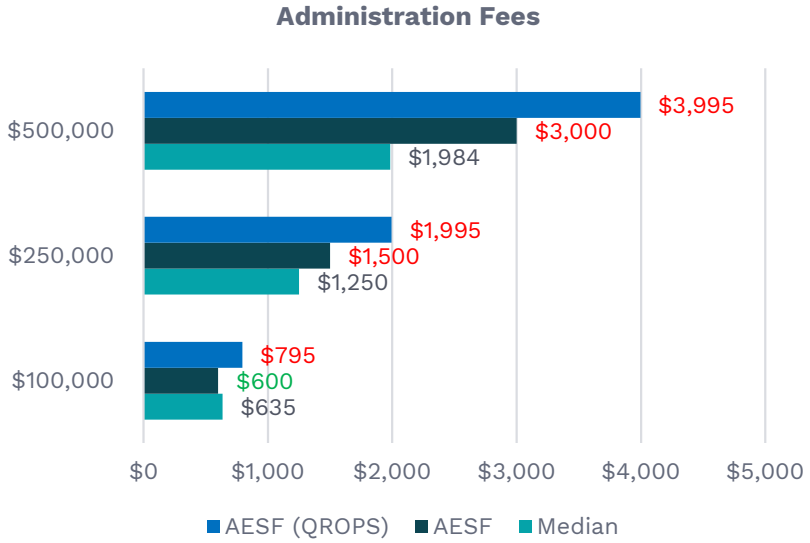
Fees and costs comparison: Accumulation and Pension

For the purposes of this assessment only AESF's administration fees (excluding working cash*) are compared to industry peer group median^ administration fees. Investment management fees have not been assessed as these are charged by individual investment managers and deducted from investment returns. Investment management fees vary by the option selected and are not comparable to benchmarks based on pooled investment structures.



- At 30 June 2025, the average member account balance in AESF was approximately $256,330.
- For AESF QROPS members, administration fees are generally higher than industry peer group median reflecting the unique nature of the QROPS product offer and services.
- For AESF personal members, administration fees are also generally higher than the industry peer group median, reflecting that members can hold multi-currency investments which is also a unique feature of the AESF product.

When considering the above, including the unique nature of the product and services offered to AESF members, the Trustee has determined it is promoting the financial interests of the beneficiaries of AESF in respect to fees and costs.

** Working cash is excluded as treatment of these fees vary considerably across the industry peer group. Whilst some peers charge administration fees, others deduct a fee from the interest crediting rate which makes like-for-like comparison difficult across the industry.*
^ Industry peer median is derived from approximately 20 similar superannuation platform products. Administration fees are inclusive of any expense recovery fees and/or costs associated with operational risk financial requirement reserves.

Investment return comparison: Accumulation and Pension

Investment returns* for AESF have been compared to the median investment returns achieved across the industry. The charts provided on page 12 illustrate how AESF's investment returns compare to the industry peer group for each investment option over 1, 5 and 10 years.

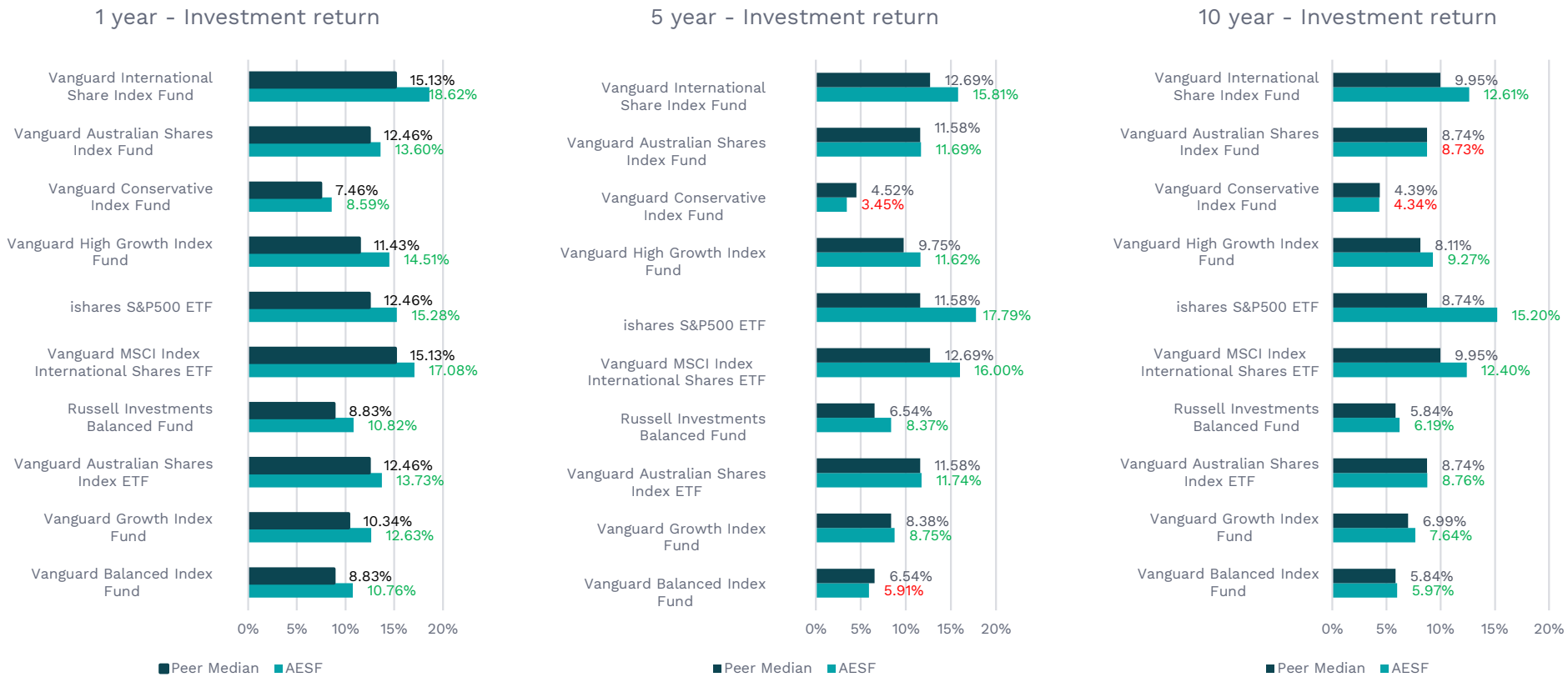
The medians applied in the comparisons are based on pooled investment options, with the relevant peer fund median selected based on the closest corresponding asset class to the relevant AESF investment option. Although not a perfect comparison, these medians represent a suitable proxy for assessing the performance of AESF's underlying investment options.

In summary, the analysis shows that the vast majority of AESF investment options outperformed the industry median over 1, 5 and 10 years.

When considering the above, the Trustee has determined it is promoting the financial interests of the beneficiaries of AESF.

** Source: SuperRatings Fund Crediting Survey – 30 June 2025 based on the closest corresponding asset class to the relevant AESF investment option.*

Investment return comparison: Personal Super Accumulation and Pension



Source: SuperRatings Fund Crediting Survey – 30 June 2025 based on the closest corresponding asset class to the relevant AESF investment option.

Investment risk

The Trustee acknowledges and understands that the level of risk taken to achieve target returns is important and that each asset class performs differently and carries different risks.

The level of risk and exposure to various asset classes and investments is determined by the individual needs of each member in joint responsibility with their financial adviser.

The trustee has governance processes that include the setting of investment limits for funds and conducts market risk stress testing (in accordance with APRA Prudential Standard SPS530) for all investments on an annual basis.

When considering the above, the Trustee has determined it is promoting the financial interests of the beneficiaries of AESF in respect to investment risk.

Product Appropriateness Assessment

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Options, benefits and facilities

AESF offers a range of products and services that helps members engage with their superannuation to optimise retirement outcomes. Whether a member is in the accumulation phase, transition to retirement phase, or pension phase, AESF has a solution to cater for a variety of member needs.

Given the complexity of the investment needs of members transferring pension schemes across global regions, AESF has a dedicated team of retirement specialists that provide expert guidance to assist with the complexities that may arise through each step of the transfer processes.

AESF's services include:

- Providing QROPS expertise and pension transfer services to members who want to transfer their pension money from the UK to Australia. The AESF member support team have extensive knowledge of the UK pension and Australian superannuation industries which enables them to appropriately manage the superannuation and pension requirements associated with the different jurisdictions.

- Offering investment options in multi-currency including cash investment options in GBP. This provides members with added flexibility to take advantage of the best available currency rates at the point of investing.

When considering the above, the Trustee has determined that the options, benefits and facilities offered under the product are appropriate for members.

Investment strategy

The Trustee's investment strategy is designed to:

- Offer a range of different investment options by return potential, risk profile and style to suit individual member needs,
- Promote diversification,
- Achieve competitive investment returns for members, commensurate with risk.

Many of AESF's members' investment portfolios have been designed by the member in consultation with a financial adviser, who selects investments to include in the portfolio from a Trustee approved product list. This enables tailoring of investments to suit individual member circumstances and needs, including investment objectives, goals, time horizons and risk tolerance levels.

Members may choose to access a range of managed and exchange-traded funds from a selected list of investment managers. They may also choose to invest in international shares, Australian shares, international fixed income, Australian fixed income, property, infrastructure, cash and commodities. Investments may also be accessed in two domiciles, being the UK and Australia. There are also currency and hedging mechanisms available that enable investing across multiple domiciles, which is an important consideration when transferring UK pensions to the Australian superannuation system.

When considering the above, the Trustee has determined it is promoting the financial interests of the beneficiaries of AESF in respect to investment strategy.

Insurance strategy and insurance fees

The older demographic profile of the AESF membership is considered higher risk by insurers. This causes the cost of insurance that may be provided through the fund to be extremely high. High insurance premiums create affordability issues for members and are likely to cause undue erosion of member retirement account balances. For this reason, there is no insurance available to new AESF members.

When considering the above, the Trustee has determined that that the insurance strategy for the product is appropriate for AESF's members.

Scale

At 30 June 2025, AESF had 2,267 members with approximately $581 million in funds under management (FUM).

A summary of key growth metrics for AESF in the year ended 30 June 2025 is provided below.

- FUM increased by 58.52%, compared to the industry median increase of 12.02%.
- Number of member accounts increased by 43.39%, compared to the industry average increase of 1.52%.
- Total net members' benefits flows were $178.6m (positive), compared to the industry median of $88.3m (positive).
- Net cashflow ratio of 40.11% (positive), compared to the industry median of 1.74% (positive).

The growth metrics above illustrate that the scale of AESF is increasing, with stronger than industry peer growth in all key growth metrics occurring in the year ended 30 June 2025. As the fund continues to grow, further scale benefits will become available to AESF members.

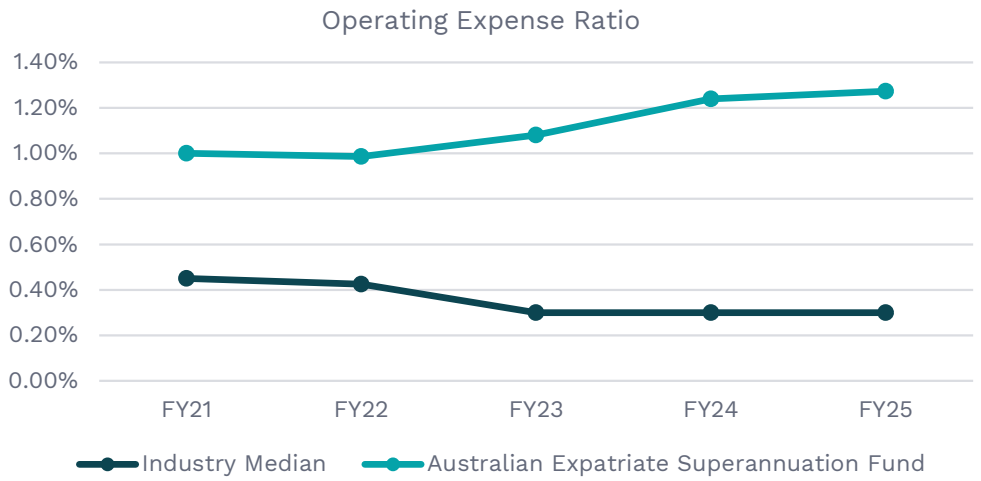
When considering the above, it is concluded that members are not currently disadvantaged due to the scale of, and within, the Trustee's business operations.

Operating costs

AESF's operating expense ratio has been compared to the median operating expense ratio achieved across the industry (as reported by APRA). The chart below shows the trend in AESF's operating expense ratio between 2021 and 2025.

AESF's operating expense ratio increased slightly (from 1.24% to 1.27%) in the year ended 30 June 2025 and remains higher relative to the industry median (0.30%). Being a QROPS fund, AESF provides unique services to members. It is therefore reasonable that operating costs for AESF are considerably higher than the industry median.

When considering the above, the Trustee has determined that the operating expense ratio does not inappropriately erode member retirement balances.



Basis for setting fees

When setting fees, the Trustee considers a range of factors including but not limited to the following:

- Costs associated with administering the fund,
- Types and amounts of fees charged by competitors, and
- Potential erosion of member retirement account balances that may be caused by the charging of fees.

Members of AESF incur administration fees and investment fees.

- The administration fee is a fixed percentage asset-based fee which is determined by the type of account a member has (i.e. Personal or QROPS) and whether investments are held in Australian currency or an international currency.
- Investment fees vary depending on the selected investment options.

Administration fees are charged to members monthly and investment fees are factored into the unit price. This ensures that the cost of maintaining a superannuation account is smoothed over the course of a year rather than members incurring a large impact to their balance at once. This approach helps to ensure that retirement balances are not eroded.

The basis for setting fees is considered appropriate for AESF's members and does not inappropriately erode their retirement balances.

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