



# IOOF

22 December 2020

## Investment update

### Updated information to the IOOF investment guide (dated 30 November 2019)

- **IOOF Portfolio Service (closed to new members)**
- **IOOF Portfolio Service Wholesale (closed to new members)**
- **Bendigo Financial Solutions (closed to new members)**
- **Financial Partnership Portfolio Service (closed to new members)**

### The following changes apply from 22 December 2020.

- 'Investment categories and typical investors' section added.
- Easy Choice, Investor Choice and Direct Share Choice tables updated.

### Investment categories and typical investors

IIML as Trustee for the IOOF Portfolio Service Super Fund (Fund) has determined that the investment strategy for the Fund is to provide diversified Investment Menus where adequate returns can be delivered for members over the long-term without exposing their investment to unreasonable risk.

The Fund offers a multitude of investment options categorised into 17 Investment Strategies. Each investment category is described in terms of its investment objective, investment strategy, level of risk and asset allocation.

### Asset allocations for each of the 17 categories

Investment Strategy	Asset Mix
Diversified Growth	70% to 100% growth assets and 0% to 30% defensive assets
Diversified Balanced	40% to 70% growth assets and 30% to 60% defensive assets
Diversified Conservative	0% to 40% growth assets and 60% to 100% defensive assets
Australian Share Funds <sup>1</sup>	90% to 100% Australian Shares and 0% to 10% cash
Global Share Funds <sup>2</sup>	90% to 100% Global Shares and 0% to 10% cash
Property <sup>3</sup>	90% to 100% Property and 0% to 10% cash
Global Infrastructure	90% to 100% Global Infrastructure and 0% to 10% cash
Alternatives <sup>4</sup>	90% to 100% Alternative Investments and 0% to 10% cash
Commodities	90% to 100% Commodities and 0% to 10% cash
Australian Fixed Interest Funds <sup>5</sup>	90% to 100% Australian Fixed Interest and 0% to 10% cash

Investment Strategy	Asset Mix
International Fixed Interest Funds <sup>6</sup>	90% to 100% International Fixed Interest and 0% to 10% cash
Cash Funds	100% Cash
Listed Investments – International Shares	90% to 100% International Shares and 0% to 10% cash
Listed Investments – Australian Shares	90% to 100% Australian Shares and 0% to 10% cash
Listed Investments – Australian Property Trusts	90% to 100% Australian Property and 0% to 10% cash
Listed Investments – High Yield Investments	25% to 75% Australian Fixed Interest and 25% to 75% International Fixed Interest
Exchange Traded Funds	As per the underlying strategy or product

1 Includes large, mid and small caps

2 Includes large unhedged and large hedged global shares, small caps and regional shares

3 Includes both Australian and global property exposures

4 Includes hedge funds, private equity, managed futures, multi asset funds

5 Includes Australian Government, semi Government, corporate, inflation-linked, mortgage securities and high yielding securities

6 Includes foreign Government, semi Government, corporate, inflation-linked, mortgage securities and high-yielding securities.

## Easy Choice

Investment Strategy*	Investment Objective	Underlying Investments	Usually held for a minimum of:	Risk Band	Risk Label	Est. negative annual returns over 20yrs
<b>Diversified Growth Funds</b>	To provide a diverse range of multi asset growth orientated investment options that offer varied strategies aiming to achieve capital growth (in a risk adjusted manner) through the investment cycles. This can be delivered through a well-diversified portfolio of growth assets with higher expected volatility	A mixture of cash, fixed interest, shares and property. Shares and property securities will generally represent more than three quarters of the portfolio.	Long Term 7+ Years	6	High	4 to less than 6
<b>Diversified Balanced Funds</b>	To provide a diverse range of multi asset balanced orientated investment options that offer varied strategies aiming to achieve above inflation rate growth (in a risk adjusted manner) through the investment cycles. This can be delivered by investing in a balanced exposure across growth and defensive assets.	Broadly an equal spread between growth assets such as shares and property securities and defensive assets such as cash and bonds.	Medium Term 5+ Years	5-6	Medium – High	3 to less than 6
<b>Diversified Conservative Funds</b>	To provide a diverse range of multi-asset defensive orientated investment options that offer varied strategies aiming to achieve relatively stable returns (in a risk adjusted manner) through the investment cycles. This can be delivered by investing in a range of growth and income assets, while providing lower volatility and capital protection through a high weighting to defensive assets.	A range of cash, fixed interest securities, shares and property securities. Fixed interest securities and cash will represent at least three quarters of the portfolio.	Short-Medium Term 2+ Years	3-6	Low to High	1 to less than 6
<b>Australian Share Funds</b>	To provide a diverse range of Australian Share investment options that offer varied investment styles aiming to achieve high returns (in a risk adjusted manner) through the investment cycles by investing in a variety of Australian listed companies.	A range of shares in listed Australian companies which operate in different industries.	Long Term 7+ Years	6-7	High – Very High	4 to 6 or greater
<b>Global Share Funds</b>	To provide a diverse range of International Share investment options that offer varied investment styles aiming to achieve high returns (in a risk adjusted manner) through the investment cycles by investing in a variety of international listed companies.	A range of shares in companies listed on world stock markets.	Long Term 7+ Years	6-7	High – Very High	4 to 6 or greater

Investment Strategy*	Investment Objective	Underlying Investments	Usually held for a minimum of:	Risk Band	Risk Label	Est. negative annual returns over 20yrs
Cash funds	To provide a diverse range of cash investments aiming to achieve a high degree of stability while delivering returns that are consistent with the prevailing market cash rate (in a risk adjusted manner) through the investment cycles.	A range of short-term money market securities issued by Australian governments, banks, high quality corporate borrowers and credit union deposits.	No Minimum	2-3	Low to Medium	0.5 to less than 2
Australian fixed interest funds	To provide a diverse range of Australian fixed interest investment options that offer varied investment strategies aiming to achieve a return in excess of the cash rate (in a risk adjusted manner) through the investment cycles by investing in a variety of Australian fixed interest securities.	A range of fixed interest securities issued by Australian governments, banks, other financial institutions and corporates	Medium Term 4+ Years	3-6	Low – High	1 to less than 6
International fixed interest funds	To provide a diverse range of international fixed interest investment options that offer varied investment strategies aiming to achieve a return in excess of the cash rate (in a risk adjusted manner) through the investment cycles by investing in a variety of international fixed interest securities	A range of international fixed interest securities issued by governments, banks, other financial institutions and corporates.	Medium Term 4+ Years	4 – 6	Medium to High	2 to less than 6
Property Fund	To provide a diverse range of Australian and internationally listed property investment options that offer varied investment styles aiming to achieve moderate to high returns from growth and income (in a risk adjusted manner) through the investment cycles by investment in a variety of Australian and international property trusts.	A range of property securities listed on the Australian and international stock exchanges.	Long Term 7+ Years	6-7	High – Very High	4 to 6 or greater

## Investor Choice

Investment Strategy*	Investment Objective	Underlying Investments	Usually held for a minimum of:	Risk Band	Risk Label	Est. negative annual returns over 20yrs
<b>Diversified Growth Funds</b>	To provide a diverse range of multi asset growth orientated investment options that offer varied strategies aiming to achieve capital growth (in a risk adjusted manner) through the investment cycles. This can be delivered through a well-diversified portfolio of growth assets with higher expected volatility	A mixture of cash, fixed interest, shares and property. Shares and property securities will generally represent more than three quarters of the portfolio.	Long Term 7+ Years	6	High	4 to less than 6
<b>Diversified Balanced Funds</b>	To provide a diverse range of multi asset balanced orientated investment options that offer varied strategies aiming to achieve above inflation rate growth (in a risk adjusted manner) through the investment cycles. This can be delivered by investing in a balanced exposure across growth and defensive assets.	Broadly an equal spread between growth assets such as shares and property securities and defensive assets such as cash and bonds.	Medium Term 5+ Years	5-6	Medium – High	3 to less than 6
<b>Diversified Conservative Funds</b>	To provide a diverse range of multi-asset defensive orientated investment options that offer varied strategies aiming to achieve relatively stable returns (in a risk adjusted manner) through the investment cycles. This can be delivered by investing in a range of growth and income assets, while providing lower volatility and capital protection through a high weighting to defensive assets.	A range of cash, fixed interest securities, shares and property securities. Fixed interest securities and cash will represent at least three quarters of the portfolio.	Short-Medium Term 2+ Years	3-6	Low to High	1 to less than 6
<b>Australian Share Funds</b>	To provide a diverse range of Australian Share investment options that offer varied investment styles aiming to achieve high returns (in a risk adjusted manner) through the investment cycles by investing in a variety of Australian listed companies.	A range of shares in listed Australian companies which operate in different industries.	Long Term 7+ Years	6-7	High – Very High	4 to 6 or greater

Investment Strategy*	Investment Objective	Underlying Investments	Usually held for a minimum of:	Risk Band	Risk Label	Est. negative annual returns over 20yrs
<b>Global Share Funds</b>	To provide a diverse range of International Share investment options that offer varied investment styles aiming to achieve high returns (in a risk adjusted manner) through the investment cycles by investing in a variety of international listed companies.	A range of shares in companies listed on world stock markets.	Long Term 7+ Years	6-7	High – Very High	4 to 6 or greater
<b>Property Funds</b>	To provide a diverse range of Australian and internationally listed property investment options that offer varied investment styles aiming to achieve moderate to high returns from growth and income (in a risk adjusted manner) through the investment cycles by investment in a variety of Australian and international property trusts.	A range of property securities listed on the Australian and international stock exchanges.	Long Term 7+ Years	6-7	High – Very High	4 to 6 or greater
<b>Global Infrastructure funds</b>	To provide a diverse range of global listed infrastructure investment options that offer varied investment strategies aiming to achieve moderate to high returns with lower correlation to traditional assets (in a risk adjusted manner) through the investment cycles. This can be delivered by investing in a wide range of global listed infrastructure strategies.	A range of infrastructure securities listed on Australian and international stock exchanges.	Long Term 7+ Years	6-7	High – Very High	4 to 6 or greater
<b>Alternatives funds</b>	To provide a diverse range of alternative investment options that offer varied investment strategies aiming to achieve moderate absolute returns with lower correlation to traditional assets (in a risk adjusted manner) through the investment cycles. This can be delivered by investing in a wide range of alternative investment strategies.	All asset classes may be utilised, including derivatives. Internal leverage may also be incorporated in some funds.	Medium Term 5+ Years	4-7	Medium – Very High	2 to 6 or greater

Investment Strategy*	Investment Objective	Underlying Investments	Usually held for a minimum of:	Risk Band	Risk Label	Est. negative annual returns over 20yrs
Cash funds	To provide a diverse range of cash investments aiming to achieve a high degree of stability while delivering returns that are consistent with the prevailing market cash rate (in a risk adjusted manner) through the investment cycles.	A range of short-term money market securities issued by Australian governments, banks, high quality corporate borrowers and credit union deposits.	No Minimum	2-3	Low to Medium	0.5 to less than 2
Commodities	To provide a diverse range of commodities investment options that offer varied investment strategies aiming to achieve moderate absolute returns with lower correlation to traditional asset classes (in a risk adjusted manner) through the investment cycles.	A range of derivatives based on raw materials such as wheat, cattle, oil and natural gas, gold, silver, sugar, cotton, cocoa and coffee.	Long Term 7+ Years	7	Very High	6 or greater
Australian fixed interest funds	To provide a diverse range of Australian fixed interest investment options that offer varied investment strategies aiming to achieve a return in excess of the cash rate (in a risk adjusted manner) through the investment cycles by investing in a variety of Australian fixed interest securities.	A range of fixed interest securities issued by Australian governments, banks, other financial institutions and corporates	Medium Term 4+ Years	3-6	Low – High	1 to less than 6
International fixed interest funds	To provide a diverse range of international fixed interest investment options that offer varied investment strategies aiming to achieve a return in excess of the cash rate (in a risk adjusted manner) through the investment cycles by investing in a variety of international fixed interest securities	A range of international fixed interest securities issued by governments, banks, other financial institutions and corporates.	Medium Term 4+ Years	4 – 6	Medium to High	2 to less than 6

## Premier Investor Choice

The Premier Investor Choice investment selection consists of a suite of high-conviction, quality discretionary investment strategies across most major asset classes but with significantly lower management fees:

- **Value** – lower investment costs.
- **Brand** – household names, leading global financial institutions.
- **Quality** – performance and consistency.

The investment strategy for Premier Investor Choice is identical to Investor Choice.

## Direct Share Choice (Super and Pension only)

Direct Share Choice is not available to investors in the IOOF Portfolio Service Investment Service.

Investment Strategy	Investment Objective	Underlying Investments	Usually held for a minimum of:	Risk Band	Risk Label	Est. negative annual returns over 20yrs
Listed High yielding investments	To provide a range of listed high yielding investment options aiming to achieve a higher return than investment grade securities issued by Australian governments and banks through the investment cycles.	A range of listed debt securities issued by corporates.	Long Term 6+ Years	6	High	4 to less than 6
Listed investment companies – International Shares	To provide a diverse range of LIC options that offer varied strategies aiming to achieve high returns (in a risk adjusted manner) through the investment cycles from a variety of international listed companies.	A range of shares in companies listed on international stock markets.	Long Term 6+ Years	6-7	High – Very High	4 to 6 or greater
Listed investment companies – Australian Shares	To provide a diverse range of LIC options that offer varied strategies aiming to achieve high returns (in a risk adjusted manner) through the investment cycles from a variety of Australian listed companies.	A range of shares in listed Australian companies which operate in different industries.	Long Term 6+ Years	6-7	High – Very High	4 to 6 or greater
Listed Australian property trusts	To provide a moderate to high return over time through a variety of Australian listed property trusts.	A range of property trusts and companies listed on Australian Securities Exchange with exposures in commercial, industrial, retail and leisure property sectors.	Long Term 6+ Years	6	High	4 to less than 6
Exchange-traded funds	To provide a range of exchange-traded funds aiming to achieve returns in line with market indices through the investment cycles.	A range of pooled funds listed on the Australian Securities Exchange with exposure to different markets and assets.	Medium to Long Term 3 – 6+ Years	As per underlying pool of investments		

### \*Important note

Any reference to investment returns includes a reference to both income and capital returns. The indicative investment strategy, objectives and benchmarks may vary across the different managed investments from time to time. This includes variances in the actual asset allocation for each managed investment as compared to the target strategy benchmarks. To obtain more information on the investment strategy and benchmarks for each managed investment, please refer to the PDS for the particular managed investment.

Categories within which no investment option is currently offered have been excluded from the list above. Investment options which fall within these excluded categories may be added to the IOOF Portfolio Service Investment Menu from time to time.