

IOOF (IIML) FY25 Annual Members' Meeting - 19 February 2026 | Transcript

Danielle Press – Welcome and Fund update

Good afternoon everyone, and welcome to our Annual Members' Meeting for the 2025 financial year.

My name is Danielle Press, and I serve as the chair of IOOF Investment Management Limited, which is the trustee for IOOF Portfolio Service Superannuation Fund and AV Wrap Retirement Service.

Now before we get started, on behalf of IOOF Investment Management Limited I'd like to acknowledge the Traditional Owners of Country throughout Australia, and to pay respects to Elders past and present.

And a big thank you to all our members who have joined us, especially if this is your first time attending our Annual Members' Meeting.

Our purpose as trustee is to help members achieve the retirement they want. Part of delivering on that is sharing our progress with you, answering your questions, and taking the time to hear from you.

We really appreciate your participation, and I hope this meeting gives you a bit more insight into the work we've done in the past year.

IOOF and MLC Expand are part of the Insignia Financial group of companies, one of Australia's largest wealth managers. We are proud to be looking after the retirement savings of over two hundred and seventy thousand members. We really value everyone's input and engagement, so again a big thank you to everyone for joining us here.

Today, I'll give you an overview of what we've achieved in the past year.

And after that, I'll hand over to our Chief Investment Officer, Dan Farmer, who will take you through how markets have fared over the past year, how we've adapted our investment strategy, and how your superannuation has performed.

As with last year's meeting, Dan will be taking questions about the fund's investment strategy and performance after he's finished his presentation.

We've already received many questions ahead of today's meeting and I thank you for submitting them. If you haven't submitted a question, you can still do so on your screen.

We'll try to get through as many questions as we can during the meeting, but please don't worry, we'll publish a response on our website within a month of today's meeting.

Additionally, however, we can't answer any personal finance questions due to privacy concerns. If you have a personal question regarding your super and retirement savings, please reach out to our Contact Centre. They'll be able to direct you to the right person to help.

Let's get started.

Before we dive into the year's developments, I want to touch on a couple of topics that many of you have asked about: Retirement and Cyber Security.

Retirement is a major life milestone, and achieving a comfortable, confident retirement is something we all aspire to. The purpose of superannuation is to help Australians build financial security for life after work, so you can retire with confidence, dignity and choice. Our role is to manage your superannuation responsibly, transparently, and always in your best interests. We use our scale and expertise to deliver guidance and solutions that are easy to access, engaging and affordable, so you can feel informed, supported, and in control of your future.

Security remains a top priority for us. With cyber threats becoming more sophisticated, we have continued to invest in our Cyber Security strategy to protect your data and retirement savings. We are committed to maintaining a secure, compliant and resilient environment that evolves with the digital landscape.

We've introduced Cyber Security and Scams Awareness hubs across our websites, and enhanced login security measures like multi-factor authentication. These steps are designed to help keep your superannuation safe and give you confidence in the protections we have in place.

2025 has been an eventful year.

We saw several changes to super including the final increase to the amount your employer pays, which was lifted to 12% from the 1st July 2025. That marks the end of a cycle of changes that began in 2013.

In November, Payday Super legislation was passed. Under this law, from 1 July 2026, employers must make superannuation contributions within seven business days of paying salaries and wages.

This change means you'll receive your super sooner and more regularly, and it helps ensure everyone gets the superannuation they're entitled to receive.

It's been a challenging year for many Australian investment platforms, with the collapse of the Shield Master Fund and First Guardian Master Fund highlighting the importance of Trustee governance.

Action from the regulators is ongoing, and this is obviously distressing for those impacted, but I wanted to take the opportunity to assure you these funds were never included on our platform. We take our Trustee responsibilities to you very seriously and the affected funds would not have met our comprehensive Due Diligence criteria which demonstrates our continuous commitment to protecting members.

We've continued work to enhance and simplify our products to deliver better outcomes for you.

As part of Insignia Financial, IOOF benefits from the group's scale, giving us access to a wider range of investment opportunities, improved products and services and the ability to deliver more competitive fees.

Over the past year, we have:

- Reduced account and administration fees across MLC Expand, IOOF and Shadforth Portfolio Services products.
- Migrated MLC Wrap to MLC Expand, delivering a better experience for our members and advisers.
- Launched MLC Retirement Boost, supporting members from savings through to retirement with flexible income options.
- Introduced the Essential Plus investment menu through Expand Essential; an extended range of investment options that gives members access to Term Deposits and selected ETFs.
- Continued to focus on member support by upgrading our AI assistants and improving our communications to help keep you informed and engaged with your super.

I'm sure you're all eager to hear how your superannuation has performed. As you know, we've seen another year of healthy performance in 2025.

That's comes despite some rocky and at time turbulent market conditions throughout the year, especially with regard to US tariffs and ongoing conflicts in Europe and the Middle East.

This year's result reinforces the value of our investment strategy and demonstrates our commitment to delivering strong returns for your retirement.

If you want to get even more from your super, I'd like to remind everyone here that we have two financial advice businesses under the Insignia Financial umbrella: Bridges and Shadforth.

So, if you have questions about how best to manage your super or are thinking about retiring and want some support as you make those preparations, please get in touch via our Contact Centre.

Lastly, if you haven't nominated a binding beneficiary for your super, I'd encourage you to do that as well. Making a valid binding nomination is a really important step to help ensure your superannuation goes to the right people. To find out how to make a beneficiary nomination, visit our website or give us a call.

Thanks again for trusting us to manage your superannuation. Everything we do is focused on helping you reach your retirement goals. And now, I'd like to hand over to Dan Farmer for a performance and market update.

Dan Farmer – Investment Performance and Market Update

Hello everyone, and thanks for your time today. As Danielle mentioned, I'll be discussing what happened in markets last year, how our funds have performed, and what we're planning for the year ahead.

I'm pleased to say that we've had another strong year, and our funds have once again delivered healthy returns for members.

We achieved this result despite some challenging conditions and notable headlines. In short:

- our strategy remains sound, even in a changing global environment, and
- turbulence in markets was not as pronounced as the headlines might suggest.

To explain this in a bit more depth, I'll be speaking to you today about:

- The major economic drivers we've seen over the past 12 months
- How we've navigated those conditions
- How the fund's default options performed
- And finally, our outlook for the year ahead.

I'd also like to quickly note that I'll be speaking to fund returns for calendar year 2025, These returns are more up to date than the financial year returns to June 2025 which you may have seen in recent member statements sent to you. However, if you haven't seen our 2025 financial year numbers and would like to review them, they're available on the website.

Inflation continues to be a factor to watch in markets after spiking during the COVID period.

When it first returned, most commentators expected inflation to be 'transitory', and the underlying pressures would pass quickly once supply chains normalised.

Unfortunately, it soon became clear that higher prices weren't going away quickly.

Last year we made several observations about inflation:

- It was indeed declining,
- the rate of that decline was decelerating,
- and this slower pace of decline kept interest rates higher.

As a result, we expected inflation to further moderate over the year, but central banks would be slightly wary about inflation levels remaining a little high. This caution on inflation by Central Banks was proven correct in Australia with higher than expected CPI data for the December 2025 quarter.

That generally proved to be the case this year and was largely the trend we saw throughout 2025 with cautious cuts to cash rates from central banks as they monitored the trajectory of inflation.

One notable difference has been the impact of US tariffs on prices and the knock on that's had for inflation.

There was significant focus and media attention around this issue, particularly following President Trump's 'Liberation Day' announcement on April 2, 2025.

- The original plan was to implement a 10% base tariff rate on all countries.
- Additional individual 'reciprocal' rates were then intended to roll out from April 9.
- Markets reacted negatively to the tariffs, the rollout slowed, and deadlines were extended while individual deals were negotiated.

The reality to date has been the headline tariffs announced by the Trump administration haven't fully flowed through to the end consumers. There's been a lot of substitution and rerouting of US imports and the actual effective tariff rates have been much less than the headline rates.

Additionally, the US administration has reduced tariff rates for many countries, and businesses have absorbed some of the tariff cost.

For inflation, that meant prices haven't seen a big spike up as feared, but at the same time prices haven't come down as much as we'd like either.

That has given central banks a bit more freedom to keep cutting interest rates, and we've seen a handful of cuts from central banks around the world since then.

For equity returns this year the big driver was the rapid rise of AI.

Adoption has grown, and more and more businesses and people are now using AI tools in their day-to-day lives.

That's translated to exceptionally strong investment in AI infrastructure and meant big returns for AI and AI adjacent stocks.

For the twelve months to August 15th, just four companies accounted for 60% of stock-market gains:

- NVIDIA
- Meta/Facebook
- Microsoft
- Broadcom (another semiconductor manufacturer)

That's led to some talk of a bubble. I'll get into our view for the coming year a bit later during this session but for now I'd like to note that if you compare what's happening in the AI sector today to bubbles we've seen in the past, there are some key differences and we think some of these fears may be overstated.

If we compare the AI boom of today with the dot com rally and subsequent crash in the early 2000's – much of the run up in prices back in the dot com era was driven by speculative capital, often partially funded by debt, pouring money into companies with no underlying earnings.

These AI companies we're seeing today are in many cases backing up their share market performance with solid earnings, and notably we're expecting to see those earnings broaden out into other sectors, both in the US and here in Australia.

So, we don't see it as a clear bubble yet, but it's something we're watching very closely because valuations are clearly very high.

We still see some room for AI stocks to run but will be keeping an eye on further developments.

Last year, I commented that we were positioned relatively neutrally on shares. We subsequently moved to a small overweight position in global shares. While we didn't expect to see a repeat of 2023–24's stellar

returns, we did expect modest positive returns given earnings growth remained positive and cash rates were expected to ease.

As it turned out, that decision was a good one. Global equity markets have been strong, delivering 19.7% (currency hedged) for the calendar year and serving as a key driver of returns.

We've also seen fixed interest do reasonably well, supported by the moderation of those inflationary pressures we've been watching over the past few years

Private credit's performance has been healthy over the year. We've continued to build resilience in our private credit investments by further diversifying our holdings, moving from focusing on Australia to a larger proportion of US-based opportunities.

There's a couple of reasons why we've been doing that:

- The US is a deeper market with more opportunities to invest
- We work with some excellent international private credit managers that help us seek out good opportunities

And of course, the benefits that come from diversification.

That helped us generate a one-year gross return of 5.65% to 31 December 2025, from our fixed interest portfolio, which compares very well to fixed interest returns from other funds. It's been a strong relative performer for us this year.

We've also been expanding our unlisted infrastructure program and investing into more of what we call our 'core plus' assets.

These are high-quality infrastructure assets we expect will deliver higher returns.

As with our fixed interest portfolio, we've further diversified our infrastructure holdings too.

For members in options that include unlisted infrastructure, this means your super is invested in assets like Heathrow Airport, our most recent addition – an excellent asset we're very pleased to be invested in. It's a large, long-life, regulated infrastructure asset with strong, stable cash flows. The airport also has significant growth potential, and we expect it will contribute to the long-term performance and resilience of members' portfolios.

So with this in mind, how did our default option perform?

IOOFs Balanced Growth investment option, where the majority of our MySuper members are invested, delivered a strong return of 10.55% per annum over 3-years to 31st December 2025. This return places the IOOF Balanced Growth option in the top 10 MySuper options surveyed over this period, as reported by SuperRatings. The option also returned over 8.8% for the calendar year to 31st December 2025. These returns are net of investment management fees and tax, and before administration fees.

The investment option's performance has been largely influenced by its allocation to global share markets, which have continued to perform strongly. The strength of equity markets has been supported by lower interest rates, persistent investment in technology companies, and solid corporate earnings growth.

Alongside shares, the investment option also holds a broad range of alternative and unlisted investments, which are investments that are not traded on standard public markets. These assets help diversify risk and contribute to steady long-term returns.

By spreading investments across many different sectors and asset types, your super balance isn't dependent on a single market segment to generate performance, making it better positioned to handle periods of volatility.

So, what are we expecting for the year ahead?

Firstly, the outlook for growth remains positive.

We expect the current moderate pace for growth to continue for a little longer but anticipate a modest pick-up in 2026.

What is interesting about the current growth story is that it's likely to be a relatively 'jobless expansion' driven in part by AI efficiency gains.

The roll out of these AI solutions is expected to help improve labour productivity.

Over the next year to 18 months, we expect to see growth and spending accelerate, but potentially without a big increase in hiring.

We view this as a healthy scenario for markets: such an expansion would be strong enough to maintain earnings but is unlikely to trigger 'wage push' inflation, which is when businesses have to increase wages to attract employees and pass those wage costs on through higher prices, adding to inflation.

Looking at inflation more broadly, we're expecting price hikes to moderate as US inflation continues to track lower.

As I flagged earlier, the US tariffs have added some pressure on prices of core goods. The effective tariff rate remains at around 10%, which is much less than the 15% that a lot of people assumed.

We think that about 60% to 70% of the tariff-driven adjustment has already happened. Of course the US approach to tariff setting going forward is difficult to predict, with threats of increased tariffs being used as a lever to drive wider policy objectives of the US administration.

Against this backdrop, we think the underlying fundamentals for equities remain healthy, and returns could continue to do well.

However, we believe that valuations are high in some areas of the market where prices have become a little frothy.

We're growing a little more cautious on Australian equities at the moment.

- Much of the strength we've seen in Australian equities has been linked to big gains by a handful of heavyweight stocks including Commonwealth Bank, and Chinese demand for Australian commodities.
- That growth story has supported our equity holdings over the past year but we're less confident about how it might fair in the year ahead.

That said, we'll still continue to hold international equities, however our weightings towards certain sectors might shift somewhat

- As I mentioned earlier, we're watching AI and AI-linked stocks for signs of overextension.

These expectations are all derived from our base case expectation for the next year: that the US economy experiences a modest pickup in growth over 2026.

We put the likelihood of a recession in the US at only 15%.

There are a couple of risks to this scenario:

- If we see an escalation in trade tensions, or a significant policy misstep, we could see the likelihood of a recession increase.

- Likewise, labour market weakness could also turn into a recession, though we don't think this is very likely.

On the flipside, we could see a situation in which growth accelerates at a more rapid pace potentially putting extra upward pressure on inflation – this is another risk case we're considering.

There are also several geopolitical risks we're keeping an eye on:

- Oil price fluctuations driven by tensions in the Middle East
- Trade wars
- Bond market volatility linked to high levels of government debts
- Even the possibility – though unlikely – of an Australian recession.

Those are all downside risk cases we're watching for at present.

All in all, this has been another strong year for us, and we're pleased to have delivered strong performance for you.

Building up your retirement savings remains our number one priority, and I'd like to thank you not just for your time today while I explained what we're seeing in markets but for entrusting your savings to us.

Super is a long-term investment, and for most Australians we know it's often one of the biggest assets they'll own, and we deeply value your trust in us to manage this on your behalf.

I'd also like to take a moment to thank our investment team for their dedication and hard work this year in managing your portfolios.

Looking ahead, I'm confident in their ability to continue to deliver solid performance over the long term and to help you achieve your retirement goals.

I'll now hand you back to our Chair, Danielle Press, to host the Q&A session.

Q&A Session – Danielle Press, Dan Farmer, Liz McCarthy and Sharon Suan

Danielle: Thank you, Dan.

We'll move into a Q&A session.

Many of you have submitted questions during registration, and we've also received some during today's meeting.

Just a quick reminder that the answers provided here today are general information only and should not be seen as personal advice.

If you'd like advice on specific situations, we do encourage you to speak to your adviser or contact us directly.

Joining me today on the panel for our questions are Dan; Liz McCarthy, the CEO of MLC Expand; and Sharon Suan, our Chief Member Officer.

So, let's get started.

A strong theme of the questions this year has been cyber security, and how we're protecting personal information and retirement savings in an increasingly challenging digital environment.

Members such as Barry, Angela, Rodney, Martin and Cornelis, just to name a few, have asked about measures that we're taking to prevent hacking and to help ensure that our data and accounts are safe.

Sharon, would you like to take this one first off?

Sharon: Thanks, Danielle.

Protecting our members' information and accounts is a top priority.

We have a dedicated cyber security team, supported by 24/7 monitoring from specialist security partners.

Your data is encrypted and accounts are protected with strong login controls, including multi-factor authentication.

We use tools that detect and block suspicious activity.

We also work closely with government and industry experts to stay ahead of emerging threats.

Cyber security is a shared responsibility, so we also train our people and regularly share scam-awareness tips with members.

You can find more information on our cyber security page on the IOOF website.

Danielle: Thank you, Sharon.

Several members, including Dimi, Darryl and Paul, have asked whether, and why, multi-factor authentication isn't required every single time they log into their MLC Expand account, and what changes we've made following the recent high-profile breaches.

Sharon, can you explain why multi-factor authentication isn't required every time a member logs on, and how we are strengthening our security?

Sharon: Great question.

We use adaptive multi-factor authentication, which means each login is assessed based on risk.

If you're logging in from a new device, location, or if we detect unusual behaviour, you'll be asked to verify your identity with a code.

Behind the scenes, we continue to strengthen our controls, including enhanced monitoring, detecting leaked credentials, and taking down fake websites that mimic our brand.

Our systems are also regularly tested and aligned with the regulator's requirements, and our Board reviews our cyber security strategy each year.

Danielle: Thanks, Sharon.

Another cyber question: Lee Ann has asked what we are doing about overseas cyber threats and activity on the dark web.

How are we protecting our members from these?

Sharon: Thank you, Lee Ann, for the question.

We know cyber threats can be worrying, especially those coming from overseas or the dark web.

Your super and personal information are protected through layered security controls and round-the-clock monitoring.

We also use intelligence from government and industry sources to identify emerging threats and have clear response plans in place if anything suspicious is detected.

Danielle: Thanks, Sharon.

I think the last question we have on cyber is from Craig, who asks for a clear outline of our cyber security investments in our mobile apps and back-office systems this year, what's planned next year, and how cyber-ready this fund is.

Sharon: Over the past 12 to 18 months, we've continued to invest in strengthening security across our mobile app and core systems to safeguard our members.

This includes multi-factor authentication, improved detection of suspicious activity, 24/7 monitoring, and regular independent testing.

These investments are ongoing and aligned to the regulator's requirements, ensuring we're well prepared for both current and future cyber threats.

Danielle: Thanks, Sharon.

Retirement was our second most asked topic, and members including Antony, Luisa, Jim, Judy, Stephen and Louise have asked how much they need for retirement, for a comfortable retirement, and what support is available.

Liz, I think this one's your alley.

Liz: Good question, Danielle.

There's no single figure that defines a comfortable retirement for everyone, as it depends on your personal circumstances, your lifestyle expectations, your health, your assets.

A useful starting point, however, is the ASFA Retirement Standard, this is a benchmark you can use to guide your thinking about how much money you need in retirement.

A comfortable retirement for homeowners aged 65 to 84 is estimated at around \$54,000 per year for singles, and about \$76,000 for couples.

This equates to between \$2,000 and \$3,000 per fortnight, and it assumes you own your own home and you're in good health.

In contrast, the government age pension is subject to income and assets tests and provides a lower maximum payment of around \$1,000 for singles, and just under \$2,000 for a couple.

The age pension alone is generally lower, so many members will need additional retirement savings or income.

Our website includes tools and resources to help you estimate your needs, but you can also speak to your financial adviser, or as Danielle said earlier, give us a call.

Danielle: Thanks, Liz.

Jim, along with others, has asked how to begin retirement planning, and Jamal and Shree asked how we support members transitioning into retirement.

Liz, this one's for you as well.

Liz: A great first step is speaking with your financial adviser.

If you don't have one, you can book an appointment with us through our financial coaches at no extra cost to you.

They can provide you with general advice about retirement planning and processes, including pension eligibility, contribution and withdrawal rules, investment options, even setting you up with a pension account.

We also have resources designed to support members as they move from accumulation to retirement.

We can provide you with articles, calculators, and online education tools.

There's also a quarterly newsletter that gives you insights and guidance to make sure you get the right advice. Opt into our marketing to receive that email if you don't already. Check if you are opted in, if not, send us a message or give us a call and we can sort that out for you.

Danielle: Antony asks whether there are tools to help estimate retirement income and identify savings gaps.

Liz: Good question.

Yes, sure.

Building on my previous response, the Retirement Planner calculator is one of those tools.

It lets you estimate retirement income and see whether there are any gaps between your savings and your goals.

Once again, speak to your financial adviser.

He can help you, or she can help you out.

If you don't have a financial adviser, we've got the coaches available at no extra cost to you.

Danielle: Thank you.

Stephen has asked how the Trustee is delivering meaningful retirement solutions that reflect different lifestyles and needs.

Sharon, what are we doing to deliver the right retirement solution for our members?

Sharon: Thanks, Danielle.

Well, as Trustee, our role is to help members turn their super into reliable income that supports the lifestyle they want in retirement.

Retirement is changing fast. More Australians are retiring, they're living longer, and their income needs to last longer.

That's why we've refreshed our Retirement Income Strategy to better support our members.

We focused on three key areas:

- Better income solutions. We've introduced MLC Retirement Boost to help members enjoy higher and more stable income in retirement.
- Stronger advice support. We're launching a Retirement Advice Centre of Excellence, giving advisers better tools, training and insights to support members.
- A more personalised retirement journey. We're improving our digital experience and communications, so members receive clearer, more tailored support as you move into retirement.

So, a lot happening there.

Danielle: Thank you.

A few members have asked us about specific retirement products.

The questions have come from Jaime and Desiree and a few others.

Liz, we've recently launched MLC Retirement Boost. Can you talk us through that?

Liz: Certainly, Danielle.

But before I do, the right retirement strategy and product depend on your personal circumstances, so it's best to talk to your adviser about that.

More broadly, however, we've recently launched MLC Retirement Boost, a retirement income solution that starts as a superannuation account designed to help you build savings, while potentially increasing the age pension entitlement.

It can also transition into our retirement income stream that aims to deliver income for life.

It can offer more flexibility and income options compared to traditional super products and provides potentially a higher retirement income when combined with the age pension.

Members can explore whether this option is appropriate by speaking with their adviser or reviewing information on our website, Danielle.

Danielle: Thanks, Liz.

Andrew would like to know how we're responding to the ChantWest Epic Retirement Tick system.

Sharon?

Sharon: Absolutely. The Epic Retirement Tick is an industry-independent benchmark that can help members ask informed questions about the retirement support their fund provides across 18 key criteria.

Only a small number of super funds achieved this benchmark in its inaugural year.

By contrast, IOOF's current ratings and awards reflect third-party recognition for its products and services, including multiple Heron Partnership Quality Star Ratings and Rainmaker AAA Quality Ratings for our IOOF Employer Super products, reinforcing broader market validation of product quality and performance.

We continue to enhance our retirement tools and solutions with further retirement-specific improvements planned across 2026 and 2027.

Danielle: Thanks, Sharon.

There's another question for you.

Craig has asked about our retirement policy and industry developments.

Sharon: Thanks for the question, Craig.

In late 2025, APRA and ASIC highlighted the need for trustees to continue strengthening retirement income strategies.

We're responding through ongoing enhancements to our retirement tools, options and digital experiences, with more planned over the next two years.

Danielle: Thank you.

Liz, we've had a few questions from members, including Scott and Jennifer, about fees and how they compare with other funds, particularly lower-cost industry funds.

Can you take us through that?

Liz: Sure. We regularly review administration fees to ensure they're market-competitive and that members continue to receive good value for money.

It's important to note that the administration fees need to be set at a level that supports our ongoing compliance, our day-to-day operations of the fund, and investments in things like technology and cyber security that Sharon mentioned earlier.

Danielle: Thanks, Liz.

Another question about fees and relative to returns, Dan, I think this one's for you, from Kim.

Can you comment on that, plus transparency and control?

Dan: Yes, I can, and thanks, Kim, for the question.

I think it's important to remember that MLC Expand is a separately managed investment platform and not a pooled fund.

And that really means a few things:

First, members, with their advisers, build their own portfolio from a wide range of options.

Secondly, investments are managed by external professional fund managers.

And finally, if you hold the same option on MLC Expand and another super fund, the published investment performance for that option will be the same.

However, your personal return may differ, depending on factors like fees, contributions, and account activity.

So, because members choose their own mix, outcomes depend on the options selected, asset allocation and market conditions.

Now, we're continuing to invest in clearer reporting and better digital tools so members can easily understand their investments, performance and fees.

And we would also encourage you to speak with your financial adviser about whether your current strategy is still right for you.

Danielle: Thank you.

Raymond is asking what's being done to reduce fees and related-party payments.

Sharon, do you want to talk us through that?

Sharon: Absolutely. Related-party payments are payments from the fund to entities related to the trustee that provide services to support members.

These services help us deliver benefits and run the fund effectively.

They include costs for investment management, marketing services, board committee fees, insurance services, financial planning, and other member support.

Over time, we expect members to benefit from more competitive pricing through greater scale and simplification.

Key initiatives include:

- unlocking efficiencies from transitioning technology and operations to SS&C
- continuing to simplify platforms and processes
- regularly reviewing related-party arrangements to ensure they remain efficient and appropriate

Danielle: Thank you.

And I think this is the last one we have on fees, which I think, Liz, will be for you.

It's a question from Bradley, who's asked whether tiered fees can be applied for members who act without a portfolio manager.

Liz: There are currently no plans to introduce tiered fees based on whether a member uses a portfolio manager.

Our fees are based on the platform and the services that it provides.

But if anything changes, we'll certainly communicate that with members, Danielle.

Danielle: Thank you.

Moving on to investments.

Travis has asked how our currency hedging strategy has performed over the past 12 months, particularly with the fluctuation in the Australian dollar against the US dollar.

Dan?

Dan: Yeah, and look thanks, Travis.

Over the 2025 calendar year, hedged global equities outperformed unhedged because the Australian dollar strengthened against the US dollar.

And our hedging overlays across part of the global equity portfolio really helped to capture this benefit for members.

Danielle: And we have another investment question from David.

He said that last year the investment strategy for the 70% growth / 30% defensive option changed the asset allocations.

He's wondering why this change happened, and can we please explain the strategy behind that?

Dan: Yes, and thanks, David.

The investment team formally reviews the strategic asset allocation of its diversified portfolios on an annual basis.

And this is really to ensure the trade-off between expected return and risk continues to be appropriate for the risk profiles.

These reviews may consider a variety of factors, such as:

- changing market conditions
- updates to our capital market assumptions forecasts, which go out for the next seven years
- assessments of portfolio construction settings in meeting the investment objectives

Any recommendation to change the strategic asset allocation requires governance approval from committees and/or boards, which comprise a mixture of executive and non-executive directors or investment committee members.

Danielle: Thank you.

Ronald has asked whether IOOF and MLC Expand submit data for comparison with other market-leading funds, and how MLC Expand compares.

Liz, this sounds like one for you.

Liz: Yeah. Good question. Yes, we do, Ronald. IOOF and MLC Expand participate in several industry studies and research and benchmarking.

We're pleased that MLC Expand is highly regarded by the independent research houses.

We've received 5 Apples and "Highly Recommended" from Chant West.

Expand Essentials Super and Expand Extra Super both received 5-Star ratings from The Heron Partnership.

Expand Essential ranked #1 for BDM Support and #1 for Administration Support in the 2025 Wealth Insights Report.

These independent assessments reflect the strength of our service and support provided to advisers and members.

Danielle: Thanks, Liz.

Louise would like to know whether Insignia Financial provides updates on our superannuation.

I think I can answer this one, and the answer is yes, we do.

Alongside your annual statement, we send performance-update emails to our members who have opted into our marketing communication.

For more frequent or detailed updates, you can speak to your adviser, visit our website, or give us a call.

I would encourage you to make sure you opt in to our marketing emails, as we provide important information through them.

Brendan asks: When will the share-trading platform be improved to show true, real-time profit and losses for individual shares, rather than only the last 12 months' preference?

Liz, can you take this one?

Liz: Sure. Thanks for the question, Brendan.

At the moment, there are no plans to introduce real-time profit and loss reporting for individual shares.

If that changes, we'll certainly let members know.

Danielle: And another one for you, Liz. Kingsley has asked why life insurance and income protection have been excluded from the MLC Expand superannuation product portfolio.

Liz: Thanks, Danielle. To clarify the insurance options available, Expand Extra Super and Expand Essential Super offer flexible group and retail insurance cover, including death only, death and total permanent disablement, and income protection.

Danielle: Thank you.

Sarah and Tony have asked how much influence government policy has over our investment strategies and options the fund can offer.

For example, they ask whether there are requirements to direct a certain percentage of investments into specific areas.

And at what point do members own their super and stop being subject to trustee oversight, particularly in retirement?

There's also a related follow-on question from Ai, who asks whether we envisage a time in the future when either state or federal government will want to raid private super funds or direct them to invest a certain percentage into their preferred portfolios, such as renewable energy or housing.

Tough question.

Danielle: Sharon, can you answer this one?

Sharon: Thanks, Danielle. They're very interesting questions.

While governments may express interest in where superannuation funds invest, there are no requirements to direct investments into specific areas.

And the trustee has a fiduciary duty to act in members' best financial interests, which includes when making investment decisions.

The trustee remains responsible for a member's superannuation for as long as the money is held in the fund, including during retirement.

Danielle: Thank you.

Crypto investments continue to be a hot topic.

A question from Stephen, who asks what exposure the fund has to crypto investments.

And Sung, who asks whether our portfolio, our position on Bitcoin, has changed.

Dan, you spoke about crypto last year.

Dan: Yeah, and thanks, Danielle. You're right, crypto remains a hot topic.

Currently we have no direct investments in crypto assets, and our position on crypto remains "not now" rather than "not ever."

We continue to keep a close eye on developments in crypto, including the regulators' attitudes.

But for now, we remain unconvinced of the case for crypto investing.

If you look at Bitcoin and similar crypto assets, they really fail the classic test of an investment.

Traditional investments, like shares, bonds, real estate or businesses, generate cash flows, dividends, interest, rent or earnings that provide intrinsic value and a basis for rational valuation.

Bitcoin doesn't have these investment fundamentals.

It has no income, no yield, no clear productive output.

Its price relies solely on the hope that someone else will pay more later.

To us, crypto remains a highly speculative part of the market and not a clear investment opportunity.

For retail investors and super fund members seeking genuine long-term wealth building through fundamentals, crypto remains highly questionable.

Danielle: Thank you.

And another question for you, Dan, from David, who's asked: When will we stop investing in fossil fuel extraction?

Dan: Thanks for the question, David.

While we consider many factors when choosing investments, we don't prioritise any investments on sustainability considerations alone.

New legislation requires us to assess and report on climate risks, including adopting targets to lower portfolio carbon emissions.

So this means that Expand and IOOF products might have less exposure to coal, oil and gas companies in the future.

But that said, we believe engaging with companies is more effective than simply selling our shares to reduce emissions.

Selling to potentially less sustainability-focused investors could take the pressure off companies to act.

Instead, we selectively work with high-emission companies to encourage change, and we plan to expand this approach as we improve our risk assessments over time.

Ultimately, it will be a decision for the trustees to consider and commit to, alongside many other important factors, in the context of their duty to fulfil members' best financial interests.

At the moment, there are no immediate plans to consider exclusion of fossil fuel companies.

Danielle: And on a similar question, in a similar vein, another question: Anne has asked how ethical funds compare with non-ethical funds.

Dan: Okay. And thanks, Anne, for the question.

Ethical funds often deliberately exclude investments in certain business activities that the investment manager believes are not aligned with the ethical values of their investors.

Common examples of these exclusions include alcohol manufacturers, gambling operations, controversial weapons manufacturers and fossil fuel producers.

This exposes investors in such funds to the risk of under- or out-performance relative to traditional asset class benchmark indices, when companies operating in these excluded areas perform better or worse than the benchmark.

For example, historically, during periods of geopolitical instability, oil prices have performed strongly, therefore ethical funds that exclude such exposure may have experienced underperformance relative to benchmarks and funds that don't exclude such companies.

Now, there are, of course, many other factors that may also explain variability in performance of ethical funds compared to more traditional funds.

Danielle: And our final question is from Vanessa, who's read online that Insignia Financial has been bought out, and what it means for our members and her fund.

I'm going to take that one.

Vanessa, you are correct.

Insignia Financial has entered what is known as a "Scheme Implementation Deed" in June last year with CC Capital to acquire all issued shares in Insignia Financial.

The deal has continued to progress since then and is obviously subject to a number of approvals from the Australian prudential regulator, the Foreign Investment Review Board and the ACCC.

The deal has already been approved by the ACCC.

Insignia now has submitted the Scheme Booklet to ASIC and to the ASX for their review.

In terms of what it means for you as a member of IOOF Portfolio Service Superannuation Fund, and all the other funds here, basically nothing.

The business will continue as usual for the Trustees and the management, and we're continuing to work very hard in your best financial interest to deliver our best members' retirement to them.

So that brings us to the end of our Q&A.

Thank you for your thoughtful questions.

Hearing what matters to you helps guide us on how we manage your fund.

For information on anything we've covered today, please visit the website, speak to your adviser, or give us a call.

If we didn't get to your question, we will be publishing a full transcript of the recording and written responses on our AMM website.

You'll also receive a short survey. We would really appreciate your input so we can improve.

On behalf of IOOF Investment Management Limited, thank you for the trust that you place in us to manage your retirement savings.

And a very special thank you to Dan, Liz and Sharon for joining me here this evening and for their contributions.

Thank you for joining us again today, and I hope you enjoy the rest of your afternoon.

END