

## Member Outcomes Assessment

The information in this document relates to  
Expand Extra and Expand Essential products

Year ended 30 June 2024  
[myexpand.com.au](http://myexpand.com.au)

**EXPAND**

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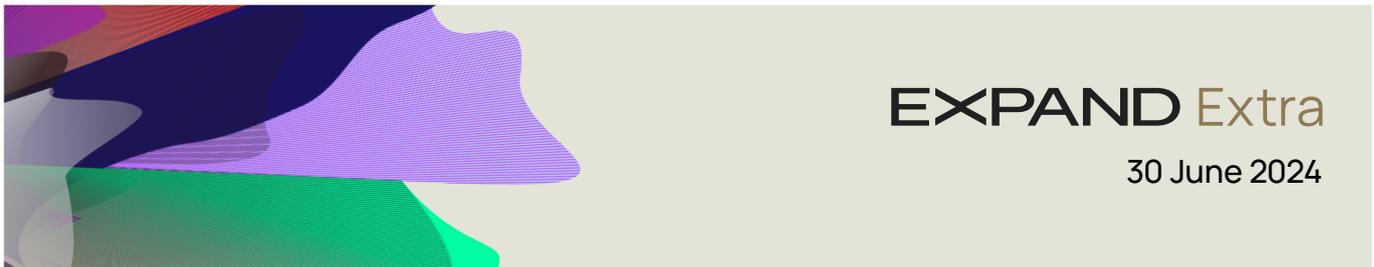
This document has been prepared on behalf of IOOF Investment Management Limited, ABN 53 006 695 021, AFSL 230524 (IIML) as Trustee of IOOF Portfolio Service Superannuation Fund, ABN 70 815 369 818. IIML is part of the group of companies comprising Insignia Financial Ltd, ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group).

The information in this document is general in nature and does not consider your objectives, financial situation or individual needs. Before acting on any of this information, you should consider whether it is appropriate for you. It is important that you read the relevant Product Disclosure Statement and other disclosure documents or consider obtaining financial advice before making any decisions based on this information. Past performance is not a reliable indicator of future performance. Awards and ratings are only factors to consider when deciding to invest your super.

References to 'we', 'us' or 'our' are references to the Trustee, unless otherwise stated.

Subject to super law, the final authority on any issue relating to your account is the Fund's Trust Deed, and the relevant insurance policy, which governs your rights and obligations as a member.

# At a glance

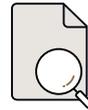


## EXPAND Extra

30 June 2024



\$39.5b  
Funds under management



1,366  
Number of investment options



66K  
Member accounts in accumulation



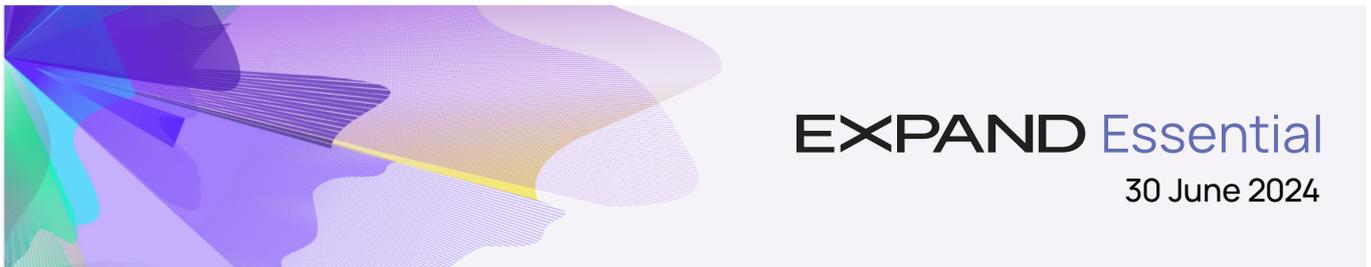
57K  
Member accounts in pension



\$247K  
Member's average balance in accumulation



\$406K  
Member's average balance in pension

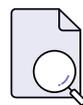


## EXPAND Essential

30 June 2024



\$9.7b  
Funds under management



29  
Number of investment options



21K  
Member accounts in accumulation



19K  
Member accounts in pension



\$193K  
Member's average balance in accumulation



\$302K  
Member's average balance in pension

## Industry Ratings and Awards



Heron Partnership	Chant West on Platform Rating	Chant West on Expand Essential Pension	Chant West on Expand Essential Super
5 Stars	4 Apples	5 Apples	4 Apples

# Financial wellbeing for every Australian

IOOF Investment Management Limited (IIML) is the Trustee of IOOF Portfolio Service Superannuation Fund (the Fund), one of Australia's 20 largest superannuation funds. As part of the Insignia Financial Limited group, we aspire to create financial wellbeing for every Australian.

We seek to provide high quality products and service offering throughout the members' lifecycle (from their first job until retirement) and deliver on our investment objectives and growth strategies for the members.

Our Expand Essential products are a practical, effective and affordable solution that offers a core investment menu with ready-made portfolios spread across diversified and single-sector investment options. For members with more sophisticated needs, our Expand Extra products allow for the creation of a bespoke financial path with an extensive investment menu backed by the expertise of leading fund managers.

Our investment options maintained their high performance and have been recognised in the industry with MLC MultiActive Growth, MLC MultiActive Balanced and MLC MultiActive Moderate winning the Financial Leadership Awards in their respective classes in June 2024.

The Expand platform continued to be rated highly by Chant West (4 Apples) and Heron Partnership (5 Stars). In its 2024 survey among financial advisers using a wrap platform, Wealth Insights ranked Expand Extra 4th for overall satisfaction.

We believe in the importance of promoting financial literacy to increase client engagement and effective, easy-to-use services that would fully support both the members and

financial advisers. During the year, we uplifted the contents and interactive capability of our Education Hub, and introduced the Expand App that allows members to securely track their accounts and access quick support through a ChatBot technology.

## About this document

Each year IIML is required to assess whether we have promoted the best financial interests of members. The Member Outcomes Assessment (MOA) is a measure of our products' performance against key factors prescribed by legislation which include:

- Investment strategy and performance,
- Investment risk,
- Fees & costs and the supporting fee structure,
- Insurance offer,
- Options, benefits and facilities,
- Scale, and
- Operating costs

All information contained in this document and the determinations made cover the 12 months ending 30 June 2024.

Our outcomes assessment uses publications from the Australian Prudential Regulation Authority (APRA), industry benchmarking, comparative data, in-house data and reviews conducted by independent research houses.

As we measure our success by what we delivered for our members, we further consider the results of the MOA in our annual Business Performance Review and factor key recommendations to improve members' outcomes into our Business Plans.



# Overall determination

We have determined that Expand Extra Super and Pension and Expand Essential Super and Pension are promoting members' financial interests.

## Expand Extra Super and Pension

Strong investment governance ensures the wrap platform provides a diversified choice of investment menu options which deliver adequate returns over the long term without exposing members' investment to inappropriate risk.

The Expand platform performance is monitored regularly with options on the investment menu tested and reported to the Investment Committee. All investment options considered by APRA passed the annual performance test except for one that has been closed to new members for some time.

For the majority of member balances, our administration fees and costs are lower than the peer median in the market which benefit our members as they experience the full platform facilities, and our member services are rated highly by external research firms.

Expand Extra Super provides both group and retail insurance options and members can apply through their adviser for a flexible insurance offer that meet their personal needs.

## Expand Essential Super and Pension

The majority of in-scope investment options for both Expand Essential Super and Pension have performed above median across 1, 3, 5 and 10 years against peers in the market.

Expand Essential members pay market competitive fees and costs while enjoying the benefits of member facilities and services that are rated highly by external firms.

Members with accounts in Super also have access to insurance through their financial adviser which can be customised to their personal circumstances.



# Investment Performance

## Expand Extra Super and Pension

We have determined that the Expand Extra Super and Pension platform performance is promoting members' financial interests.

The Expand Extra product suite offers more than 500 managed investment options, Separately Managed Accounts (SMAs) from 12 leading investment managers, the majority of shares in the ASX 500, and a selection of term deposits and fixed-term annuities. Despite its large size, the investment menu is reviewed quarterly, evaluated using several tests and reported to the Board's Investment Committee.

We also considered the Trustee's Investment Governance Framework and supporting investment policies which demonstrate compliance with regulations.

## Expand Essential Super and Pension

We have determined that the investment strategy, net investment returns and risk-adjusted returns for Expand Essential Super and Pension are promoting members' financial interests.

The net investment returns for Expand Essential Super and Pension options have met their performance objectives over their stated time horizon. When compared to peers, the majority of the investment options have performed above median for rolling 1, 3, 5, and 10 year periods.

## Expand Essential Super and Pension<sup>1</sup>

Investment Horizon	One Year				Three Years				Five Years				Ten Years			
	Quartile Rank				Quartile Rank				Quartile Rank				Quartile Rank			
Asset Class	1st	2nd	3rd	4th												
% of Options	7%	47%	27%	20%	33%	13%	33%	20%	20%	20%	40%	20%	40%	7%	27%	27%

Risk-adjusted returns were assessed based on the 5-year Sharpe Ratios of all in-scope investment options, benchmarked against the SuperRatings Accumulation Volatility and Risk Adjusted Return Survey (June 2024) or the Morningstar Sharpe Ratio Report (June 2024) where required. Sharpe ratios are used to understand the return of an investment in relation to its risk, or in other words, an investment option's risk-adjusted return. All were found to have the appropriate returns compared to their risk profile.

## APRA Comprehensive Product Performance Package (CPPP)

APRA published in September 2024 the CPPP which presented the performance of all superannuation products as of 30 June 2024. The CPPP covers both the annual performance test results and the heatmaps.

Thirty out of the thirty-one investment options under Expand Extra and Expand Essential Super and Pension (Transition To Retirement only) products assessed by APRA this year have passed the annual performance test. Only the investment option, MLC Wholesale Horizon 2 Income Portfolio, did not pass the APRA performance test. This option has been closed to new members for some time. We have sent a communication to all members holding this investment option to provide them guidance on what are the implications of the performance test results on their account and the associated costs should they choose to move their monies to another investment option. The fee arrangements may not be the same as the standard parameters used in the test as the administration fees are lower for members with account balances higher than \$50,000.

<sup>1</sup> SuperRatings Fund Credit Rating Survey, June 2024, supplemented by additional data from Morningstar where required.

# Fees and costs

**We concluded that the fees and costs of Expand Extra and Expand Essential are promoting the financial interests of members.**

We assessed the fees and costs of Expand Extra Super and Pension against peers based solely on administration fees as the investment fees are relatively standardised across all platforms. We further considered fees and costs based on the member's account balance and the distribution of the member accounts.

Expand Extra Super's administration fees were mostly in the first and second quartile when ranked against peers. Results for Expand Extra Pension showed administration fees below the peer median for members with balances in the \$100K and \$250K levels. When mapped against the membership distribution, only 36% of the total Expand Extra Pension accounts fall under this category.

The total fees and costs of Expand Essential Super and Pension were assessed against the market based on the in-scope investment options that account for 80% of the members' funds under management. The majority of the in-scope options for Expand Essential Super were assessed to be comparable to, if not better in, fees and costs against peers. All the in-scope options for Expand Essential Pension have been found to be competitive in total fees and costs and met their desired member outcomes. Combined with a strong investment performance, we believe that the Expand Essential products are competitively priced and promoting members' financial interests.

We have also examined our basis for setting fees and have determined that they are appropriate. We offer Family Fee Aggregation discounts to our members to reflect the benefits of bringing economies of scale to the Fund. Members who migrated to Expand from MLC Wrap in April 2024 have retained any fee discounts they receive and are not paying more than the disclosed PDS rate. The fees charged to members cover the costs of the Fund to ensure long term sustainability.



# Options, benefits and facilities

**Our options, benefits and facilities are promoting the members' financial interests.**

We offer a range of member services and facilities that are competitive in the marketplace and have been ranked highly by independent research groups. We continue to improve on our digital services offering with uplifts to the functionalities in our member and financial adviser hubs. This allows our members with no advisers to access the MyExpand portal and easily perform transactions on their accounts.

The introduction of the Expand App that is powered by ChatBot technology has further increased our client engagement with more than 22,000 downloads since introduced in October 2023 allowing our members to securely track their investments more frequently through their phones or tablets. We also enhanced our News and Education sites with a regular offering of webinars that are available to members and advisers.

## Insurance

**We have determined that the insurance solution offered in Expand Extra and Expand Essential is promoting members' interests.**

We offer both Group Insurance and Retail Insurance products to our members in Expand Extra Super and Expand Essential Super through a third-party insurer. The products offer Death, Total Permanent Disability and Income Protection covers. Members can apply through their adviser for a flexible insurance solution designed to meet their personal needs.

The majority of our members in Expand Extra and Expand Essential with insurance cover are in a Group policy. We evaluated the terms and conditions of both the Group and Retail insurance products and found them to be aligned to or of greater benefit to the members when compared to other similar products in the market. With the re-pricing exercise we completed in early FY2024, we have assessed that our premium rates are in line with or lower than our competitors' median rates based on various benchmarking scenarios which include the members' age group, gender and occupational cohort.

## Scale and operating costs

**The factors Scale and Operating Costs have been assessed at the Trustee level.**

**We have assessed that our operating costs are not promoting members' financial interests.**

Our operating expenses for the year have been impacted by our transformation programs leading to increased average cost per member. While these programs led to an increase in operating costs in the short term, once completed they are expected to deliver a reduction to our operating costs in the medium term through the rationalisation and simplification of our products and service provider arrangements.

**As the Trustee for the Fund, we have determined that our scale is promoting members' interests.**

We demonstrate scale benefits to promote better outcomes for our members. We are able to optimise our bargaining power with service providers to provide more benefits to members and pool risk. Our financial sustainability metrics are within APRA's thresholds demonstrating our position to sustain member outcomes into the future.



## We're here to help

If you have any questions or would like further information about your account, please contact us or your financial adviser.

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**EXPAND**