

A photograph of a person with a backpack and a dog walking on a grassy path towards the ocean. The person is wearing a black jacket and blue jeans, and the dog is a medium-sized, light-colored dog. The path leads towards the ocean, with some trees and bushes in the background. The sky is clear and blue.

IOOF

Member Outcomes Assessment

Year ended 30 June 2024

The information in this document relates to the

IOOF MySuper

IOOF Employer Super

IOOF Personal Super

IOOF Pension

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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 the 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

IOOF MySuper
IOOF Employee Super
IOOF Personal Super
IOOF Pension

30 June 2024



\$9.8b
Funds under
administration



**1 MySuper
300+ Choice**
Number of investment options



103,663
Member accounts
accumulation



1,662
Member accounts pension



\$94.8k
Members' average balance
in accumulation



\$282.1k
Members' average balance
in pension



50,558
Members' insured



Group & Retail
Typ of insurance



**Industry Awards
& Ratings**
Heron Partnership: 5 Stars
Rainmaker Information: AAA
Chant West: 4 Apples
SuperRatings: Gold

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 (IFL) 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.

Over the year, we continued to improve and simplify our investment menu offering our members a more contemporary and diverse choice of investments.

As a product designed for employees, IOOF Employer Super continued to be recognised by the industry with ratings of Five Stars by Heron Partnership as an Outstanding (Medium) Corporate Fund, AAA by Rainmaker Information, Gold by SuperRatings and 4 Apples by Chant West.

IOOF Super and Pension platform's investment menu includes some of our own managed funds which have been consistently recognised in the industry. In June 2024, the MLC MultiActive Growth won the Financial Standard Investment Leadership Award in its category for the fourth year in the row while MLC MultiActive Balanced won in its class for the third year in a row. The MLC MultiActive Moderate won the award in the Multi-Asset Capital Stable category.

We believe the financial wellbeing of our members increase as their financial literacy improves thereby enabling them to make more informed decisions throughout accumulation and in retirement. We increased our workplace engagement this year with events such as the Financial Wellness Series that were offered onsite and accessible through the members' portal. Member communications and newsletters have been scaled up to enhance the lifecycle programs with increased focus on topics for pre-retirees and retirees.

About this document

Each year IOOF 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 IOOF MySuper, IOOF Employer Super, IOOF Personal Super and IOOF Pension are promoting members' financial interests.

IOOF MySuper passed the annual APRA performance test and heatmap results. It met its stated investment objectives and delivered strong investment returns performing above peer median for 1 and 3 years when compared to all other MySuper options in the market.

The majority of the investment options assessed for IOOF Employer Super, IOOF Personal Super and IOOF Pension performed above the peer median for rolling 1, 3, 5, and 10 year periods and met their stated investment objectives.

The APRA heatmap results showed that over 90% of the investment options they have assessed for IOOF Employer

Super and IOOF Personal Super have competitive peer relative administration fees. The investment-related fees however are above peer median resulting to higher total fees and costs when compared to market.

Default insurance is available to all members and can be customised to meet their individual circumstances. The terms and conditions of the insurance offer are aligned to, or of greater benefit to the members, when compared to similar products in the market.

We have sufficient scale and are in a position to support long term outcomes for our members.



Investment performance

We have determined that the investment strategy, investment risk and net investment returns of IOOF MySuper, IOOF Employer Super and IOOF Personal Super are promoting the financial interests of our members.

Our investment strategy for the Fund is annually reviewed and approved by the Trustee's Board ensuring it continues to provide a diversified choice of investment menu options which deliver adequate returns over the long term without exposing members' investment to inappropriate risk.

IOOF MySuper has a default investment option that met its performance objective of beating the CPI+ 3.5% p.a. over a 10 year horizon. It delivered above median returns over 1 and 3 years against peers. The 5- and 10-year returns however performed slightly below the peer median.

Based on APRA's MySuper Quarterly Statistics (June 2024), the risk level of the IOOF MySuper option was assessed against the risk level of all other MySuper products and its 5-year net investment returns. We conclude that it has the appropriate level of risk consistent with its returns.

IOOF Employer Super and its related personal plan, IOOF Personal Super, allow employers to customise the investment and insurance components of their workplace super according

to the needs of their employees. Given the broad menu of investment options available on the IOOF Super platform, we focussed on assessing the larger investment options which in aggregate represent 80% of members' funds under management. The majority of the "in-scope" investment options we assessed in this report achieved their investment objectives.

We calculated net investment returns as returns less administration fees, investment fees and costs, and taxes.

IOOF Employer Super and Personal Super options delivered strong returns when compared to peers across various investment periods. All options passed the performance test and heatmap results based on the APRA published industry report for FY2024¹ with the exception of the MLC Horizon 4 Balanced Portfolio that only partially met APRA's strategic asset allocation benchmark.

IOOF Employer Super, IOOF Personal Super and IOOF Pension²

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

¹ APRA Comprehensive Product Performance Package (CPPP), June 2024 (issued September 2024).

² Assessed based on SuperRatings Fund Credit Rating Survey, June 2024, supplemented by additional data from Morningstar where required.

Risk-adjusted returns were assessed based on the 5-year Sharpe Ratios of all in scope investment options, as benchmarked against the SuperRatings Accumulation Volatility and Risk Adjusted Return Survey (June 2024) or the Morningstar Sharpe Ratio Report (June 2024) where applicable. 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. Overall, the investment options were found to have the appropriate returns compared to their risk profile.

We have assessed IOOF Pension's investment strategy, investment risk and net investment returns and determined that it is promoting members' financial interests.

The majority of options in-scope for IOOF Pension met their stated investment objective and showed above peer median returns. We analysed the risk profile of the options based on their Sharpe Ratios and found most have the appropriate returns.

Fees and costs

We have determined that overall, the fees and costs for IOOF Employer Super, and IOOF Personal Super are promoting members' financial interests. IOOF Pension and IOOF MySuper were determined to be not promoting members' financial interests.

We have evaluated the fees and costs of IOOF Employer and Personal Super options (including MySuper) and overlaid the results against the members' account balance thresholds. As shown in the APRA CPPP report, the products have favourable administration fees when compared to peers. However when benchmarked against market data, the total fees and costs are priced above the peer median which reflect higher investment related costs as a result of the products' active investment management strategy in place.

We will continue to review our product pricing and work closely with the employers as they are able to negotiate discounts on the fees and costs charged to their employees.

IOOF Pension also has above median fees and costs which are again reflective of the active investment management strategy in place.

We have also examined our basis for setting fees and have determined that they are appropriate. The fees charged to members cover the costs of the Fund to ensure long term sustainability.

Options, benefits and facilities

The options, benefits and facilities we offer to our members are promoting their 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. Our newsletters have been uplifted and aligned to our segmentation model with contents tailored to our members in accumulation, pre-retirement and retirement. We also revamped and relaunched our Welcome and Nurture Member Journey program with several campaigns held during the year combining welcome calls and emails to drive a deeper member engagement.

We continue to improve on our digital services offering with uplifts to our super and insurance needs calculators, and digital hub for webinars. Aside from the online portal, members can also securely access their accounts and perform transactions through the IOOF App that is powered by ChatBot technology.

Our financial coaches have been busy throughout the year providing general advice to the members and the quality and level of services have been recognised with their overall net promoter score results at +63.4. The Intra-Fund Advice program was launched towards the end of FY 2024 to assist members who have more complex investment needs and require personal advice.

Insurance

We evaluated the insurance strategy, premiums and members' experience with their insurance transactions and concluded that insurance solutions for IOOF Employer Super and IOOF Personal Super are promoting members' financial interests.

Employers can choose a default insurance design that provides appropriate cover for the specific profile of their employees, and we offer a range of design options for them to tailor the insurance arrangements. As of end June 2024, 60% of the membership in IOOF Employer Super, or 25,542 members, are insured with over 90% of the accounts under the default insurance cover. Forty-one percent or 25,016 members who left their employers and transferred to IOOF Personal Super continued with their insurance policies. Our insured member cohorts are illustrated below.

The insurance offerings for both IOOF Employer Super and Personal Super are competitive in the market with the terms and conditions aligned to or better than the products offered by our peers. We have assessed the insurance premiums for IOOF Personal Super to be appropriate and do not inappropriately erode into members' retirement benefits. The insurance fees for IOOF Employer Super especially for the Income Protection cover were assessed to be higher than

the peer median. However, upon further evaluation, we have determined that the premium rates reflect the product's particular claims experience and are fair and reasonable based on the risk profile of the insured membership.

The average claim assessment duration for both IOOF Employer Super and IOOF Personal Super is aligned to the market average. The members' claim acceptance rates for both products are within expectations⁴.

⁴ APRA Life Insurance Claims and Disputes statistics, December 2023 (issued April 2024).

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. Once these programs are completed, our products and service provider arrangements will be rationalised and simplified and are expected to reduce our operating costs over the medium term.

As the Trustee for the Fund, we have determined that our scale is promoting members' financial 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 the members and pool risk. Our financial sustainability metrics are within APRA 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.

Telephone	1800 913 118
Email	clientfirst@ioof.com.au
Website	ioof.com.au