

Rhythm

## Rhythm **Super**

### **Member Outcomes Assessment**

Year ended 30 June 2023

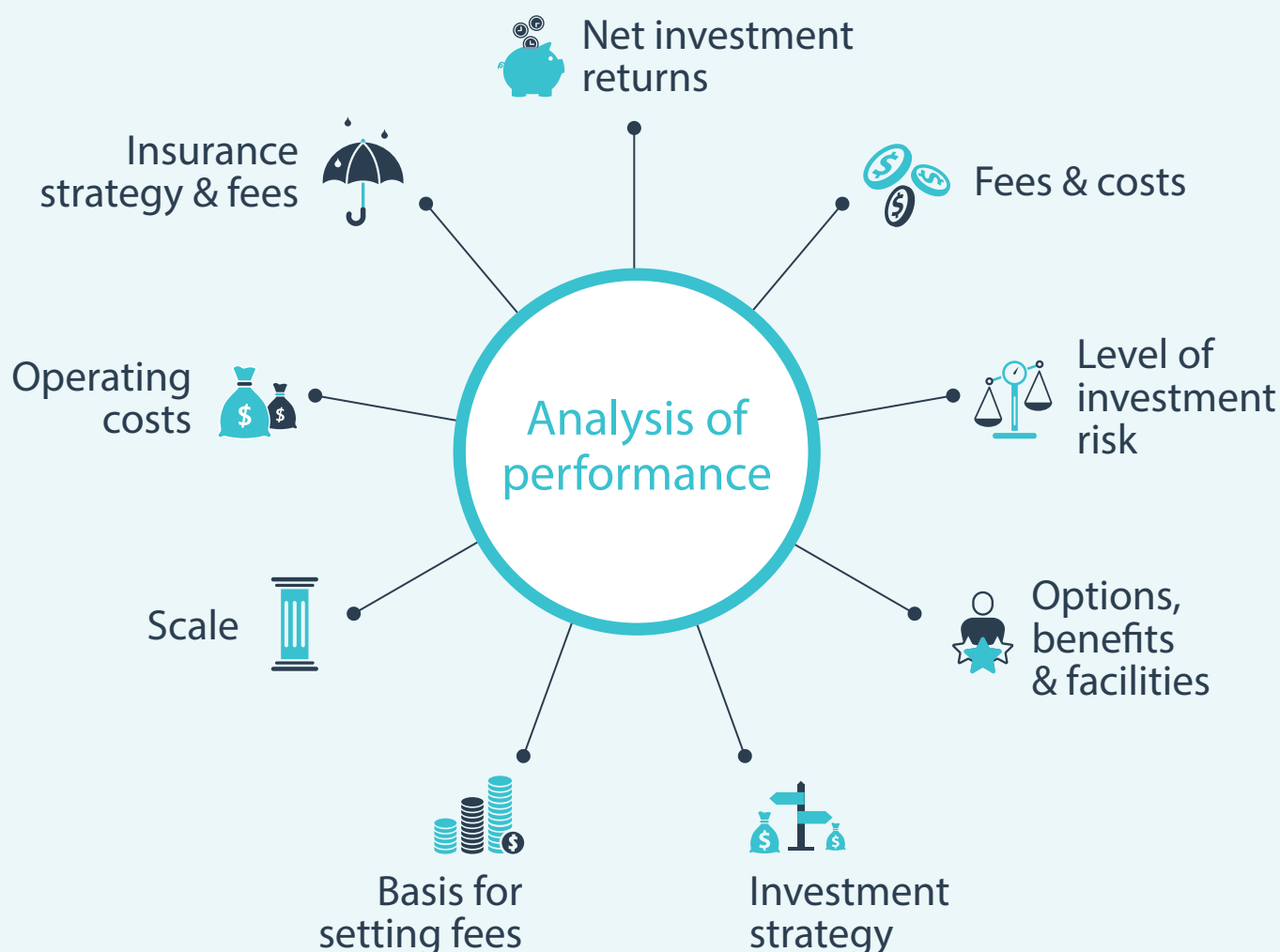
The information in this document relates to Rhythm Super

Issuer: IOOF Investment Management Limited ABN 53 006 695 021, AFSL 230524  
as Trustee of AvWrap Retirement Service ABN 82 004 832 237

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Each year IOOF Investment Management Limited (IIML) is required to assess whether we've promoted the financial interests of members. The Member Outcomes Assessment is a measure of product appropriateness against key factors – listed in the diagram and table that follow – that can affect a superannuation product. You'll find a simple summary of the product at [www.ioof.com.au/forms?product=rhythm-super](http://www.ioof.com.au/forms?product=rhythm-super)

Rhythm Super is a Wrap platform operated by IOOF Investment Management Limited and administered by HUB24. Its menu covers managed investments, Australian listed securities and term deposits. For the purpose of the investment related assessment, only the managed investments will be in-scope.



The assessment uses industry benchmarking, comparative data, in-house data, and reviews performed by independent research houses.

# Summary of findings

Factor	Data source/timing <sup>1</sup>	Findings
Overall assessment		
Net investment returns	IIML STIC <sup>2</sup> Quarterly Reporting APRA <sup>3</sup> Expanded Performance Test 2022-23	
Fees & costs	Peer Group Selection Product Disclosure Statements	
Level of investment risk	IIML Investment Governance Framework – Superannuation January 2024	
Options, benefits & facilities	IIML Service Provider Performance Reports FY2023 Product Ratings (SuperRatings and Chant West)	
Investment strategy	IIML Investment Governance Framework – Superannuation January 2024	
Basis for setting fees	IIML Financial Reports FY2023 Product Disclosure Statement	
Scale	APRA Fund-level Superannuation Statistics	
Operating costs	IIML Financial Reports FY2023	
Insurance strategy & fees	IIML Risk Appetite Statement July 2023 APRA Life Insurance Claims and Disputes Statistics	



'Promoting' the financial interests of members



'Partially promoting' the financial interests of members



'Not promoting' the financial interests of members



Not applicable

<sup>1</sup> Data source/timing as at 30 June 2023 unless otherwise stated

<sup>2</sup> IIML Superannuation Trustee Investment Committee

<sup>3</sup> Australian Prudential Regulation Authority (APRA)

# Product comparison, performance and ratings

<b>Net investment returns</b>	<p>Net investment return is the return we deliver to you minus investment fees and costs, and taxes.</p> <p>We've determined that the net investment returns for <b>Rhythm Super</b> are <b>promoting</b> members' financial interests on the basis that the majority of the Rhythm investment options have achieved performance above median over a combined 1 year and 5 year performance period, and Rhythm Super has passed APRA's Your Future Your Super assessment.</p>
<b>Fees &amp; costs</b>	<p>These are the administration fees and costs related to your superannuation account.</p> <p>We've determined that the fees and costs for <b>Rhythm Super</b> are <b>promoting</b> members' financial interests on the basis that its administration fees and costs are lower than median compared to peers for both super and pension members.</p>
<b>Level of investment risk</b>	<p>This is a measure of the risk profile of your investment in relation to performance, benchmarks and objectives.</p> <p>We've determined that the investment risk for <b>Rhythm Super</b> is <b>promoting</b> members' financial interests on the basis that the:</p> <ul style="list-style-type: none"> <li>• regular monitoring process has been adhered to in accordance with our Investment Governance Framework; and</li> <li>• required due diligence has been undertaken, on any investment option that is downgraded below 'investment grade' or any investment options that are not externally rated, to determine if they should remain on the product investment menu or be removed.</li> </ul>
<b>Options, benefits &amp; facilities</b>	<p>This evaluates your member services &amp; benefits, your experience in accessing the services, and whether the fees &amp; costs you pay are commensurate to what's offered.</p> <p>We've determined that the options, benefits and facilities for <b>Rhythm Super</b> are <b>promoting</b> members' financial interests on the basis that a competitive offering in the marketplace is provided to members, that is appropriately priced and rated highly by external research firms.</p>
<b>Investment strategy</b>	<p>This examines the investment objectives, asset allocations and associated risks of the investment options available to you to determine if they are on track to delivering your target returns in the future.</p> <p>We've determined that the investment strategy for <b>Rhythm Super</b> is <b>promoting</b> members' financial interests on the basis that the investment strategy for the Fund is reviewed and approved annually by the IIML 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.</p>
<b>Basis for setting fees</b>	<p>This determines whether the fee structures of each product is appropriate and fair.</p> <p>We've determined that the basis for setting fees for <b>Rhythm Super</b> is <b>promoting</b> members' financial interests on the basis that:</p> <ul style="list-style-type: none"> <li>• there is a demonstrated fee equity between members indicating minimal cross subsidisation between members through 'user pay' fee structures and fee caps;</li> <li>• Family Fee Aggregation discounts are available for members to reflect the benefits of bringing economies of scale to the Fund; and</li> <li>• fees charged to members cover the costs of the Fund to ensure long-term sustainability.</li> </ul>
<b>Scale</b>	<p>This measures whether IIML has sufficient scale to promote the financial interests of members.</p> <p>We've determined that IIML has sufficient scale to sustain member outcomes into the future and is therefore <b>promoting</b> members' financial interest.</p>
<b>Operating costs</b>	<p>This measures IIML's costs in operating the various superannuation funds.</p> <p>We've determined that our operating costs, as the trustee of <b>AvWrap Retirement Service</b>, are <b>not promoting</b> members' financial interests on the basis that operation and expense management key performance indicators have not been met. This was largely due to member fee reductions across the Expand product suite and one-off expenses related to product simplification. These indicators are expected to improve in the near term.</p>
<b>Insurance strategy &amp; fees</b>	<p>This assesses whether IIML's insurance strategy and provision of insurance is appropriate for members and beneficiaries and considers whether the fees charged (premiums) inappropriately erodes members' retirement savings (not applicable to pension accounts).</p> <p>We've determined that insurance strategy and fees for <b>Rhythm Super</b> are <b>promoting</b> members' financial interests. Members can apply through their adviser to provide a flexible insurance offer to meet their personal circumstances.</p>

# Overall conclusion

## **We've determined that, overall, Rhythm Super is promoting members' financial interests.**

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 majority of the investment options have achieved performance above median over a combined 1 year and 5 year performance period.

Administration fees and costs are lower than median compared to peers. Accumulation members can tailor insurance coverage to their individual needs.

## **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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Website [ioof.com.au/financial-advisers/client-solutions/rhythm](http://ioof.com.au/financial-advisers/client-solutions/rhythm)