

# Member Outcomes Assessment

Year ended  
30 June 2024

The information in this document  
relates to Shadforth Portfolio  
Service – Super and Pension

Issuer: IOOF Investment Management Limited  
ABN 53 006 695 021, AFS Licence No. 230524,  
as Trustee of the IOOF Portfolio Service  
Superannuation Fund ABN 70 815 369 818





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This document has been prepared on behalf of OnePath Custodians Pty Limited, ABN 12 008 508 496, AFSL 238346, RSE L0000673 (OPC) as the Trustee of Retirement Portfolio Service, ABN 61 808 189 263. OPC 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

## Shadforth Portfolio Service – Super and PensionService

30 June 2024



**\$5.3b**

Funds under  
administration



**3,829**

Member  
accounts in  
accumulation



**6,352**

Member  
accounts in  
pension



**\$414k**

Members' average  
balance in  
accumulation



**\$588k**

Members' average  
balance in pension



**1,100**

Number of  
investment options



**Group & Retail**

Type of insurance

# 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.

Shadforth Financial Group is one of the largest financial advice firms certified by the Centre for Fiduciary Excellence and is part of the IFL Group. The products, Shadforth Portfolio Service – Super (**Super Service**) and Shadforth Portfolio Service – Pension (**Pension Service**), are our white label wrap platform offerings customised to support the retirement planning requirements of Shadforth Financial Group's clientele.

The wrap platform smoothly facilitates the members' transition from wealth accumulation to retirement. With the guidance and support of their advisers, members can create a bespoke financial path from an extensive investment menu backed by the expertise of leading fund managers.

Shadforth 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.

# 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 Shadforth Super Service and Shadforth Pension Service are promoting members' financial interests.*

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

Approximately 80% of members enjoy below median fees and our member services are rated highly by external research firms.

Members with accounts in Super Service can avail of a retail insurance policy customised to their personal needs through their financial adviser.

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

# Investment performance

*Shadforth's platform performance is promoting the financial interests of the members.*

We assessed the platform performance of Shadforth based on the quarterly reporting to the Investment Committee which includes the performance testing of investment options and the actions taken on approved recommendations with evidence provided. We took into account the requirements of Prudential Standard SPS 530 – Investment Governance in Superannuation. The Trustee's Investment Governance Framework, with its supporting investment policies, have demonstrated full compliance with the regulations.

We also considered APRA's publication<sup>1</sup> on the performance results of all super products for the financial year 2024. All investment options passed the annual APRA performance test and heatmap results.



# Fees and costs

*We have determined that the fees and costs and basis for setting fees for Shadforth Super Service and Pension Service are promoting members' financial interests.*

We assessed the fees and costs of Super Service and Pension Service against peers based solely on administration fees as the investment fees are relatively standardised across all platforms in the market. We further considered fees and costs across various member's balance thresholds (\$10K, \$25K, \$50K, \$100K and \$250K) and the distribution of the member accounts across cohorts.

Peer relative performance of the administration fees was extracted from an external industry survey report and supplemented by the analysis of published disclosure statements. We mapped the results with our members' distribution and discount fee structures.

Eighty percent of the members in Super Service pay fees and costs below the peer median across the balance thresholds. In Pension Service, 70% of the members have highly competitive fees (first quartile rank) when compared to peers especially for the larger balance thresholds.

We have also examined our basis for setting fees and have determined that they are appropriate. The Family Fee Aggregation discounts we offer to the members reflect the benefits of bringing economies of scale to the Fund. 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 provide to the members are promoting their 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. Members have ready access to online tools to complement their financial planning and resources, including videos and podcasts, that cover a wide range of financial topics.

Continuous and holistic member engagement is driven by the Shadforth advisers who are some of the most experienced wealth professionals in the industry.

# Insurance

*We concluded that the insurance strategy and fees for Shadforth Super Service are promoting members' financial interests.*

We offer both Group Insurance and Retail Insurance products to our members in Super Service 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.

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. We found the insurance average claim assessment duration to be comparable to the market average<sup>2</sup>.

<sup>1</sup> APRA Comprehensive Product Performance Package, June 2024 (issued September 2024)

<sup>2</sup> APRA Life Insurance Claims and Disputes as of December 2023 (issued April 2024)



# Scale and operating costs

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

*As the Trustee for the Fund, our scale is promoting the financial interests of the members.*

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 have determined that our operating costs are not promoting the 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.



## 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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