

Member Outcomes Assessment

The information in this document relates to the Expand Essential Super and Expand Essential Pension products

Year ended 30 June 2023
myexpand.com.au

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

EXPAND Essential

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 myexpand.com.au


Expand Essential is a practical and effective super solution that offers an investment menu composed of 15 ready-made portfolios spread across diversified and single-sector options. Integrated group and retail insurance is available from a panel of Australia's leading life insurers.

When assessing the key factors related to investments, we've focussed on those investment options that contain 80% of members funds under management.



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

Summary of findings

Factor	Data source/timing ¹	Findings
Overall assessment		
Net investment returns	SuperRatings Fund Crediting Rate Survey IIML STIC ² Quarterly Reporting	
Fees & costs	SuperRatings SMART Tool 2023 APRA ³ Expanded Performance Test 2022-23	
Level of investment risk	SuperRatings Accumulation Volatility and Risk-Adjusted Return Survey Morningstar Sharpe Ratio Report	
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 Statements	
Scale	APRA Fund-level Superannuation Statistics	
Operating costs	IIML Financial Reports FY2023	
Insurance strategy & fees	APRA Life Insurance Claims and Disputes statistics IIML Risk Appetite Statement July 2023	



'Promoting' the financial interests of members



'Partially promoting' the financial interests of members



'Not promoting' the financial interests of members



Not applicable

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

² IIML Superannuation Trustee Investment Committee

³ Australian Prudential Regulation Authority

Product comparison, performance and ratings

Net investment returns	Net investment return is the return we deliver to you minus investment fees and costs, and taxes.
	We've determined that the net investment returns for Expand Essential Super and Expand Essential Pension are promoting members' financial interests on the basis that the investment options in-scope have: <ul style="list-style-type: none"> • Met their performance objective over their stated time horizon. • Performed above the median for rolling 1, 3, 5, 7 and 10 year periods against their peer median. • For Expand Essential Super, passed the annual Your Future Your Super Performance Test.
Fees & costs	These are the total costs. It includes administration fees, investment fees and all other relevant fees and costs.
	We've determined that the fees and costs for Expand Essential Super and Expand Essential Pension are promoting members' financial interests on the basis that they are generally competitively priced when compared to our peers in the market.
Level of investment risk	This is a measure of the risk profile of your investment in relation to performance, benchmarks and objectives.
	We've determined that the investment risk for Expand Essential Super and Expand Essential Pension is promoting members' financial interests on the basis that in-scope investment options have appropriate returns compared to their risk profile.
Options, benefits & facilities	This evaluates your member services & benefits, your experience in accessing the services, and whether the fees & costs you pay are commensurate to what's offered.
	We've determined that the options, benefits and facilities for Expand Essential Super and Expand Essential Pension are promoting 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.
Investment strategy	This examines the investment objectives, asset allocations and associated risks of the investment options available to you to determine if they're on track to delivering your target returns in the future.
	We've determined that the investment strategy for Expand Essential Super and Expand Essential Pension is promoting 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.
Basis for setting fees	This determines whether the fee structure of each product is appropriate and fair.
	We've determined that the basis for setting fees for Expand Essential Super and Expand Essential Pension is promoting members' financial interests on the basis that: <ul style="list-style-type: none"> • there is a demonstrated fee equity between members indicating minimal cross subsidisation between members through 'user pay' fee structures and fee caps; • there is the ability for members to experience the benefits of bringing individual economies of scale to the Fund; and • fees charged to members cover the costs of the Fund to ensure long term sustainability.
Scale	This measures whether IIML has sufficient scale to promote the financial interests of members.
	We've determined that IIML has sufficient scale to sustain member outcomes into the future and is therefore promoting members' financial interest.

<p>Operating costs</p>	<p>This measures IIML's costs in operating the various superannuation funds.</p> <p>We've determined that our operating costs, as the trustee for of IOOF Portfolio Service Superannuation Fund, are not promoting 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>
<p>Insurance strategy & fees</p>	<p>This assesses whether IIML's insurance strategy and provision of insurance is appropriate for members and considers whether the fees (premiums) charged inappropriately erodes members' retirement savings (no insurance is provided within Expand Essential Pension).</p> <p>Expand Essential Super provides both group and retail insurance options to members. We've determined that the insurance strategy and fees (both group and retail) for Expand Essential Super are promoting members' financial interests. Members can apply through their adviser for a flexible insurance offer that meets their personal circumstances.</p>

Overall conclusion

Expand Essential Super	Expand Essential Pension
<p>Expand Essential Super has been determined to be promoting members' financial interests.</p> <p>The investment options in-scope have met their stated objective and the majority have performed above the median for 1, 3, 5, 7 and 10 year time periods compared to the peer median investment options in the market.</p> <p>Fees and costs align with a strong investment return and competitive service offering in the marketplace with sufficient scale to support long term outcomes provided to you.</p> <p>Group and retail insurance is available and can be customised to meet your individual circumstances.</p>	<p>Expand Essential Pension has been determined to be promoting members' financial interests.</p> <p>The investment options in-scope have met their stated objective and the majority have performed above the median for 1, 3, 5, 7 and 10 year time periods compared to the peer median investment options in the market.</p> <p>Fees and costs align with a strong investment return and competitive service offering in the marketplace with sufficient scale to support long term outcomes provided to you.</p>

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

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