



# IOOF

1 July 2021

## Product update

- **IOOF Pension – Term Allocated Pension**

**This product update amends the information in the IOOF Pension – Term Allocated Pension PDS and related guides dated 18 December 2020.**

Details of these changes can also be found in the accompanying **IOOF general reference guide**, and **IOOF Investment guide** available at [www.ioof.com.au](http://www.ioof.com.au).

The following changes apply from 1 July 2021 unless otherwise stated.

### Update to the IOOF Pension – Term Allocated Pension PDS

#### Advice Fee Changes

From 1 July 2021, advice fees will need to meet additional requirements before they can be applied to your account.

We are required to obtain member consent before a fee can be deducted from your account. You are not under any obligation to consent to the fee being deducted. You can revoke your consent to the deduction of any fees, by contacting us and/or your adviser to terminate the fee arrangement. This will prevent any further deduction of member advice fees from your account after the consent has been revoked but does not reverse any fees paid before revocation.

#### Ongoing Fees

These further requirements apply to:

- Member Advice Fee – Upfront
- Member Advice Fee – Ongoing

We will require your consent every year to continue an ongoing fee. If we do not receive your consent by the **'consent end date'** your fee will cease. The consent end date is 150 days after your anniversary date: the date when you enter into an ongoing fee arrangement with your adviser.

If we have not received your consent by the consent end date, we will seek to confirm with your adviser that they are still providing services to you. If no confirmation is received or if no further services are to be provided, we will remove the adviser's access to your account.

#### Non-ongoing fees

These further requirements apply to:

- Member Advice Fee – One-Off
- Member Advice Fee – Fixed Term Arrangement

As part of the advice fee request, we require a list of services that are being provided for non-ongoing advice fees. If there are any percentage-based fees, a reasonable estimate of the total cost for the stated timeframe must be provided.

#### Temporary pension minimums extension to 30 June 2022

The reduction of 50% of the minimum drawdown amounts was introduced in 2020 as part of the response to the coronavirus pandemic and has been extended due to the ongoing impact of the financial markets on retirement savings.

The Government announced an extension of the temporary reduction in superannuation minimum drawdown rates for a further year to 30 June 2022.

Arrangements for clients who elected to reduce their annual pension to the reduced amount will continue unchanged. Any amount above the new temporary minimum will be treated as a nominated amount. When you elect to receive the minimum pension, the new reduced pension amount will apply. If you wish for any amount above this to apply, please supply a nominated amount.

## Complaints

The following change applied from 1 May 2021.

If you have a complaint (or wish to obtain further information about the status of an existing complaint), please contact Customer Care on 1800 913 118 or write to Customer Care, GPO Box 264, Melbourne, VIC 3001.

We will provide you with all reasonable assistance and information you may require for the purpose of making a complaint and assist you in understanding our complaints handling procedures. We aim to provide a formal response within 28 days of our acknowledgement of the complaint.

You have the option to lodge a complaint with AFCA directly rather than lodging a complaint with us. Otherwise, you can also lodge a complaint with AFCA if you are not satisfied with our response or if your complaint has not been resolved within the maximum timeframe prescribed by ASIC's Regulatory Guides (RG 165/RG 271). AFCA provide a fair and independent financial services complaint resolution that is free to consumers. Time limits may apply to complain to AFCA. Please act promptly and consult the AFCA website to find out if or when the time limit relevant to your circumstance expires.

**Website:** [www.afca.org.au](http://www.afca.org.au)

**Email:** [info@afca.or.au](mailto:info@afca.or.au)

**Telephone:** 1800 931 678 (Free call)

In writing to: Australian Financial Complaints Authority  
GPO Box 3, Melbourne VIC 3001

## Frequency of pension payments

Pension payments can be made on the 6th, 10th, 14th, 20th, 25th or 28th of the month for monthly, quarterly, half-yearly and yearly pension payments.

Fortnightly pension payments are not currently selectable as a frequency option

## Standing instructions

New features will be available for managing and topping up your cash account. As such, the Standing Instructions section in the General Reference Guide (IOF.02) has been updated and replaces the Standing Instructions section in the PDS.

## Transfers to the eligible rollover fund (ERF) have ceased

The following change applied from 1 May 2021.

Under *Treasury Laws Amendment (Reuniting More Superannuation) Act 2020*, super funds may not transfer super benefits to ERFs from 1 May 2021.

Prior to 1 May 2021 super benefits could be transferred to the fund's chosen ERF in the following circumstances:

- lost members
- account balances below \$2,000
- members who had sought return of initial investment and did not notify the fund of a recipient super fund for the receipt of benefits (if necessary), or the nominated super fund did not accept the rollover.

Although super accounts can no longer be transferred to an ERF, under the new laws super accounts can be voluntarily transferred to the ATO if the Trustee determines it to be in a member's best interest. For example, if a money is owed to a member but the Trustee is unable to contact the member after reasonable efforts.

Existing laws which apply to low account balances, lost members and other circumstances will continue to apply.

## Update to the Investment Guide (IOF.01)

The following changes apply from 1 July 2021.

The Fund offers a number of investment options categorised into 17 Investment Strategies, including investment objective, investment strategy, level of risk and asset allocation. These are reviewed annually.

Following are the available categories and the typical investors they could suit. Refer to the Investment menu for details of the available investments.

Investment strategy	Investment objective	Underlying investments	Usually held for a minimum of	Risk band	Risk label	Est. negative annual returns over 20yrs
<b>Diversified Growth Funds</b>	To provide a diverse range of multi asset growth orientated investment options that offer varied strategies aiming to achieve capital growth (in a risk adjusted manner) through the investment cycles. This can be delivered through a well-diversified portfolio of growth assets with higher expected volatility.	A mixture of cash, fixed interest, shares and property. Shares and property securities will generally represent more than three quarters of the portfolio.	Long Term 7+ Years	5–6	Medium – High	3 to less than 6
<b>Diversified Balanced Funds</b>	To provide a diverse range of multi asset balanced orientated investment options that offer varied strategies aiming to achieve above inflation rate growth (in a risk adjusted manner) through the investment cycles. This can be delivered by investing in a balanced exposure across growth and defensive assets.	Broadly an equal spread between growth assets such as shares and property securities and defensive assets such as cash and bonds.	Medium Term 5+ Years	4–6	Medium – High	2 to less than 6
<b>Diversified Conservative Funds</b>	To provide a diverse range of multi-asset defensive orientated investment options that offer varied strategies aiming to achieve relatively stable returns (in a risk adjusted manner) through the investment cycles. This can be delivered by investing in a range of growth and income assets, while providing lower volatility and capital protection through a high weighting to defensive assets.	A range of cash, fixed interest securities, shares and property securities. Fixed interest securities and cash will represent at least three quarters of the portfolio.	Short – Medium Term 2+ Years	3–5	Low – High	1 to less than 4
<b>Australian Share Funds</b>	To provide a diverse range of Australian Share investment options that offer varied investment styles aiming to achieve high returns (in a risk adjusted manner) through the investment cycles by investing in a variety of Australian listed companies.	A range of shares in listed Australian companies which operate in different industries.	Long Term 7+ Years	6–7	High – Very High	4 to 6 or greater
<b>Global Share Funds</b>	To provide a diverse range of International Share investment options that offer varied investment styles aiming to achieve high returns (in a risk adjusted manner) through the investment cycles by investing in a variety of international listed companies.	A range of shares in companies listed on world stock markets.	Long Term 7+ Years	6–7	High – Very High	4 to 6 or greater

Investment strategy	Investment objective	Underlying investments	Usually held for a minimum of	Risk band	Risk label	Est. negative annual returns over 20yrs
<b>Property Funds</b>	To provide a diverse range of Australian and internationally listed property investment options that offer varied investment styles aiming to achieve moderate to high returns from growth and income (in a risk adjusted manner) through the investment cycles by investment in a variety of Australian and international property trusts.	A range of property securities listed on the Australian and international stock exchanges.	Long Term 7+ Years	6–7	High – Very High	4 to 6 or greater
<b>Global Infrastructure funds</b>	To provide a diverse range of global listed infrastructure investment options that offer varied investment strategies aiming to achieve moderate to high returns with lower correlation to traditional assets (in a risk adjusted manner) through the investment cycles. This can be delivered by investing in a wide range of global listed infrastructure strategies.	A range of infrastructure securities listed on Australian and international stock exchanges.	Long Term 7+ Years	6–7	High – Very High	4 to 6 or greater
<b>Alternative funds</b>	To provide a diverse range of alternative investment options that offer varied investment strategies aiming to achieve moderate absolute returns with lower correlation to traditional assets (in a risk adjusted manner) through the investment cycles. This can be delivered by investing in a wide range of alternative investment strategies.	All asset classes may be utilised, including derivatives. Internal leverage may also be incorporated in some funds.	Medium Term 5+ Years	5–7	Medium – High	3 to 6 or greater
<b>Cash funds</b>	To provide a diverse range of cash investments aiming to achieve a high degree of stability while delivering returns that are consistent with the prevailing market cash rate (in a risk adjusted manner) through the investment cycles.	A range of short-term money market securities issued by Australian governments, banks, high quality corporate borrowers and credit union deposits.	No Minimum	2–3	Low – Medium	0.5 to less than 2
<b>Commodities</b>	To provide a diverse range of commodities investment options that offer varied investment strategies aiming to achieve moderate absolute returns with lower correlation to traditional asset classes (in a risk adjusted manner) through the investment cycles.	A range of derivatives based on raw materials such as wheat, cattle, oil and natural gas, gold, silver, sugar, cotton, cocoa and coffee.	Long Term 7+ Years	7	Very High	6 or greater
<b>Australian fixed interest funds</b>	To provide a diverse range of Australian fixed interest investment options that offer varied investment strategies aiming to achieve a return in excess of the cash rate (in a risk adjusted manner) through the investment cycles by investing in a variety of Australian fixed interest securities.	A range of fixed interest securities issued by Australian governments, banks, other financial institutions and corporates.	Medium Term 4+ Years	3–6	Low – High	1 to less than 6

Investment strategy	Investment objective	Underlying investments	Usually held for a minimum of	Risk band	Risk label	Est. negative annual returns over 20yrs
<b>International fixed interest funds</b>	To provide a diverse range of international fixed interest investment options that offer varied investment strategies aiming to achieve a return in excess of the cash rate (in a risk adjusted manner) through the investment cycles by investing in a variety of international fixed interest securities	A range of international fixed interest securities issued by governments, banks, other financial institutions and corporates.	Medium Term 4+ Years	3–6	Low – High	1 to less than 6
<b>Listed High yielding investments</b>	To provide a range of listed high yielding investment options aiming to achieve a higher return than investment grade securities issued by Australian governments and banks through the investment cycles.	A range of listed debt securities issued by corporates.	Long Term 6+ Years	6	High	4 to less than 6
<b>Listed investment companies – International Shares</b>	To provide a diverse range of LIC options that offer varied strategies aiming to achieve high returns (in a risk adjusted manner) through the investment cycles from a variety of international listed companies.	A range of shares in companies listed on international stock markets.	Long Term 6+ Years	6	High – Very High	4 to less than 6
<b>Listed investment companies – Australian Shares</b>	To provide a diverse range of LIC options that offer varied strategies aiming to achieve high returns (in a risk adjusted manner) through the investment cycles from a variety of Australian listed companies.	A range of shares in listed Australian companies which operate in different industries.	Long Term 6+ Years	6	High	4 to less than 6
<b>Listed Australian property trusts</b>	To provide a moderate to high return over time through a variety of Australian listed property trusts.	A range of property trusts and companies listed on Australian Securities Exchange with exposures in commercial, industrial, retail and leisure property sectors.	Long Term 6+ Years	6	High	4 to less than 6
<b>Exchange-traded funds</b>	To provide a range of exchange-traded funds aiming to achieve returns in line with market indices through the investment cycles.	A range of pooled funds listed on the Australian Securities Exchange with exposure to different markets and assets.	Medium to Long Term 3–6+ Years	As per underlying pool of investments.		

Note: Any reference to investment returns includes a reference to both income and capital returns. The indicative investment strategy, objectives and benchmarks may vary across the different managed investments from time to time. This includes variances in the actual asset allocation for each managed investment as compared to the target strategy benchmarks. To obtain more information on the investment strategy and benchmarks for each managed investment, please refer to the PDS for the particular managed investment.