

Member Outcomes Assessment

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

Year ended 30 June 2022
myexpand.com.au

Issuer: IOOF Investment Management Limited ABN 53 006 695 021, AFS Licence No. 230524.

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 (formerly IOOF 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 Pension Fund Crediting Survey Superannuation Trustee Investment Committee Fiduciary Research Quarterly Performance Report	
Fees & costs	SuperRatings SMART Tool 2022	
Level of investment risk	IOOF Investment Management Limited (IIML) Investment Governance Framework – Superannuation, May 2022	
Options, benefits & facilities	IIML Monthly Service Providers Report Chant West Member Services Benchmarking Report December 2021 IIML Fund Management Fund Reporting	
Investment strategy	IIML Investment Governance Framework May 2022	
Basis for setting fees	IIML Fund Management Fund Reporting Product Disclosure Statements November 2022	
Scale	IIML Fund Management Fund Reporting	
Operating costs	IIML Fund Management Fund Reporting	
Insurance strategy & fees	APRA ² Life Insurance Claims and Disputes statistics IIML Risk Appetite Statement July 2022	



'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 2022 unless otherwise stated.



² 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.
	 <p>We've determined that the net investment returns for Expand Essential Super and Pension are promoting members' financial interests on the basis that the investment options in-scope have met their stated objective and the majority have performed above the median for rolling 1, 3 and 5 years periods against their peer median.</p>
Fees & costs	These are the total costs. It includes administration fees, investment fees and all other relevant fees and costs.
	 <p>We've determined that the fees and costs for Expand Essential Super and Pension are promoting members' financial interests on the basis that they are generally competitively priced when compared to our peers in the market.</p>
Level of investment risk	This is a measure of the risk profile of your investment in relation to performance, benchmarks and objectives.
	 <p>We've determined that the investment risk for Expand Essential Super and Pension is promoting members' financial interests on the basis that the:</p> <ul style="list-style-type: none"> • regular monitoring process has been adhered to in accordance with our Investment Governance Framework; and • 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.
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.
	 <p>We've determined that the options, benefits and facilities for Expand Essential Super and Pension are promoting members' financial interests on the basis that a market leading offering is provided to you with a focus on supporting advisers to service you efficiently and effectively.</p>
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.
	 <p>We've determined that the investment strategy for Expand Essential Super and 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.</p>
Basis for setting fees	This determines whether the fee structures of each product is appropriate and fair.
	 <p>We've determined that the basis for setting fees for Expand Essential Super and Pension is promoting members' financial interests on the basis that:</p> <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.
	 <p>We've determined that scale for Expand Essential Super and Pension is promoting members' financial interests on the basis that we have demonstrated sufficient scale to sustain member outcomes into the future.</p>

Operating costs	<p>This measures IIML's costs in operating the various superannuation funds.</p> <div>  <p>We've determined that our operating costs, as trustee for Expand Essential Super and Pension, are promoting members' financial interests on the basis that operation and expense management Key Performance Indicators have been met.</p> </div>
Insurance strategy & fees	<p>This assesses whether IIML's insurance strategy and provision of insurance is appropriate for members and considers whether the fees charged (premiums) inappropriately erodes members' retirement savings (no insurance is provided within Expand Essential Pension).</p> <div>  <p>Expand Essential Super provides both group and retail insurance options to members. We've determined that the group insurance strategy, fees and costs for Expand Essential Super are promoting members' financial interests on the basis that:</p> <ul style="list-style-type: none"> • You can tailor your insurance to your needs. • Terms and conditions of your insurance offer are aligned to or of greater benefit to you relative to comparable competitors. • If it comes to the point when you need to make a claim, average claim assessment duration is better than the market average against comparable segments and claim acceptance rates are within expectation. <p>We've also determined that the retail insurance strategy, fees and costs for Expand Essential Super are promoting members' financial interests on the basis that:</p> <ul style="list-style-type: none"> • You can apply through your adviser to provide a flexible insurance offer to meet your needs and budget. • If it comes to the point when you need to make a claim, average claim assessment duration is better than the market average against comparable segments and claim acceptance rates are within expectation. </div>

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 and 5 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. Terms and conditions of the insurance offer are aligned to or of greater benefit to members relative to comparable competitors.</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 and 5 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.

Telephone **1800 517 124**

Email **clientfirst@myexpand.com.au**

Website **myexpand.com.au**

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