



IOOF

IOOF Portfolio Service Superannuation Fund

Trustee's annual report to members as at 30 June 2021

- eXpand
- IOOF Employer Super
- IOOF Essential
- IOOF LifeTrack
- IOOF Pension
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Important information

This report is issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFS Licence No. 230524. IIML is the Registrable Superannuation Entity (RSE) Licensee, RSE Licence No. L0000406 for the IOOF Portfolio Service Superannuation Fund (Fund) ABN 70 815 369 818, Registration No. R1000627.

The information in this report is general information only and does not take into account your financial circumstances, needs and objectives. Before making any decision based on this report, you should assess your own circumstances or seek advice from a financial adviser. You should obtain and consider a copy of the Product Disclosure Statement available from us or your financial adviser before you acquire a financial product. The information is given in good faith and is believed to be accurate and reliable at the time of publication. IIML provides no assurance that the Fund will continue to be available in the future.

Message from the Chair

Welcome to the Trustee's Annual Report for members of the IOOF Portfolio Service Superannuation Fund (Fund) for the year ended 30 June 2021.

This report has been prepared by IOOF Investment Management Limited, as Trustee of the Fund. It contains general information about the Fund, including abridged financial statements, changes to the Fund during the year and developments in super.

The COVID-19 pandemic has had devastating consequences globally and continues to challenge us all to find new ways of living and working. An important priority was assisting our members who were financially impacted by the COVID-19 pandemic to quickly access their super in line with the Government's economic response package.

Despite the ongoing uncertainty created by COVID-19, most global markets have recovered since the pandemic driven decline in the first half of 2020 and have gone on to deliver strong investment returns in 2021. We're pleased we've been able to help our members access investment opportunities and navigate the volatile environment.

The 2021 financial year also saw a major milestone with IOOF and MLC combining to become one of Australia's leading wealth managers, managing and administering \$450 billion on behalf of more than 2.2 million Australians. This combination brings scale, diversity and growth opportunities through wide-ranging capabilities and technical expertise. Looking forward, members will benefit from a programme to deliver leading capabilities in products and services focused on better member outcomes.

Additionally, there have been many changes in the superannuation landscape over the last 12 months, including the Government's 'Your Future Your Super' package which aims to help Australians better save for their retirement and improve their financial future. This is consistent with the Fund's purpose and we look forward to supporting members with these changes.

We strive to support the long-term financial wellbeing of our members to help them adapt to an ever-changing environment. Putting members' financial interests first has always been, and will continue to be, at the heart of the Fund's goals. We have a Member Office (formerly known as the Office of the Superannuation Trustee) that works daily on behalf of the Trustee Board to ensure members' interests come first in all the operations and activities related to the Fund.

Pleasingly, we were recognised as finalists in multiple product award categories of the Super Review 'Super Fund of the Year Awards 2021'. Finalists are selected and rated by The Heron Partnership, an independent actuarial and superannuation consultancy. This recognition is a great honour and underlines the Fund's commitment to deliver what is important to our members.

In 2021, we successfully completed the first phase of our 'Evolve' program to simplify and improve the financial solutions we offer on a modern technology platform for the benefit of all our members. This achievement positions us well for the next phase and if you'd like to read more please visit ioof.com.au/evolve

In February of this year, we held our first Annual Member Meeting. This was a wonderful opportunity for the IOOF executive team and the Trustee Board to connect with the Fund's members. We will be in contact with members soon with an invitation to our next Annual Member Meeting in 2022. We hope you will be able to join us to hear an update on the performance of the Fund, the outlook for the next year and ask questions. In the interim, if we can be of help to you, please don't hesitate to contact us. You can find up to date information about the support we can offer at ioof.com.au/contact-us

Looking ahead, we believe we have a substantial opportunity to continue to make a difference to the long-term financial wellbeing of our members and on behalf of the Trustee Board and Management, would like to thank you for this privilege and your support.

Warm regards



Lindsay Smartt

Government reforms in superannuation

Government reforms in superannuation since 1 July 2020

Financial adviser commissions ceased

As noted in the 2020 trustee report, commissions (payments from product providers to financial advisers for certain arrangements entered into before 1 July 2013) were to be terminated no later than 1 January 2021.

The trustee ceased paying commissions no later than 1 December 2020, and where possible lowered the costs of administration fees or insurance premiums.

Changes relating to contributions

Legislation has been passed to increase the age at which members can access the bring-forward non-concessional contributions cap from 64 to 66. This means anyone who is 66 years or under at the start of a financial year may make a contribution of up to \$330,000 without breaching the contribution cap (subject to their total super balance at the start of the year). Although the legislation was only passed in June 2021, the change is effective from 1 July 2020 which may impact members who made large non-concessional contributions last year.

Legislation was also passed to introduce a COVID-19 recontribution option. If a member had taken advantage of the COVID-19 compassionate release, there is now an option to make a top-up contribution over the next ten years without the contribution counting towards their non-concessional contributions cap. Amounts subject to a COVID-19 recontribution cannot be claimed as a tax deduction and members taking advantage of this recontribution must provide the ATO form to the fund at or before the time they transfer money to the fund.

Further, from 1 July 2021 contribution caps have increased in line with indexation and the Superannuation Guarantee rate has increased. Refer to the section 'Superannuation thresholds for 2021/22' below for more information.

Increased consent requirements for deducting member advice fees

From 1 July 2021, any request to deduct any member advice fee will need to satisfy specific requirements as set out by ASIC. Additionally, ongoing member advice fees (i.e. fees that are payable for personal financial advice over a period exceeding 12 months) will require members to re-consent to their continuation every 12 months. These reforms are part of a broader package which may also impact how and when your financial adviser needs to disclose the fees they receive.

Members can request their advice fees to cease at any time by notifying the trustee in writing (including via email).

Your Future, Your Super reforms

As part of the 2020 Federal budget, the Government announced, and has since implemented, a series of reforms to superannuation that aim to:

- Reduce multiple accounts being established for members by requiring employers to first seek information from the ATO about a new employee's existing super funds before establishing a new account in the employer's default fund. This measure, referred to as super stapling, takes effect for someone starting work with a new employee from 1 November 2021.
- Require the ATO to develop a 'YourSuper' comparison tool which provides a high-level comparison between different superannuation options. This tool is now live on the ATO website.
- Require APRA, the prudential regulator, to carry out annual performance testing against MySuper options, as well as products controlled by the super fund or an associated entity. Funds which fail APRA's performance assessment must notify members and cannot accept new members if they fail twice. The first MySuper performance test was completed effective 1 July 2021, and trustee-directed products will be measured from 1 July 2022.
- Enhance the Trustee's duty to prioritise and act in the members' best financial interests when making decisions, over Trustee's non-financial interests.

Closure of Eligible Rollover Funds and trustee ability to transfer funds to the ATO

Eligible rollover funds (ERFs) were introduced as an option for trustees to transfer member benefits when they believed the member's interests were no longer served by their fund, and were intended as a temporary repository of funds that a member would consolidate with their other super monies in short order. However in practice members were not usually aware of the ERF to which their funds had been transferred and these amounts would remain within the ERF, which does not generate much return.

Given the increase in the ATO's involvement with consolidating lost super balances, the Government have passed legislation requiring ERFs to transfer their balances to the ATO, and the ATO to consolidate amounts to member's active super accounts. All amounts within ERFs are to be transferred before 31 January 2022.

To provide trustees an alternative mechanism to deal with situations where the member's interests are no longer served by remaining within the fund, the trustee now has the option to voluntarily transfer member's funds to the ATO, who will then consolidate the transferred amount with any active fund the member has. The trustee can only transfer money to the ATO in this way if they believe it is in the member's best interest to do so.

Family Court can request superannuation information from the ATO

From 1 April 2022, parties who are separating can request the Family Court seek information about the other party's super benefits from the ATO. The ATO will then provide any information it has about superannuation interests to the Family Court. This is designed to reduce the ability for 'bad faith' settlements by one party not disclosing their super assets.

Design and distribution obligations

All financial product providers are, from 5 October 2021, subject to enhanced obligations around the design of their products, as well as how people can invest in them (i.e. how the product is distributed). As a result, certain investment options available through the platform will be restricted to members who are receiving personal advice from a financial planner. If a member has existing investments in an option that has this requirement, the existing holding can be maintained.

Portfolio holdings disclosure

Super funds will be required to publish a list of the underlying assets held within their investment options every six months based on the investments as at 31 December and 30 June each year. The first reporting date is 31 December 2021 and funds have three months from the report date to make the information available through the fund's website.

Adjustments to annual member meetings

Regulations were passed in August 2021 that prescribe specific information that must be provided by a super fund with its notice of an upcoming annual member meeting. The adjustments also allow for more flexible delivery of the notice, including by simply posting the notice on the fund's website. This will apply for annual member meetings held after 1 July 2022.

Western Australia super family law splitting delegated to Commonwealth for de-facto couples

The federal Government has passed legislation enabling de-facto couples to apply for super splitting on the breakdown of the relationship, however this has not yet taken effect as Western Australia will need to pass supporting legislation at a State level. Once this occurs, it is expected the Commonwealth legislation will be enacted.

COVID-19: Continued reduction of minimum account-based pension

As for the previous financial years, the Government further extended the halving of the minimum that must be drawn from account-based income streams to the 2021/22 financial year.

Superannuation changes announced but not yet implemented

The Government has announced other changes which have not yet passed into law. This includes:

- The removal of age limit to enter into a bring-forward arrangement in relation to non-concessional contributions and removal of work test requirement from 1 July 2022. Combined, this would allow members to make contributions up to age 74, however non-concessional contributions will still be subject to the total super balance requirements. Note the work test is proposed to be applied for members who are over 67 and are intending to claim a deduction for their personal contributions.
- An ability to exit certain legacy income stream products such as term allocated pensions. The Government has acknowledged these products may no longer be fit for their original purpose given the amount of change to superannuation law over the past decade. The proposal is to allow a two year window from 1 July 2022 where members can choose to exit these arrangements. The specifics of how this will operate are not known at this time.
- The eligible age for making a downsizer contribution is proposed to reduce from 65 to 60 from 1 July 2022.
- From 1 July 2022 trustees of super funds (excluding SMSFs) are expected to design, implement and review a retirement income strategy as part of a new retirement income covenant. This will include consideration of what support a super fund may be able to provide a member to help them maximise their income in retirement.

Superannuation thresholds for 2021/22

Concessional contributions cap	\$27,500 (previously \$25,000 in 2020/21)
Non-concessional contributions cap (NCC)	<p>\$110,000 annual cap (previously \$100,000 in 2020/21) if under \$1.7m in super and pension on 30 June 2021</p> <p>\$0 if \$1.7 million or more in super and pension on 30 June 2021</p> <p>If individual is under age 67 on 30 June 2021, potential bring-forward:</p> <ul style="list-style-type: none"> • \$330,000 if under \$1.48 million in super and pensions on 30 June 2021 • \$220,000 if between \$1.48 million and \$1.59 million in super and pensions on 30 June 2021
Superannuation guarantee (SG) rate	10% (increase from 9.5% in 2020/21)
SG maximum contribution base	\$58,920 ordinary time earnings per quarter or \$235,680 pa (up from \$57,090 per quarter 2020/21)
Preservation age <ul style="list-style-type: none"> • Benefits can be accessed on retirement • 0% effective tax on withdrawals under low rate threshold 	Age 58 if born from 1 July 1962 to 30 June 1963 Age 59 if born from 1 July 1963 to 30 June 1964 Age 60 if born after 1 July 1964
Low rate cap <ul style="list-style-type: none"> • 0% effective tax on taxable component of withdrawals 	\$225,000 (up from \$215,000 for 2020/21)
CGT cap amount <ul style="list-style-type: none"> • Excluded from NCC cap 	\$1,615,000 (up from \$1,565,000 for 2020/21)
Government co-contribution income	Full co-contribution – \$41,112 pa or less (up from \$39,837 for 2020/21) No co-contribution – \$56,112 pa or more (up from \$54,837 for 2020/21)
Spouse contribution tax offset	Maximum of \$540 if annual spouse income less than \$37,000. Offset ceases at \$40,000.
Departing Australia Superannuation Payment tax rate	35% on taxable component (65% for working holiday makers)
Centrelink age pension age	Age 66 and six months Age pension age increases by 6 months every 18 months until it reaches age 67 by 1 July 2023.

Changes to the IOOF Portfolio Service Superannuation Fund

Changes to the Trust Deed

The Trust Deed for the Fund was amended on 27 November 2020 to allow products to migrate to the Evolve technology and to clarify the administration of reserve accounts within the Fund. A copy of the current Trust Deed is available to members online at www.ioof.com.au/about-us/about-ioof/trustee-disclosures, upon request by calling our ClientFirst Team or may be inspected by arrangement during business hours at the office of the Trustee.

Completion of Evolve phase 1 migration

The below products were successfully migrated to new products on the new evolve technology platform on 12 June 2021.

- Bendigo Financial Solutions Personal Superannuation
- Bendigo Financial Solutions Allocated Pension
- Bendigo Financial Solutions Term Allocated Pension
- Financial Partnership Portfolio Service Personal Superannuation
- Financial Partnership Portfolio Service Allocated Pension
- IOOF Portfolio Service Personal Superannuation
- IOOF Portfolio Service Allocated Pension

- IOOF Portfolio Service Term Allocated Pension
- IOOF Portfolio Service Wholesale Personal Super
- IOOF Portfolio Service Wholesale Allocated Pension
- IOOF LifeTrack Superannuation
- IOOF LifeTrack Cashback Pension
- IOOF Pursuit Focus Personal Superannuation
- IOOF Pursuit Focus Allocated Pension

New features available on our Evolve technology

- **IOOF Employer Super**
- **IOOF Personal Super**
- **IOOF Pension**
- **IOOF Essential**
- **eXpand**
- **Shadforth Portfolio Service**

We have introduced a number of new features to our Evolve technology to improve the way you manage your retirement savings.

Member Advice Fees

You and your adviser may agree for a fee to be charged for financial advice services that are to be provided over a fixed period.

Insurance Changes

Following an extensive competitive tender process, IIML reappointed TAL as the fund's group insurer. Pleasingly, because of this reappointment, most members with insurance received reduced premiums and some improved policy terms and conditions on your insurance cover.

Effective July 2021 for insurance we have made changes to some of our terms and conditions, which includes some improved terms as well as adjustments to existing conditions to ensure you receive better value for your premium.

Pension Payment Frequency

We have added additional frequencies for pension payment dates providing members greater choice of when their pension is paid.

Standing Instructions

We have added additional options to our Standing Instructions which gives you greater choice on how you manage your account. This includes a percentage-based income distribution investment option, the option to top up your cash account according to a prioritised list and the ability to customise the Cash Account to suit your needs.

Also, if you use the Managed Portfolio Service (MPS) as part of your account, MPS investments can now be included in your deposit instructions.

Transacting on your Account¹

We have built on our existing transacting capabilities to help you and your adviser transact on your account with ease. Some of the recently added features include:

- Corporate action functionality has been extended to members who have online transaction access on their account allowing eligible members to participate in selected corporate actions.
- You can now elect to have your portfolio re-weighted automatically according to a desired weighting preference where you elect to use the Automatic Re-weight Facility.
- If you use the MPS as part of your account, you can now include listed investments as part of your selected model.
- Where you have online transaction access on your account you may purchase and provide reinvestment instructions for Maturing Investments Online.

The most current product disclosure statements (PDS) for our products on the Evolve technology can be found below at:

IOOF Employer Super, IOOF Personal Super and IOOF Pension: www.ioof.com.au

IOOF Essential: www.ioof.com.au

eXpand: www.myexpand.com.au

Shadforth Portfolio Service: www.sfg.com.au/portfolio

¹ Corporate Actions and Maturing Investments are not available for IOOF Essential clients. MPS is only available on eXpand and Shadforth Portfolio Service accounts.

Changes to investment options

As Trustee, we regularly monitor the investment options available to members in the Fund.

This section outlines the underlying investment options that have been added and removed from the Fund's investment menus during 2020/21. Any investment option currently available may not continue to be available in the future.

We make no recommendation regarding the investment options set out below and not all investment options are available for all products. If you require further information about what investment options are available through each product, please refer to the relevant product's investment menu. If you require further information regarding the investment option, please refer to the investment option's PDS and speak to your financial adviser or our ClientFirst Team.

New investment options

APIR code	Investment option name
AAP3656AU	Ausbil Active Dividend Income Fund
AAP3940AU	Ausbil Active Sustainable Equity Fund
N/A	Challenger Guaranteed Annuity – 0.90 cents p.a. 12 months 7 May 2022
N/A	Challenger Guaranteed Annuity – 1.00 cents p.a. 12 months 1 July 2022
N/A	Challenger Guaranteed Annuity – 1.10 cents p.a. 24 months 7 May 2023
N/A	Challenger Guaranteed Annuity- 1.15 cents p.a. 24 months 1 July 2023
N/A	Challenger Guaranteed Annuity – 1.35 cents p.a. 36 months 7 May 2024
N/A	Challenger Guaranteed Annuity – 1.40 cents p.a. 12 months 7 November 2021
N/A	Challenger Guaranteed Annuity- 1.45 cents p.a. 36 months 1 July 2024
N/A	Challenger Guaranteed Annuity – 1.50 cents p.a. 12 months 8 September 2021
N/A	Challenger Guaranteed Annuity – 1.50 cents p.a. 24 months 7 November 2022
N/A	Challenger Guaranteed Annuity – 1.65 cents p.a. 24 months 8 September 2022
N/A	Challenger Guaranteed Annuity – 1.70 cents p.a. 12 months 1 July 2021
N/A	Challenger Guaranteed Annuity – 1.70 cents p.a. 36 months 7 November 2023
N/A	Challenger Guaranteed Annuity – 1.80 cents p.a. 24 months 1 July 2022
N/A	Challenger Guaranteed Annuity – 1.80 cents p.a. 36 months 8 September 2023
N/A	Challenger Guaranteed Annuity – 1.90 cents p.a. 60 months 7 November 2025
N/A	Challenger Guaranteed Annuity – 2.00 cents p.a. 60 months 8 September 2025
N/A	Challenger Guaranteed Annuity – 2.05 cents p.a. 60 months 1 July 2026
DFA7518AU	Dimensional Sustainability World Allocation 70/30 Trust

APIR code	Investment option name
WHT8435AU	Hyperion Global Growth Companies Fund
BNT0101AU	Hyperion Small Growth Companies Fund
DEU0109AU	Ironbark GCM Global Macro Fund
MAQ7578AU	Macquarie Professional Series Global Alternatives Fund
ETL8155AU	Milford Australian Absolute Growth Fund
OPS0004AU	OC Micro-Cap Fund
BTA0122AU	Pendal Sustainable Balanced Fund
RFA0811AU	Pendal Sustainable Conservative Fund
NAB3990AU	Strategic Sustainable Global Bond Fund
JBW0018AU	Yarra Enhanced Income Fund
JBW0103AU	Yarra Global Small Companies Fund

Removed investment options

APIR code	Investment option name
CRS0004AU	Aberdeen Standard Australian Fixed Income Fund
CSA0062AU	Aberdeen Standard Diversified Fixed Income Fund
ETL0130AU	Aberdeen Standard Global Absolute Return Strategies Fund
AMP0455AU	AMP Capital Ethical Leaders International Share Fund
AMP1595AU	AMP Capital Global Infrastructure Securities Fund (Hedged)
NML0061AU	AMP Capital Wholesale Australian Equity Value Fund
NFS0209AU	Antares Listed Property Fund
PER0634AU	AQR Wholesale Managed Futures Fund – 1P
WHT0053AU	Capital Group Emerging Markets Total Opportunities Fund (AU)
PIM0034AU	CFM Institutional Systematic Diversified Trust
N/A	Challenger Guaranteed Annuity – 1.80 cents p.a. 12 months 7 May 2021
N/A	Challenger Guaranteed Annuity – 2.10 cents p.a. 12 months 7 November 2020
N/A	Challenger Guaranteed Annuity – 2.15 cents p.a. 12 months 8 September 2020
N/A	Challenger Guaranteed Annuity – 2.70 cents p.a. 12 months 1 July 2020
N/A	Challenger Guaranteed Annuity – 3.10 cents p.a. 24 months 7 May 2021
N/A	Challenger Guaranteed Annuity – 3.45 cents p.a. 24 months 7 November 2020
N/A	Challenger Guaranteed Annuity – 3.45 cents p.a. 24 months 8 September 2020
FID0014AU	Fidelity Hedged Global Equities Fund
GTU0041AU	Invesco Wholesale Global Property Securities Hedged – Class A Units

APIR code	Investment option name
MAQ5318AU	IPM Global Macro 50 Fund
MAQ8243AU	IPM Global Macro Fund
MGL0019AU	Ironbark Copper Rock Emerging Markets Opportunities Fund
IOF0127AU	Janus Henderson Diversified Credit Fund
HGI0004AU	Janus Henderson Global Fixed Interest Total Return Fund
KAM0101AU	K2 Australian Absolute Return Fund
MPL0801AU	Maple-Brown Abbott Pooled Superannuation Trust
ADV0066AU	Maple-Brown Abbott Sharemarket Fund
MON0001AU	Monash Absolute Investment Fund
PER0673AU	Morphic Global Opportunities Fund
HHA0001AU	Pengana Australian Equities Income Fund
MAQ0838AU	Polaris Global Equity Fund
RIM0006AU	Russell Australian Share Fund – Class A
RIM0011AU	Russell Balanced Fund – Class C Units
RIM0012AU	Russell Conservative Fund – Class C Units
FRT0004AU	Templeton Global Equity Fund
TPT0002AU	TPT Long Term Fund
UBS0057AU	UBS Microcap Fund
WMF0001AU	Watermark Market Neutral Trust
ZUR0614AU	Zurich Investments Emerging Markets Equity Fund
ZUR0583AU	Zurich Investments Small Companies Fund
ZUR7150AU	Zurich Investments Small Companies Fund – Class D

Listed share options

The majority of listed securities in the S&P/ASX 300 Index, including a range of exchange traded products and other ASX listed securities that are approved by the Trustee.

Investment managers

The following investment managers manage the assets of the investment options within the Fund as at 30 June 2021:

abrdrn Australia Limited
Acadian Asset Management LLC
AHL Partners LLP
Allan Gray Australia Pty Ltd
AllianceBernstein Australia Limited
Allspring Global Investments
Alpha Fund Managers Pty Ltd
Alphinity Investment Management Pty Ltd
American Century Investment Management, Inc
AMP Capital Investors Limited
Antares Capital Partners Ltd
Antipodes Partners Limited
APN Funds Management Limited
AQR Capital Management, LLC
Ardea Investment Management Pty Ltd
Arrowstreet Capital, L.P.
Arrowstreet Capital, Limited Partnership
Aspect Capital Limited
Atrium Investment Management Pty Ltd
Ausbil Investment Management Limited
Australian Ethical Investment Ltd
Australian Unity Funds Management Limited
Australian Unity Funds Management Ltd
Australian Unity Property Limited
AXA Investment Managers Asia (Singapore) Limited
Axiom Investors LLC
Baillie Gifford Overseas Limited
Bell Asset Management Limited
Bennelong Australian Equity Partners Pty Ltd
Bentham Asset Management Pty Limited

BlackRock Investment Management (Australia) Limited
BNP Paribas Asset Management Australia Limited
Brandywine Global Investment Management, LLC
Candriam Belgium SA
Capital International, Inc.
CBRE Clarion Securities, LLC
Celeste Funds Management Limited
Centuria Property Funds Limited
Challenger Life Company Limited
Challenger Limited
Charter Hall Holdings Pty Ltd
Charter Hall Property Securities Management Limited
ClearBridge Investments Limited
Colchester Global Investors (Singapore) Pte. Ltd.
Colonial First State Investments Limited
DFA Australia Limited
Eley Griffiths Group Pty Ltd
Epoch Investment Partners, Inc
FIL Investment Management (Australia) Limited
Firetrail Investments Pty Limited
First Sentier Investors (Australia) IM Ltd
First Sentier Investors Realindex Pty Ltd
Flinders Investment Partners Pty Limited
Franklin Templeton Investments Australia Limited
Global Thematic Partners, LLC
GMO Australia Limited
Graham Capital Management, L.P
Greencape Capital Pty Ltd
Hamilton Lane Advisors LLC
Hyperion Asset Management Limited
Impax Asset Management Limited
Independent Franchise Partners LLP
Invesco Australia Limited
Investors Mutual Limited

IOOF Investment Services Ltd
Janus Henderson Investors (Australia) Institutional Funds Management Limited
JO Hambro Capital Management Limited
JPMorgan Asset Management (Australia) Limited
Kapstream Capital Pty Ltd
Karara Capital Pty Limited
L1 Capital Pty Ltd
La Trobe Financial Services Pty Limited
Lazard Asset Management LLC.
Lazard Asset Management Pacific Co
Lennox Capital Partners Pty Ltd
Lizard Investors LLC
LM Investment Management Ltd
Macquarie Investment Management Global Limited
Magellan Asset Management Limited
Maple-Brown Abbott Global Listed Infrastructure Pty Limited
Maple-Brown Abbott Limited
MAPP Pty Ltd
Martin Currie Australia
Mercer (Australia) Pty Ltd
Merlon Capital Partners Pty Limited
MFS International Australia Pty Ltd
MFS Investment Management
Milford Australia Pty Ltd
MLC Investments Limited
Morningstar Investment Management Australia Limited
Munro Partners
Nanuk Asset Management Pty Limited
Nikko AM Limited
NovaPort Capital Pty Limited
OC Funds Management Limited
OC Microcap Pty Ltd
OnePath Funds Management Limited
Orbis Investment Management Limited

PAN-Tribal Asset Management
Paradice Investment Management Pty Ltd
Partners Group Private Markets (Australia) Pty Ltd
Payden & Rygel
Pendal Institutional Limited
Pengana Capital Limited
Perennial Value Management Limited
Perpetual Investment Management Limited
PIMCO Australia Pty Limited
PIMCO Australia Pty Ltd
Platinum Investment Management Limited
Plato Investment Management Limited
Platypus Asset Management Limited
Quay Global Investors Pty Ltd
Renaissance Property Securities Pty Ltd
Resolution Capital Limited
Robeco Hong Kong Limited
RREEF America L.L.C.
Russell Investment Management Ltd
Sandhurst Trustees Limited
Schroder Investment Management Australia Limited
Schroder Investment Management Singapore Limited
SG Hiscock & Company Limited
Smallco Investment Manager Limited
Smarter Money Investments Pty Ltd
Solaris Investment Management Limited
Spheria Asset Management Pty Limited
State Street Global Advisors, Australia, Limited
T. Rowe Price Australia Limited
Talaria Asset Management Pty Limited
Tribeca Investment Partners Pty Ltd
UBS Asset Management (Australia) Ltd
Value Partners Hong Kong Limited
Vanguard Investments Australia Ltd

Ventura Investment Management Ltd
Vertium Asset Management Pty Ltd
Walter Scott & Partners Limited
Watermark Funds Management
WaveStone Capital Pty Limited
Western Asset Management Company Pty Ltd
WHEB Asset Management LLP
Winton Capital Management Limited
Yarra Capital Management Limited
Yarra Funds Management Limited
Zurich Investment Management Limited

General information

About the Trustee

IIML has met all of the necessary APRA requirements to operate as a Trustee of the Fund. IIML also maintains an AFS Licence under the *Corporations Act 2001*.

We monitored our compliance with the relevant legislative requirements during 2020/2021 and confirm that the Fund:

- is a resident regulated superannuation fund within the meaning of the *Superannuation Industry (Supervision) Act 1993*
- has not received a notice of non compliance from APRA
- has not received a notice from APRA directing the Fund not to accept any contributions by an employer
- is able to accept SG contributions from employers
- complies with the minimum insurance cover requirements for Choice of Superannuation funds as set out in the *Superannuation Guarantee (Administration) Regulations 1993*

The Trustee has effected and maintains in force professional indemnity insurance to protect the interests of members.

Directors of the Trustee

Mr Geoffrey Martin Walsh

Ms Karen Gibson

Mr Robert Andrew Bloore

Ms Lindsay Smartt

Ms Jane Harvey

Mr Alan Chonowitz (appointed 31 March 2021)

Ms Carolyn Colley (appointed 31 March 2021)

Policy committees

This section applies to members of IOOF Employer Super only.

A policy committee may be established for an employer-sponsored fund. A policy committee's role is to provide an avenue for members and employers to make enquiries about the investment strategies and performance of the employer-sponsored fund. The Trustee may use the policy committee as a forum for providing information to members and employers as well as to assist the Trustee to deal with complaints or enquiries about the employer-sponsored fund's operation or management.

The Trustee will take reasonable steps to set up a policy committee and to ensure that equal numbers of employer and member representatives are on the committee. Detailed information about how to establish a policy committee will be sent to all members from the Trustee if they request this in writing. Details of policy committees, including members' names and how they were appointed and by whom, are provided to members upon joining the employer-sponsored fund and every year within the member's annual statement.

Complaints

If you have a complaint (or wish to obtain further information about the status of an existing complaint), please contact Customer Care on:

Free call: 1800 913 118
By writing: 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 acknowledgment of the complaint.

You have the option to lodge a complaint with AFCA directly rather than lodging a complaint with us. 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 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
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)
In writing to: Australian Financial
 Complaints Authority
 GPO Box 3
 Melbourne VIC 3001

Trustee's investment objective and strategy

The Trustee provides members with an extensive choice of investment options to meet their super and retirement planning needs. The investment options are intended to allow members to make choices that match their individual circumstances, diversify their portfolio and match their investment risk and return profile. It is recommended that you consult your financial adviser prior to selecting the investment options that you would like to invest in and the investment strategy suitable to your objectives.

As Trustee of the Fund, we consider ESG capabilities wherever possible when selecting, retaining, or removing fund managers and managed investments from the investment menus, and as part of our broad range of investment options, we offer specific ethical investments. The investment guide available for each product under the Fund contains detailed information about the range of investment strategies, objectives, and options that you can select, depending on the product you invest in. To obtain more information on the investment strategy and objectives for each product and investment option, please refer to the PDS for the particular product and investment option. It is recommended that you consult your financial adviser prior to selecting the product and investment options that you would like to invest in and the investment strategy suitable to your objectives.

Important note

Information about the management costs including the indirect costs of each of the investment options is contained in the relevant PDS, a copy of which can be obtained by calling our ClientFirst Team, or from our relevant website. Current asset allocations can be obtained at any time. A paper copy of updated information will be provided free of charge on request.

Investment performance

Information regarding the performance of each investment option is available on our websites.

Abridged financial statements

Set out below are the abridged financial statements detailing the Fund's financial transactions for the year ended 30 June 2021.

If you would like to obtain a copy of the full audited fund financial statements and related audit reports for the year (free of charge), please contact our ClientFirst Team or email us.

The auditor has issued an unmodified audit report in respect of the financial statements.

Extract of accounts for the year ended 30 June	2021 (\$'000)	2020 (\$'000)
Revenue		
Investment income	4,943,561	(477,132)
Sundry income	74,364	83,588
Employer contributions	662,341	696,884
Member contributions	724,943	655,684
Transfers from other funds	1,944,078	2,421,311
Total revenue	8,349,287	3,380,335
Expenses		
Benefits paid	3,506,021	3,523,728
Management fees	280,607	290,621
General administration expenses	3,486	3,211
Group life and income protection premiums	118,774	114,061
Income tax (benefit)/expense	330,998	(36,559)
Total expenses	4,239,886	3,895,062
(Decrease)/Increase in members' funds	4,109,401	(514,727)
Balance brought forward	29,011,477	29,526,204
Net Assets available for Member Benefits	33,120,878	29,011,477
<i>Represented by</i>		
Assets		
Investments	30,483,620	28,109,267
Cash and cash equivalents	1,939,916	327,279
Sundry debtors	1,072,796	686,842
Deferred tax assets	–	40,352
Total assets	33,496,332	29,163,740

Extract of accounts for the year ended 30 June	2021 (\$'000)	2020 (\$'000)
Liabilities		
Creditors and accruals	37,145	30,046
Income tax payable	184,718	122,217
Deferred tax liabilities	153,591	–
Total liabilities	375,454	152,263
Member benefits	33,028,246	28,887,886
Net assets	92,632	123,591
Equity		
General reserve	9,756	41,234
Operational risk financial requirement reserve	78,342	78,274
Defined benefit over/(under) funded	4,534	4,083
Total equity	92,632	123,591

Reserves

Reserves represent timing differences between net revenue and taxes in the operating statement and amounts allocated to members' accounts. These amounts may be allocated to members in future years in a fair and equitable basis. Reserves are predominantly retained in cash and cash equivalents.

The reserve levels for the past three years are as follows:

Reserves	2021 (\$'000)	2020 (\$'000)
Opening balance	41,234	61,455
Transfer to/(from) reserves	(31,478)	(20,221)
Closing balance	9,756	41,234

Operational Risk Financial Requirement (ORFR)

The ORFR has been established to meet the requirements of Prudential Standard SPS 114 – Operational Risk Financial Requirement. The prudential standard requires the Trustee to maintain adequate financial resources to address losses arising from operational risks that may affect the Fund. Investment earnings generated by the ORFR are credited to the ORFR account. The ORFR may be invested in:

- Cash and/or cash equivalents
- Term deposits;
- Unlisted unit cash trusts; and
- Listed unlisted unit trusts.

As part of the Trustee's regular review of the Fund's investment strategy, the Board Investment Committee and the Trustee will review and revise, as necessary, the investment strategy of the ORFR.

ORFR Reserve	2021 (\$'000)	2020 (\$'000)
Opening balance	78,274	61,835
Transfer to reserves	68	16,439
Closing balance	78,342	78,274

Should an operational risk event occur in the future, additional deductions against member's accounts may be required to restore the ORFR back to the target amount.

Concentration of assets of the Fund

As at 30 June 2021, the following underlying investments exceeded five per cent of the total assets of the Fund:

- IOOF Balanced Investor Trust

The Trustee acknowledges that, as a result of the discretion which can be exercised by account holders, individual accounts may have a greater than five per cent exposure to a single investment.

Further, the Trustee acknowledges that when considered in aggregate (across all managed fund options in which the Trustee holds assets on behalf of members of the Fund), the Fund may be construed as having a total exposure to a single shareholding (or to a composite interest in the investment assets of a single issuer) and this exposure may exceed five per cent of the total value of Fund assets.

Indirect Management Costs applying to the Cash Account

Your Cash Account is used to process all cash transactions that occur within your account.

Your Cash Account holding is pooled with that of other investors and placed in interest bearing accounts with an authorised deposit-taking institution (ADI) selected by us, currently the Commonwealth Bank of Australia, ABN 61 814 236 264.

As at 30 June 2021, the indirect management cost is shown below. This cost is indirectly borne by members.

	%
IOOF LifeTrack	0.57
IOOF Pursuit Focus	0.57
IOOF Pursuit Select	0.57
IOOF Pursuit Core	0.57
IOOF Employer Super, IOOF Personal Super and IOOF Pension	0.53
IOOF Essential	0.53
eXpand	0.53
Shadforth Portfolio Service	0.53

Derivative policy

Derivatives may be used in accordance with the investment strategy and objectives of the Fund and at the investment option level in order to:

- to protect the investment from upward or downward movements in rates or prices through hedging
- protect funds from the range of market risks
- change the overall asset allocation in a timely manner without exposure to the timing and liquidity constraints or higher transaction costs associated with the physical market
- permit ongoing management of funds invested during periods of uncertainty where liquidity is not available in the physical market
- minimisation of transaction costs associated with spread on physical market transactions
- facilitating switching between asset classes or as an alternative to physical investment.

Derivatives will not be used to gear funds, for speculative purposes or trading.

The investment managers of the underlying funds which members elect to invest in may use derivatives such as options, futures, and swaps. The Trustee has controls and procedures in place relating to the investment managers' derivative use in order to ensure that it is suitable to the Trustee's and its members' own investment strategies and objectives.

Allocation of earnings into members' accounts

Earnings from a particular investment of the Fund will be allocated into the members' accounts in proportion to the member's interest in the investment.

Contact us

Trustee

IOOF Investment Management Limited

ABN 53 006 695 021 | AFS Licence No. 230524

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Client Services Teams

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