

Rhythm

# AvWrap Retirement Service

Annual Report to members for the year ended  
30 June 2021

Acquire Retirement Service  
AvWrap Retirement Service  
Rhythm Super

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This report is issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFSL 230524. IIML is the Registrable Superannuation Entity (RSE) Licensee, RSE Licence No. L0000406 for the AvWrap Retirement Service (Fund) ABN 82 004 832 237, RSE R1069020.

Rhythm Super, Acquire Retirement Service and AvWrap Retirement service are part of the Fund.

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.

# Message from the Chair

Welcome to the Trustee's Annual Report for members of the AvWrap Retirement Service (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.

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](http://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**

# Investment strategies and asset allocation

The Trustee formulates and gives effect to investment strategies and objectives for the Fund. These strategies and objectives take into account the whole of the circumstances of the Fund, including investment risk, diversification, liquidity and the ability of the Fund to discharge liabilities. The Trustee has placed restrictions on certain investments designed to reduce the potential for large losses by encouraging diversification, ensuring adequate liquidity and satisfying regulatory requirements. In line with our obligations, the Trustee reviews these strategies and applicable limits on an ongoing basis. Please contact your adviser for further information on these limits or refer to the relevant Product Disclosure Statement (PDS).

Rhythm Super, Acquire Retirement Service and AvWrap Retirement Service allows you to spread your super or pension account across many investment strategies, choosing from a range of investment options and product issuers.

The combination of investments you choose will be based on your individual circumstances. Information on the individual investment options can be found in the relevant PDS. You should consider the relevant PDS before deciding to invest in, or switch between, investment options.

## Asset allocation

The table below shows how the Fund is invested across different asset classes

Asset Class	30/06/2021	30/06/2020
Cash	11.06%	16.37%
Commodities	0.00%	0.02%
Australian equities	27.74%	23.95%
International equities	26.54%	23.90%
Australian fixed interest	13.07%	12.41%
International fixed interest	10.76%	8.76%
Property	10.33%	6.15%
Other	0.50%	8.44%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

Through your account in the Fund, you can invest in a number of different term deposits, managed investments and approved ASX-listed securities.

If a managed fund invests across a number of asset classes, we will treat the asset allocation based on a 'look through basis' using the managed fund's individual asset allocations.

The asset allocation for each managed fund is determined by the investment managers and provided either by the investment managers directly or from a third party<sup>1</sup>.

Asset allocations can vary over time within ranges specified by the individual product issuers. Information on the asset allocation ranges for the individual investment options can be found in the relevant PDS.

# Important information

## Amendments to the Fund's trust deed

The trust deed for the Fund was amended on 1 June 2021 to:

- expressly allow for the Trustee to accept Binding and Non-Binding death benefit nominations for post 1 April 2021 members;
- amend the process for making or amending a Binding Direction to the Trustee for post 1 April 2021 members;
- expressly allow for electronic communications to and from the Trustee; and
- amend the maximum administration fee that may be charged by the Trustee from 2% to 3% and to remove the ability to charge certain fixed fees.

A copy of the trust deed and amendments is available to members online at [www.ioof.com.au/about-us/about-ioof/trustee-disclosures](http://www.ioof.com.au/about-us/about-ioof/trustee-disclosures) or upon request by calling our ClientFirst team on 1800 913 118.

## Significant events

A summary of each significant event or material change notice made to members can be accessed at [www.ioof.com.au/about-us/about-ioof/trustee-disclosures](http://www.ioof.com.au/about-us/about-ioof/trustee-disclosures)

## Changes to offer documents

During the financial year the following changes were made to the offer documents for products offered through the Fund:

- Updated Technical Information Booklets (TIBs) were issued for Acquire Retirement Service on 28 September 2020 and for AvWrap Retirement Service on 28 September 2020.
- Product Updates were issued on the following dates for both Acquire Retirement Service and AvWrap Retirement Service:
  - 1 July 2020
  - 1 May 2021
  - 6 May 2021
- Product Updates were issued on the following dates for Rhythm Super
  - 14 June 2021

A copy of the latest offer documents for the products of the Fund can be accessed as follows:

[Acquire Retirement Service and AvWrap Retirement Service](http://www.ioof.com.au/about-us/about-ioof/trustee-disclosures)

[Rhythm Super](http://www.ioof.com.au/about-us/about-ioof/trustee-disclosures)

Following the end of financial year, there were some changes to the offer documents for products offered through the Fund, as follows:

- Product Updates we issued for Acquire Retirement Service and AvWrap Retirement Service on 1 July 2021

## Ongoing changes to investment strategies and available investment options

All available investment strategies and investment options made available by the Trustee are outlined in the relevant Investment Menu/Investment Booklet.

A copy of the Investment Menu/Investment Booklet for the products of the Fund can be accessed as follows:

[Acquire Retirement Service and AvWrap Retirement Service](http://www.ioof.com.au/about-us/about-ioof/trustee-disclosures)

[Rhythm Super](http://www.ioof.com.au/about-us/about-ioof/trustee-disclosures)

## Consolidation of multiple accounts

Each year, the Trustee is obliged to identify and review members who hold more than one superannuation account within the Fund. Where the Trustee reasonably determines that it is in the best interests of the member, the member's superannuation benefits may be consolidated into a single account. Members may be provided with the opportunity to elect not to consolidate their accounts.

## Trustee Board

Information about the Trustee's directors and executive Officers is available from [ioof.com.au/about-us/about-ioof/trustee-disclosures](http://www.ioof.com.au/about-us/about-ioof/trustee-disclosures).

## Accessing your Annual Report

You can view the latest Annual Report for the Fund online at any time by visiting [ioof.com.au/about-us/about-ioof/trustee-disclosures](http://www.ioof.com.au/about-us/about-ioof/trustee-disclosures).

## Further information

More information about the Fund is available from [ioof.com.au/about-us/about-ioof/trustee-disclosures](http://www.ioof.com.au/about-us/about-ioof/trustee-disclosures), including:

- the Trustee company's constitution and financial statement for the previous financial year
- the trust deed for the Fund
- information about the Trustee's directors and executive officers
- policies relating to conflicts management and proxy voting.

## Trustee information

The Trustee of the Fund is IOOF Investment Management Limited ABN 53 006 695 021 AFSL 230524 RSEL L0000406. The Trustee has effected and maintains in force professional indemnity insurance to protect the interests of members.

Directors of the Trustee are listed below:

- Mr Alan Chonowitz (appointed 31 March 2021)
- Ms Carolyn Colley (appointed 31 March 2021)
- Mr Geoffrey Martin Walsh
- Ms Jane Harvey
- Ms Karen Gibson
- Mr Lindsay Smartt
- Mr Robert Andrew Bloore

## Administrator information

### Acquire Retirement Service and AvWrap Retirement Service

IIML has appointed Macquarie Investment Management Limited (MIML) ABN 66 002 867 003, AFSL 237492 as the administrator of Acquire Retirement Service and AvWrap Retirement Service, and Bond Street Custodians Limited (BSCL) ABN 57 008 607 065 AFSL 237489 to hold the investments in these products in custody. BSCL and MIML are wholly owned subsidiaries of Macquarie Bank Limited 46 008 583 542. MIML is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) 1959, and MIML's obligations do not represent deposits or other liabilities of Macquarie Bank Limited. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of MIML.

Investments in Acquire Retirement Service and AvWrap Retirement Service are not deposits with or other liabilities of Macquarie Bank Limited or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested.

Neither Macquarie Bank Limited, MIML, Macquarie Equities Limited ABN 41 002 574 923, any other investment managers referred to in this Annual Report, nor any other member company of the Macquarie Group guarantees the performance of Acquire Retirement Service and AvWrap Retirement Service or the repayment of capital from Acquire and AvWrap Retirement Service.

### Rhythm Super

IIML has appointed HUB24 Custodial Services Ltd (HUB24) ABN 94 073 633 664, AFSL 239122 as the administrator of Rhythm Super and the custodian of the investments held in this product. HUB24 may sub-contract the performance of some or all of its administrative functions to other professional service providers.

## Fund management information

During the 2020/21 financial year, the Fund held money with the following investment managers, directly or indirectly with a value of greater than five per cent of the Fund's total assets:

- Macquarie Group Limited (\$22.368 million)
- Pimco Australia Management Limited (\$23.528 million)
- Magellan Asset Management Limited (\$28.641 million)
- Alliance Bernstein (\$33.214 million).

The Trustee has formulated a strategy for establishing, implementing, managing and maintaining an Operational Risk Financial Requirement (ORFR) in accordance with the relevant superannuation prudential standard.

## Eligible Rollover Fund (ERF)

An Eligible Rollover Fund (ERF) is a fund designed to accept super accounts from other funds, where the Trustee of the other fund is unable to adequately provide for small account holders. ERFs are designed to offer a stable investment environment in which members with low account balances can have their funds invested with some protection from fees usually applied to actively managed accounts.

Under the Treasury Laws Amendment (*Reuniting More Superannuation*) Act 2020 ERF Trustees were required to not accept any new money from 1 May 2021 and to close and transfer any ERF accounts to the ATO by 31 January 2022.

Superannuation Trustees are no longer able to utilise ERFs as the regulators believe that the ATO is better placed to reunite members with their unclaimed superannuation.

## Complaints

If you have a complaint (or wish to obtain further information about the status of an existing complaint), please contact the administrator of your account as follows:

### For Acquire Retirement Service and AvWrap Retirement Service account holders:

#### Acquire

Telephone: 1800 012 709

In writing to: Acquire, GPO Box 4045, Sydney NSW 2001

### For Rhythm Super account holders:

#### HUB24

Email: [complaints@hub24.com.au](mailto:complaints@hub24.com.au)

Telephone: 1300 319 363

In writing to: HUB24 Custodial Services Ltd, GPO Box 529, Sydney NSW 2001

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.

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](http://www.afca.org.au)

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

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

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

## Further information

The relevant PDS for the product you are invested in is available from your adviser or as follows:

### Acquire Retirement Service and AvWrap Retirement Service

Available online at [www.yourwrap.com.au/acquire](http://www.yourwrap.com.au/acquire) or by calling 1800 012 709

### Rhythm Super

Available online at [www.ioof.com.au/forms](http://www.ioof.com.au/forms) or by calling 1300 319 363

# 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 re-contribution 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 re-contribution cannot be claimed as a tax deduction and members taking advantage of this re-contribution 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.

## 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 has 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 family law super 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 the 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

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

# 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 on 1800 913 118 or by email at [clientfirst@ioof.com.au](mailto:clientfirst@ioof.com.au).

**Table 1: Abridged financial statements**

Extract of accounts as at 30 June	2021 (\$'000)	2020 (\$'000)
<b>Revenue</b>		
Investment income	51,277	(5,388)
Employer contributions	2,177	2,610
Member contributions	7,959	8,108
Transfers from other funds	8,042	17,936
<b>Total Revenue</b>	<b>69,455</b>	<b>23,266</b>
<b>Expenses</b>		
Benefits paid	51,291	105,641
Management Fees	4,206	4,699
Group life and income protection premiums	504	570
Income tax (benefit)/expense	957	(2,277)
<b>Total Expenses</b>	<b>56,958</b>	<b>108,633</b>
<b>Decrease/Increase in members' funds</b>	<b>12,497</b>	<b>(85,367)</b>
<b>Balance brought forward</b>	<b>350,873</b>	<b>436,240</b>
<b>Net Assets available for Member Benefits</b>	<b>363,370</b>	<b>350,873</b>
<i>Represented by</i>		
<b>Assets</b>		
Investments	339,123	326,276
Cash and cash equivalents	23,044	16,345
Sundry debtors	2,255	7,750
Current tax asset	658	1,039
<b>Total Assets</b>	<b>365,080</b>	<b>351,410</b>
<b>Liabilities</b>		
Creditors and accruals	350	360
Deferred tax liability	1,360	177
<b>Total Liabilities</b>	<b>1,710</b>	<b>537</b>
<b>Member Benefits</b>	<b>362,281</b>	<b>349,784</b>
<b>Net Assets</b>	<b>1,089</b>	<b>1,089</b>
<b>Equity</b>		
ORFR	1,089	1,089
<b>Total Equity</b>	<b>1,089</b>	<b>1,089</b>

## Operational Risk Financial Requirement

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
- Liquid unlisted unit trusts.

As part of the Trustee's regular review of the Fund's investment strategy, the Product 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	1,089	1,084
Transfer to reserves	–	5
<b>Closing balance</b>	<b>1,089</b>	<b>1,089</b>

## Concentration of assets of the Fund

As at 30 June 2021, no underlying investments exceeded five per cent of the total assets of the Fund.

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.

## 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.



**Acquire**

GPO Box 4045, Sydney NSW 2001

[yourwrap.com.au/acquire](http://yourwrap.com.au/acquire)

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