



IOOF

IOOF Portfolio Service Superannuation Fund

Trustee's Annual Report to members as at 30 June 2022

- IOOF Personal Super
- IOOF Pension
- IOOF Employer Super
- Expand Essential (formerly IOOF Essential)
- Expand Extra (formerly eXpand)
- Shadforth Portfolio Service

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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** for the year ended 30 June 2022.

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 and changes to the Fund during the year.

The financial year can be separated into two contrasting halves. From July to December 2021, the global economy had turned for the better with vaccines becoming more available, allowing many businesses to re-open and employees returned to work. Factors such as low interest rates set by central banks and the financial support provided by governments worldwide, allowed global economic activity to pick up speed and make a rapid recovery.

The second half of the financial year from January to June 2022 has seen a different picture at home and across the globe. Concerns grew over high inflation and rising interest rates. Russia's invasion of Ukraine in February only intensified the inflation threat by pushing up prices of oil, gas, copper, fertiliser and wheat. Given the strong global demand for these commodities and Russia being as a key source of supply, both energy and food prices have skyrocketed.

The combination of rising inflation, higher interest rates and the war in Ukraine have created a challenging period. While navigating through these uncertain times we've introduced a number of measures to bring about the best outcomes for our members.

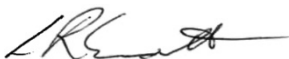
In December 2021, we successfully completed the second phase of our 'Evolve' program to simplify and improve the financial solutions we offer on a modern technology platform for the benefit of all our members. This was a considerable achievement and positions us well for the next phase of the program.

This last financial year has also seen a growing focus on Environmental, Social and Governance (ESG) issues. We acknowledge that the sustainability of our business is intrinsically linked to the sustainability of the environment and the communities in which we operate. We believe in considering ESG issues as important factors in maximising return potential for members.

We are committed to supporting our ESG principles and initiatives.

We look forward to inviting you to the Annual Members' Meeting. You'll receive an invitation this year for the meeting in February 2023. At the meeting you'll hear first-hand from executives and directors about our plans to support your financial wellbeing.

On behalf of the Trustee Board and Management, we would like to thank you for your ongoing support.



Lindsay Smartt

Government reforms in superannuation

Government reforms in superannuation since 1 July 2021

Changes to contribution eligibility from 1 July 2022

Individuals under age 75 are able to make contributions to superannuation regardless of their working status. Contributions can be accepted until 28 days after the end of the month in which the member turns 75.

However, if a member intends to claim a personal tax deduction for contributions made after their 67th birthday, the work test or work test exemption must be met for the ATO to accept the deduction. The work test requires an individual to be gainfully employed for at least 40 hours in a consecutive 30-day period during the financial year. The work test exemption can be used if the work test is not met, however the work test was met in the previous financial year and the member's total super balance is under \$300,000. The exemption can only be used once. The ATO will assess the work test / exemption when a member lodges their tax return for the relevant financial year. If the deduction is denied, the member may be able to vary their deduction with the fund if they have not commenced a pension or withdrawn their benefit.

Further, the age restriction on accessing the bring-forward provisions has been increased to age 74. This means any member under age 75 on 1 July of a financial year may be able to contribute up to \$330,000 as a non-concessional contribution subject to their total super balance.

Additionally, the eligible age for making a downsizer contribution has been reduced to age 60.

Continued extension of minimum pension relief

The Government has further extended the 50% reduction in the minimum pension required to be drawn from account-based income streams to the 2022/23 financial year.

First Home Super Saver Scheme increased cap

From 1 July 2022, the total contributions that can be released under the First Home Super Saver Scheme increased from \$30,000 to \$50,000. The annual cap remains unchanged at \$15,000, and contributions must be made within an individual's contribution caps.

Removal of income limit before Super Guarantee payable

From 1 July 2022, the \$450 monthly earning threshold before employers are required to make super guarantee contributions for their employees has been removed. This means employers will be required to make super contributions for all employees (excluding employees under 18 working less than 30 hours in any week).

Retirement income covenant

From 1 July 2022, all super trustees (excluding self-managed super funds) are required to have a retirement income strategy, and publish a summary of this strategy on their public website. Our summary can be found [here](#) or on the trustee disclosure section of our website: ioof.com.au/about-us/about-ioof/trustee-disclosures.

Deferral of performance testing for trustee-directed products

As part of the 'Your Future Your Super' reforms, certain investment options within super funds which were administered by the fund or a related party (known as trustee-directed products) were to be subject to performance testing by APRA from 1 July 2022. However, this has been deferred for 12 months until 1 July 2023.

Reforms announced but not yet legislated

The following reforms have been announced but not yet legislated:

- Legislation has been introduced to further reduce the eligible age for downsizer contributions to 55
- An announcement from the 2021/22 Federal budget was to allow a two-year window for members to exit certain legacy income stream arrangements such as Term Allocated Pensions. This was expected to commence 1 July 2022, however at present no legislation or regulation has been introduced to support this measure.

Superannuation thresholds for 2022/23

| | |
|---|--|
| Concessional contributions cap | \$27,500 (previously \$27,500 in 2021/22) |
| Non-concessional contributions cap (NCC) | <p>\$110,000 annual cap (previously \$110,000 in 2021/22) if under \$1.7m in super and pension on 30 June 2022</p> <p>\$0 if \$1.7 million or more in super and pension on 30 June 2022</p> <p>If individual is under age 75 on 30 June 2022, potential bring-forward:</p> <ul style="list-style-type: none"> • \$330,000 if under \$1.48 million in super and pensions on 30 June 2022 • \$220,000 if between \$1.48 million and \$1.59 million in super and pensions on 30 June 2022 |
| Superannuation guarantee (SG) rate | 10.5% (increase from 10% in 2021/22) |
| SG maximum contribution base | \$60,220 ordinary time earnings per quarter or \$240,880pa (up from \$58,920 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 | <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> |
| Low rate cap <ul style="list-style-type: none"> • 0% effective tax on taxable component of withdrawals | \$230,000 (up from \$225,000 for 2021/22) |
| CGT cap amount <ul style="list-style-type: none"> • Excluded from NCC cap | \$1,650,000 (up from \$1,615,000 for 2021/22) |
| Government co-contribution income | <p>Full co-contribution – \$42,016 pa or less (up from \$41,112 for 2020/21)</p> <p>No co-contribution – \$57,016 pa or more (up from \$56,112 for 2021/22)</p> |
| 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 | <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> |
| Capped defined benefit income stream tax concession cap | \$106,250 |

Changes to the IOOF Portfolio Service Superannuation Fund

Changes to the Trust Deed

There were no changes made to the Trust Deed in the 2021/22 financial year period. A copy of the current Trust Deed is available to members online at 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.

Appointment of new custodian

On 26 September 2022, IIML as RSE Licensee, appointed IOOF Investment Services Limited to replace Australian Executor Trustees Limited as custodian for the underlying assets of the Fund.

Completion of Evolve Phase 2 migration

The below products were successfully migrated¹ to new products on the Evolve technology platform in December 2021:

- IOOF Pursuit Select Personal Superannuation and Allocated Pension
- IOOF Pursuit Core Personal Superannuation and Allocated Pension.

Significant events

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

New features available on our Evolve technology

We have introduced a number of new features and changes to help improve the way you manage your retirement savings.

Mobile app

You now have access to a new mobile app, making it easier for you to securely view your account online anywhere, and at any time². Through the app you can access most of the great features you have online with secure access to your account. The app is available in app stores.

Find and combine your super

Eligible members can now find out if they have multiple super accounts and can consider combining their super to simplify their retirement savings.

1 This includes personal superannuation and pension products for the following: Annex - IOOF Pursuit Select, IOOF Pursuit Select for Count, IOOF Pursuit Select for Infocus, Annex – IOOF Pursuit Focus, IOOF Pursuit Focus for Infocus.

2 The app will be available from early 2023 for IOOF Employer Super, IOOF Pension, IOOF Personal Super, Shadforth Portfolio Service – Super and Shadforth Portfolio Service – Pension members.

Pension payment dates

You are now able to have your pension paid on any day³ of the month for fortnightly, monthly, quarterly, half-yearly and yearly pension payments.

Transacting on your account

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:

- You are now able to use a digital signature through your online account in order to complete a Beneficiary Nomination Form (Binding Non-Lapsing and Non-Binding) or for an Advice Fee Form, if you have a financial adviser.
- You are now able to set an 'at limit' order⁴ to buy a listed investment at an elected maximum price or sell a listed investment at a minimum price. This means that your order may only be filled at your requested or an improved price.

Added an additional retail insurer

If you have a financial adviser, you now have the option of an additional retail insurer to our existing panel of insurers.

Where to find current product disclosure statements

Current product disclosure statements (PDSs) for our products on the Evolve technology can be found at:

- IOOF Employer Super, IOOF Personal Super, and IOOF Pension: ioof.com.au
- Expand Essential (formerly IOOF Essential): myexpand.com.au
- Expand Extra (formerly eXpand): myexpand.com.au
- Shadforth Portfolio Service: sfg.com.au/portfolio.

Further information

More information about the Fund is available from ioof.com.au/about-us/about-ioof/trustee-disclosures, including:

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

³ If the selected pension payment date is unavailable for any month, we'll aim to make the payment on the nearest available business day prior to the specified date. There may be delays in early July as we recalculate pensions for the new financial year.

⁴ 'At limit' order functionality is not available on Expand Essential.

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 2021/22. 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 |
|-----------|---|
| HOW0164AU | Alphinity Global Equity Fund |
| AAP8285AU | Ausbil Global SmallCap Fund |
| CHN5843AU | CC Sage Capital Absolute Return Fund |
| CHN8862AU | CC Sage Capital Equity Plus Fund |
| MLT5897AU | Challenger Guaranteed Income Fund 2.03 cents p.a. 30 September 2023 |
| MLT5528AU | Challenger Guaranteed Income Fund 2.35 cents p.a. 31 August 2024 |
| MAQ0854AU | Charter Hall Direct Industrial Fund No.4 |
| DFA8887AU | Dimensional Emerging Markets Sustainability Trust |
| HOW2967AU | Eiger Australian Small Companies Fund – Class A |
| PIM7802AU | Fairlight Global Small & Mid Cap (SMID) Fund |
| ANT0002AU | Fairview Equity Partners Emerging Companies Fund |
| ETL4207AU | GQG Partners Emerging Markets Equity Fund |
| ETL7377AU | GQG Partners Global Equity Fund - A Class |
| PIM1015AU | Hamilton Lane Global Private Assets |
| PPL0036AU | Intermede Global Equities Fund |
| HGI4648AU | Janus Henderson Global Multi-Strategy Fund |
| MAQ3069AU | Macquarie Real Return Opportunities Fund |
| PIM4806AU | Melior Australian Impact Fund |
| EVO2608AU | Metrics Direct Income Fund |
| ETL6978AU | Milform Dynamic Fund |
| MLC0449AU | MLC Wholesale Horizon 7 Accelerated Growth Portfolio |
| OMF3725AU | Realm Short Term Income Fund |
| SST0057AU | State Street Climate ESG International Equity Fund |

Removed investment options

| APIR code | Investment option name |
|------------------|---|
| VEN0006AU | All Star IAM Australian Share Fund |
| ETL0318AU | Alpha Alternatives Fund |
| ETL0091AU | Alpha Australian Blue Chip Fund |
| ETL0092AU | Alpha Australian Small Companies Fund |
| ETL0329AU | Alpha Diversified Income Fund |
| ETL0319AU | Alpha Infrastructure Fund |
| ETL0095AU | Alpha Property Securities Fund |
| PPL0110AU | Antares Australian Equities Fund |
| CNT0032AU | Centuria Diversified Property Fund |
| HOW0096AU | Challenger Guaranteed Pension Fund – 30 June 2021 |
| FSF0029AU | Colonial First State PST – Australian Shares Option |
| AUX0007AU | IOOF Capital Secure Trust |
| N/A | Knights Capital Group Limited Unlisted |
| MIN0039AU | Mercer Australian Shares Fund |
| MIN0040AU | Mercer Conservative Growth Fund |
| MIN0044AU | Mercer Diversified Shares Fund |
| MIN0041AU | Mercer Growth Fund |
| MIN0042AU | Mercer High Growth Fund |
| MIN0043AU | Mercer Moderate Growth Fund |
| RFA0032AU | Pendal Global Fixed Interest Fund |
| BTA0441AU | Pendal Pure Alpha Fixed Income Fund |
| IOF0228AU | Perennial Value Wealth Defender Australian Shares Trust |
| STL0002AU | Sandhurst Select Mortgage Fund |
| N/A | Solicitor's Mortgage – CWS |
| VEN0026AU | Ventura Australian Opportunities Fund – Class A |
| VEN0030AU | Ventura Australian Share Fund – Class A |
| VEN0008AU | Ventura Global Opportunities Fund |
| VEN0031AU | Ventura International Shares Fund – Class A |
| ETL5025AU | Watermark Absolute Return Fund – B Class |

Listed share options

The majority of listed securities in the S&P/ASX 300 Index are available, including a range of exchange traded products and other ASX listed securities that are approved by the Trustee from time to time. Recently, the S&P All Ordinaries Index has become available on Expand Extra and Shadforth Portfolio Service.

Investment managers

The following investment managers manage the assets of the investment options within the Fund as at 30 June 2022:

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| abrdrn Australia Limited |
| Acadian Asset Management LLC |
| AHL Partners LLP |
| Allan Gray Australia Proprietary Limited |
| AllianceBernstein Australia Limited |
| Alpha Fund Managers Proprietary Limited |
| Alphinity Investment Management Proprietary Limited |
| Altius Asset Management |
| American Century Investment Management, Inc |
| AMP Capital Investors Limited |
| Antares Capital Partners Limited |
| Antipodes Partners Limited |
| Ardea Investment Management Proprietary Limited |
| Arrowstreet Capital, Limited Partnership |
| Aspect Capital Limited |
| ATLAS Infrastructure (Australia) Proprietary Limited |
| Atrium Investment Management Proprietary Limited |
| Ausbil Investment Management Limited |
| Australian Ethical Investment Limited |
| Australian Unity Funds Management Limited |
| Australian Unity Property Limited |
| AXA Investment Managers Asia (Singapore) Limited |
| Axiom Investors LLC |
| Baillie Gifford Overseas Limited |

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| Bell Asset Management Limited |
| Bennelong Australian Equity Partners Proprietary Limited |
| Bentham Asset Management Proprietary 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 |
| Challenger Life Company Limited |
| Charter Hall Holdings Proprietary Limited |
| Charter Hall Property Securities Management Limited |
| ClearBridge Investments Limited |
| Colchester Global Investors (Singapore) Pte. Limited |
| Colonial First State Investments Limited |
| Dexus Asset Management Limited |
| DFA Australia Limited |
| Eiger Capital Proprietary Limited |
| Eley Griffiths Group Proprietary Limited |
| Epoch Investment Partners, Inc |
| Fairlight Asset Management Proprietary Limited |
| Fairview Equity Partners Proprietary Limited |
| Fidante Partners Services Limited |
| FIL Investment Management (Australia) Limited |
| Firetrail Investments Proprietary Limited |
| First Sentier Investors (Australia) IM Limited |
| First Sentier Investors Realindex Proprietary Limited |
| Flinders Investment Partners Proprietary Limited |
| Franklin Templeton Investments Australia Limited |
| Global Thematic Partners, LLC |
| GMO Australia Limited |
| GQG Partners LLC |
| Graham Capital Management, L.P |

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| Greencape Capital Proprietary Limited |
| Hamilton Lane Advisors, L.L.C |
| Henderson Global Investors Limited |
| Hyperion Asset Management Limited |
| Impax Asset Management Limited |
| Independent Franchise Partners LLP |
| Intermede Investment Partners Limited |
| Invesco Australia Limited |
| Investors Mutual Limited |
| IOOF Investment Services Limited |
| J O Hambro Capital Management Limited |
| Janus Henderson Investors (Australia) Institutional Funds Management Limited |
| JPMorgan Asset Management (Australia) Limited |
| Kapstream Capital Proprietary Limited |
| Karara Capital Proprietary Limited |
| L1 Capital Proprietary Limited |
| La Trobe Financial Services Proprietary Limited |
| Lazard Asset Management LLC. |
| Lazard Asset Management Pacific Co |
| Lennox Capital Partners Proprietary Limited |
| Lizard Investors LLC |
| LM Investment Management Limited |
| MA Hotel Management Proprietary Limited |
| Macquarie Investment Management Global Limited |
| Magellan Asset Management Limited |
| Maple-Brown Abbott Global Listed Infrastructure Proprietary Limited |
| Maple-Brown Abbott Limited |
| MAPP Proprietary Limited |
| Martin Currie Australia |
| Melior Investment Management Proprietary Limited |
| Merlon Capital Partners Proprietary Limited |
| Metrics Credit Partners Proprietary Limited |
| MFS International Australia Proprietary Limited |
| MFS Investment Management |

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| Milford Australia Proprietary Limited |
| MLC Investments Limited |
| Morningstar Investment Management Australia Limited |
| Munro Partners |
| Nanuk Asset Management Proprietary Limited |
| National Mutual Funds Management Limited |
| Nikko AM Limited |
| Nikko Asset Management Asia Limited |
| NovaPort Capital Proprietary Limited |
| OC Funds Management Limited |
| OC Microcap Proprietary Limited |
| OnePath Funds Management Limited |
| Orbis Investment Management Limited |
| PAN-Tribal Asset Management |
| Paradice Investment Management Proprietary Limited |
| Partners Group Private Markets (Australia) Proprietary Limited |
| Payden & Rygel |
| Pendal Institutional Limited |
| Pengana Capital Limited |
| Perennial Value Management Limited |
| Perpetual Investment Management Limited |
| PIMCO Australia Proprietary Limited |
| Platinum Investment Management Limited |
| Plato Investment Management Limited |
| Platypus Asset Management Limited |
| Quay Global Investors Proprietary Limited |
| Realm Investment Management Proprietary Limited |
| Renaissance Property Securities Proprietary Limited |
| Resolution Capital Limited |
| Robeco Hong Kong Limited |
| RREEF America L.L.C. |
| Russell Investment Management Limited |
| Sage Capital Proprietary Limited |
| Sandhurst Trustees Limited |

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| Schroder Investment Management Australia Limited |
| Schroder Investment Management Singapore Limited |
| SG Hiscock & Company Limited |
| Smallco Investment Manager Limited |
| Smarter Money Investments Proprietary Limited |
| Solaris Investment Management Limited |
| Spheria Asset Management Proprietary Limited |
| State Street Global Advisors, Australia, Limited |
| T. Rowe Price Australia Limited |
| Talaria Asset Management Proprietary Limited |
| Tribeca Investment Partners Proprietary Limited |
| UBS Asset Management (Australia) Limited |
| Value Partners Hong Kong Limited |
| Vanguard Investments Australia Limited |
| Vertium Asset Management Proprietary Limited |
| Walter Scott & Partners Limited |
| WaveStone Capital Proprietary Limited |
| Western Asset Management Company Proprietary Limited |
| 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 its AFS Licence under the *Corporations Act 2001*.

We monitored our compliance with the relevant legislative requirements during 2021/22 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 Lindsay Raymond Smartt
(Appointed 6 August 2019)

Ms Beth Veronica McConnell
(Appointed 17 March 2022)

Mr Steven John Schubert
(Appointed 17 March 2022)

Mr Robert Andrew Bloore
(Appointed 26 November 2018)

Ms Karen Nita Gibson
(Appointed 26 November 2018)

Ms Jane Margaret Harvey
(Appointed 19 March 2020)

Ms Carolyn Judith Colley
(Resigned 16 March 2022)

Mr Geoffrey Martin Walsh
(Resigned 16 March 2022)

Mr Alan Harold Chonowitz
(Resigned 31 December 2021)

Mr Geoffrey Martin Walsh
(Resigned 16 March 2022)

Ms Annette Louise King
(Appointed 17 March 2022,
Resigned 20 May 2022)

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 1800 913 118, or email clientfirst@ioof.com.au 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.

Complaints are managed in accordance with a regulatory guide governed by ASIC, specifically RG271. For more information on the regulatory guide, visit the ASIC website on www.asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-271-internal-dispute-resolution/.

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 Fund-level asset allocations can be obtained at any time. You can also access member-level asset allocation through your account online. Alternatively, paper copies of updated information will be provided free of charge on request.

Understanding investment performance

The investment performance of the Fund is determined by reference to the investment performance of the assets of the Fund, and different types of assets will perform differently in different market conditions. In your product, you get to choose the assets (investment options) that your super (and, accordingly, the Fund) is invested in. The investment performance of those investment options is directly allocated to you. You should refer to your annual statement for the year ended 30 June 2022 for details of the investment performance of your chosen investment options.

Alternatively, information on the performance of accessible listed securities and term deposits are available through your online account. Additional information on the performance of all managed funds available through your product is available from your financial adviser.

Abridged financial statements

The following abridged financial information for the financial year ended 30 June 2022 is for the IOOF Portfolio Service Superannuation Fund.

As at 30 June 2022, the assets for the IOOF Portfolio Service Superannuation Fund are \$31.7 billion.

The auditor has issued an unqualified audit opinion in respect of the financial information.

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

IOOF Portfolio Service Superannuation Fund

Abridged Financial Information – Statement of Financial Position

As at 30 June 2022

| | 2022 | 2021 |
|---|-------------------|-------------------|
| | \$000 | \$000 |
| Assets | | |
| Cash and cash equivalents | 2,154,821 | 1,939,916 |
| Receivables | 981,388 | 1,072,796 |
| Financial assets at fair value through profit and loss: | | |
| Equity securities | 2,570,808 | 2,913,316 |
| Interest bearing securities | 213,450 | 270,610 |
| Term deposits | 201,904 | 283,256 |
| Pooled superannuation trusts | 4,768 | 12,740 |
| Unlisted unit trusts | 25,380,506 | 26,841,171 |
| Annuities | 111,156 | 162,295 |
| Derivatives | 52 | 232 |
| Deferred tax assets | 76,755 | – |
| Total assets | 31,695,608 | 33,496,332 |
| Liabilities | | |
| Payables and accruals | 32,013 | 37,145 |
| Current tax liabilities | 115,260 | 184,718 |
| Deferred tax liabilities | – | 153,591 |
| Total liabilities excluding member benefits | 147,273 | 375,454 |
| Net assets available for member benefits | 31,548,335 | 33,120,878 |

| | | |
|--|-------------------|-------------------|
| Member benefit | | |
| Defined contribution members liabilities | 31,311,242 | 32,871,144 |
| Defined benefit members liabilities | 19,024 | 20,389 |
| Unallocated contribution | 27 | 40 |
| Unallocated surplus | 131,143 | 136,673 |
| Total member liabilities | 31,461,436 | 33,028,246 |
| Total net assets | 86,899 | 92,632 |
| Equity | | |
| Operational Risk Financial Requirement reserve | 78,569 | 78,342 |
| General reserve | 1,497 | 6,191 |
| Other reserve | 3,364 | 3,452 |
| Administration reserve | 113 | 113 |
| Defined benefit surplus | 3,356 | 4,534 |
| Total equity | 86,899 | 92,632 |

IOOF Portfolio Service Superannuation Fund

Abridged Financial Information

– Income Statement

For the year ended 30 June 2022

| | 2022 | 2021 |
|---|--------------------|------------------|
| Superannuation activities | \$000 | \$000 |
| Revenue | | |
| Interest income | 25,133 | 16,514 |
| Trust distributions | 1,176,000 | 1,413,715 |
| Dividend income | 159,625 | 96,600 |
| Net (losses)/gains in fair value of investments | (3,215,728) | 3,416,732 |
| Sundry income | 39,213 | 2,591 |
| Management fee rebate | 2,199 | 3,479 |
| Total (loss)/revenue | (1,813,558) | 4,949,631 |
| Expenses | | |
| Investment expenses | 1,503 | 1,165 |
| General administration expenses | 255,879 | 280,607 |
| Other operating expenses | 4,701 | 2,321 |
| Total expenses | 262,083 | 284,093 |
| (Loss)/Profit from operating activities | (2,075,641) | 4,665,538 |
| Less : Net loss/(benefit) allocated to defined contribution members' accounts | 1,814,911 | (4,450,783) |
| Less : Net change in defined benefit member liabilities | (401) | (2,547) |
| (Loss)/Profit before income tax | (261,131) | 212,208 |
| Income tax benefit/(expense) | 255,398 | (213,091) |
| (loss) after income tax | (5,733) | (883) |

IOOF Portfolio Service Superannuation Fund

Abridged Financial Information

– Statement of changes in member benefits

For the year ended 30 June 2022

| | Defined Contribution Members | Defined Benefit Members | Total |
|--|------------------------------------|-------------------------------|-------------------|
| | \$000 | \$000 | \$000 |
| Opening balance as at 1 July 2021 | 33,007,858 | 20,389 | 33,028,247 |
| Transfer from General Reserve | – | – | – |
| Contributions: | | | |
| Members' contributions | 817,449 | 17 | 817,466 |
| Employers' contributions | 696,939 | 648 | 697,587 |
| Transfers from other funds | 2,118,328 | – | 2,118,328 |
| Income tax on contributions | (131,450) | (97) | (131,547) |
| Net after tax contributions | 3,501,266 | 568 | 3,501,834 |
| Benefits payments | (1,668,331) | (2,390) | (1,670,721) |
| Transfer to other superannuation plans | (1,551,258) | – | (1,551,258) |
| Insurance premiums charged to members' accounts | (101,089) | (105) | (101,194) |
| Death and disability benefits credited to members' account | 68,877 | 161 | 69,038 |
| Benefits allocated to members' accounts, comprising: | | | |
| Net investment income | (1,559,147) | – | (1,559,147) |
| Administration fees | (255,764) | – | (255,764) |
| Net change in defined benefit member accrued benefits | – | 401 | 401 |
| Closing balance as at 30 June 2022 | 31,442,412 | 19,024 | 31,461,436 |

IOOF Portfolio Service Superannuation Fund

Abridged Financial Information – Statement of changes in member benefits (continued)

For the year ended 30 June 2022

| | Defined Contribution Members | Defined Benefit Members | Total |
|---|------------------------------------|-------------------------------|-------------------|
| | \$000 | \$000 | \$000 |
| Opening balance as at 1 July 2020 | 28,860,982 | 26,905 | 28,887,887 |
| Transfer from General Reserve | 30,076 | – | 30,076 |
| Contributions: | | | |
| Members' contributions | 781,540 | 222 | 781,762 |
| Employers' contributions | 604,961 | 561 | 605,522 |
| Transfers from other funds | 1,944,078 | – | 1,944,078 |
| Income tax on contributions | (117,791) | (117) | (117,908) |
| Net after tax contributions | 3,212,788 | 666 | 3,213,454 |
| Benefits payments | (1,607,531) | (9,588) | (1,617,119) |
| Transfer to other superannuation plans | (1,888,902) | – | (1,888,902) |
| Insurance premiums charged to members' accounts | (118,633) | (141) | (118,774) |
| Death and disability benefits credited to members' accounts | 68,294 | – | 68,294 |
| Benefits allocated to members' accounts, comprising: | | | – |
| Net investment income | 4,731,471 | – | 4,731,471 |
| Administration fees | (280,688) | – | (280,688) |
| Net change in defined benefit member accrued benefits | – | 2,547 | 2,547 |
| Closing balance as at 30 June 2021 | 33,007,858 | 20,389 | 33,028,246 |

IOOF Portfolio Service Superannuation Fund

Abridged Financial Information – Statement of changes in reserves

For the year ended 30 June 2022

| | Operational Risk Financial Requirement Reserve | General Reserve | Other Reserve | Administration Reserve | Defined benefit surplus | Total Equity |
|---|--|-----------------|---------------|------------------------|-------------------------|----------------|
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Opening balance as at 1 July 2021 | 78,342 | 6,191 | 3,452 | 113 | 4,534 | 92,632 |
| Net transfers (to) / from Member accounts | – | – | – | – | – | – |
| Profit / (loss) after income tax | 227 | (4,694) | (88) | – | (1,178) | (5,733) |
| Closing balance as at 30 June 2022 | 78,569 | 1,497 | 3,364 | 113 | 3,356 | 86,899 |
| Opening balance as at 1 July 2020 | 78,275 | 36,916 | 3,450 | 867 | 4,083 | 123,591 |
| Net transfers (to) / from Member accounts | – | (30,076) | – | – | – | (30,076) |
| Profit / (loss) after income tax | 67 | (649) | 2 | (754) | 451 | (883) |
| Closing balance as at 30 June 2021 | 78,342 | 6,191 | 3,452 | 113 | 4,534 | 92,632 |
| Opening balance as at 1 July 2019 | 61,835 | 57,829 | 2,763 | 863 | 7,020 | 130,310 |
| Net transfers (to) / from Member accounts | – | (4,157) | – | – | – | (4,157) |
| Net transfers between reserve | 16,119 | (16,119) | – | – | – | – |
| Profit / (loss) after income tax | 321 | (637) | 687 | 4 | (2,937) | (2,562) |
| Closing balance as at 30 June 2020 | 78,275 | 36,916 | 3,450 | 867 | 4,083 | 123,591 |

The Abridged Financial Information – Statement of changes in reserves, provides the balances and movement details of the Fund's reserves.

Operational Risk Financial Requirement (ORFR Reserve)

The Government requires superannuation fund trustees to hold adequate financial resources (ORFR Reserve) to cover any losses that members incur due to operational errors. If the ORFR Reserve falls below our targets, the Trustee will approve and implement a plan to replenish or distribute financial resources to bring the Reserve back to the Target Amount. The expected period over which the financial resources will be replenished or distributed will be dependent on the quantum of the shortfall or excess from the Target Amount as prescribed in the applicable policy.

The balance of the Reserve at the end of the last 3 financial years is summarised below:

- 30 June 2022: \$78.6M
- 30 June 2021: \$78.3M
- 30 June 2020: \$78.3M

General Reserve

The Trustee has established the General Reserve to provide liquidity to assist in the management of the Fund for the benefit of members. We manage and replenish these reserves in accordance with the applicable policy, with the guiding principle that the general reserve should be replenished from its sources that are not easily allocated to members, unless members have been explicitly advised.

The balance of the Reserve at the end of the last 3 financial years is summarised below:

- 30 June 2022: \$1.5M
- 30 June 2021: \$6.2M
- 30 June 2020: \$36.9M

Other Reserve

The Other Reserve represents the defined benefit pension reserve for complying pensions' accounts. The complying pensions are guaranteed lifetime and term certain for life expectancy pensions that have Centrelink assets test exemption. The reserve represents the funds available for the specific purpose of meeting defined benefit payments in accordance with prudential standards.

The balance of the Reserve at the end of the last 3 financial years is summarised below:

- 30 June 2022: \$3.4M
- 30 June 2021: \$3.5M
- 30 June 2020: \$3.5M

Administration Reserve

The Administration Reserve represents the employer sponsored fund reserves utilised for member fee payments. The employers make top up contributions as required to maintain the reserve balances. The administration reserve is segregated for specific employer sub-funds within the Fund, and as such the benefits are limited to the members of those individual sub-funds. The employers make top up contributions as required to maintain the reserve balances.

The balance of the Administration Reserve, at the end of the last 3 financial years is summarised below;

- 30 June 2022: \$0.1M
- 30 June 2021: \$0.1M
- 30 June 2020: \$0.9M

Defined benefit surplus

The assets supporting defined benefits exist to meet benefit payments, fees and insurance premiums. If a Plan falls into an unsatisfactory financial position, the Trustee, Plan Actuary and employer(s) participating in the Plan will agree on a strategy to restore the Plan to a satisfactory position within 3 years. The appointed Actuaries perform an annual valuation of members liabilities to determine if defined benefit sub plans were over/(under) funded during the year. The aggregate of defined benefit sub plans over/(under) funding is represented as the defined benefit surplus.

The balance of the defined benefit surplus, at the end of the last 3 financial years is summarised below;

- 30 June 2022: \$3.4M
- 30 June 2021: \$4.5M
- 30 June 2020: \$4.1M

IOOF Portfolio Service Superannuation Fund

Abridged Financial Information – Statement of cash flows

For the year ended 30 June 2022

| | 2022 | 2021 |
|---|--------------------------------|---------------------------------|
| | \$'000 | \$'000 |
| Cash flows from operating activities | Inflows/ (Outflows) | Inflows / (Outflows) |
| Interest received | 23,470 | 18,517 |
| Trust distributions received | 1,304,778 | 1,053,764 |
| Dividend income received | 166,128 | 90,077 |
| Other income received | 40,944 | 6,192 |
| Management fees rebate received | 2,206 | 3,586 |
| Group life premiums paid | (102,559) | (117,884) |
| Investment expenses paid | (13,176) | (7,486) |
| Administration expenses paid | (251,763) | (271,686) |
| Other operating expenses paid | (2,308) | (1,192) |
| Income tax (paid)/received | (44,396) | 43,353 |
| Net cash from operating activities | 1,123,324 | 817,241 |
| Cash flows from investing activities | | |
| Proceeds from the sale of investments | 8,319,466 | 11,549,959 |
| Payments for the purchase of investments | (9,576,778) | (10,530,290) |
| Net cash from investing activities | (1,257,312) | 1,019,669 |
| Cash flows from financing activities | | |
| Employers' contributions | 697,587 | 662,341 |
| Members' contributions | 817,466 | 724,943 |
| Transfer from other superannuation plans | 2,118,328 | 1,944,078 |
| Transfer to other superannuation plans | (1,551,258) | (1,888,902) |
| Benefits to members/beneficiaries | (1,670,721) | (1,617,119) |
| Death and disability benefits credited to members' accounts | 69,038 | 68,294 |
| Income tax on contributions | (131,547) | (117,908) |
| Net cash from financing activities | 348,893 | (224,273) |
| Net increase in cash and cash equivalents | 214,905 | 1,612,637 |
| Cash and cash equivalents at the beginning of the year | 1,939,916 | 327,279 |
| Cash and cash equivalents at the end of the year | 2,154,821 | 1,939,916 |

Concentration of assets of the Fund

As at 30 June 2022, the following underlying investments exceeded five per cent of the total assets of the Fund:

- IOOF Balanced Investor Trust
- IOOF MultiMix Balanced Growth

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.

Furthermore, 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.

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

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