

30 August 2024

Expand super and pension products

2024 Your Future Your Super – Performance Test outcomes

This flyer is to notify you of the 2024 annual performance test outcomes.

Annual Performance Test

The Government's annual superannuation performance test is intended to hold trustees accountable for performance of investment options offered to members.

For 2024, the test has compared the returns of selected investment options held within your super product (after your super fund deducts fees) with the returns of a comparable product, over a period of up to 10 years¹ to 30 June 2024.

It is important to note that the test is an assessment of an investment option over the full period and is based on a standard set of investment benchmarks, account balance (\$50,000) and fee parameters (generally the highest fee applicable for any member). As a consequence, it may not be a measure of your individual experience with the investment option or your overall portfolio if you hold multiple concurrent investment options.

The test started on 1 July 2021 for default investment options known as MySuper, and in 2023 was extended by the Government to include "trustee-directed products" (TDPs). A limited range of the investment options available to members through Expand Extra and Expand Essential super and pension products in the IOOF Portfolio Service Superannuation Fund (the IPS Fund) are classified as TDPs and have therefore been included in the 2024 test.

What is a TDP? TDPs are investment options with allocations to more than one asset class where the trustee (or a related entity) has control over the design or implementation of the investment strategy.

In the case of Expand Extra and Expand Essential super and pension products, TDPs are generally those investment options offered and/or managed by related entities of the trustee, being MLC Investments Limited, IOOF Investment Services Limited and OnePath Funds Management Limited.

If a TDP fails the performance test in one year, the trustee is required to notify members that have invested in that TDP. If the TDP fails the performance test two years in a row, in addition to notifying affected members, the trustee will not be allowed to offer the TDP to new members until a future test is passed. Members that hold a TDP that has failed for a second consecutive year or more will be allowed to continue to hold and invest future monies in the option, unless the trustee has otherwise ceased to allow new investments to be made.

In some circumstances, such as in the case of a Successor Fund Transfer (SFT), the performance of a TDP in one super fund may be combined with the performance of that TDP in the predecessor fund. The SFT of MLC Superannuation Fund (MLCSF), PremiumChoice Retirement Service (PCRS) and DPM Retirement Service (DPMRS) to the IPS Fund at 29 March 2024 means that the assessment for test purposes of some TDPs reflect their performance in MLCSF up to 29 March 2024 combined with their performance in the IPS Fund from 30 March 2024.

Note that this is the second year the performance test has applied to TDPs. The Government requires us to notify you if you have an investment in a TDP that does not pass the annual performance test. If you are invested in the failed TDP outlined below, you'll receive a letter about this by 27 September 2024.

¹ The performance assessment period will be less than 10 years if the TDP hasn't been available through the super fund (or predecessor fund in the case of an SFT) for that long. If the TDP has been available for less than 7 years, it will generally not be tested.

If you hold a TDP that has failed the 2024 performance test, what should you do?

The TDP that failed the 2024 test is not open to new members.

If you've received a letter from us, it is important to consider the implications of acting on the performance test results, as the test does not generally reflect your experience with the TDP. Before acting, there are a few things to consider:

- There may be costs in moving your monies held to another investment option or super product, including tax on capital gains or transaction costs (buy/sell margins);
- Your fee arrangements may not be the same as the standard parameters used in the test, as the administration fee applicable to you may be lower if your account balance is higher than \$50,000;
- You may lose benefits that cannot be replaced if you move to another super product, such as loss of insurance or fee discounts that apply to a family group that you are part of; and
- Investments can go up and down. Past performance is not necessarily indicative of future performance.

What are the outcomes of the 2024 performance test?

TDP that failed the performance test		
Expand Extra and Expand Essential super and pension ²		
MLC0670AU	MLC Wholesale Horizon 2 Income Portfolio	Option does not accept new members

Investment options held by Expand Extra and Expand Essential super and pension ² members	
Total investment options held by members ³	729
TDPs included in the 2024 performance test	31
- TDPs that passed the 2024 performance test	30
- TDP that failed the 2024 performance test (refer to table above)	1

² Only TDPs within transition to retirement (TTR) pensions are in scope. Retirement pensions are excluded.

³ Across all super and pension products, as of 30 June 2024 (excluding managed accounts, listed securities, term deposits and annuities).

This information has been prepared by IIML ABN 53 006 695 021, AFSL 230524, as trustee of the IOOF Portfolio Service Superannuation Fund, ABN 70 815 369 818. IIML is part of the Insignia Financial Group of companies comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group). This information is general in nature and does not take into account your objectives, financial situation and needs. Past performance is not an indicator of future performance. Before acting on any of this information you should consider its appropriateness, having regard to your objectives, financial situation and needs. You should consider obtaining financial advice before making any financial decisions based on this information. It is recommended that you consider the relevant Product Disclosure Statement (PDS) and incorporated by reference documents before you make any decisions about your superannuation. You can obtain the latest copy of the PDS (or other incorporated by reference documents) and Target Market Determination from myexpand.com.au, by calling us on 1800 517 124, or emailing clientfirst@myexpand.com.au.