

31 August 2023

## Expand Extra super and pension products

2023 Your Future Your Super – Performance Test outcomes

**This flyer is to notify you of the 2023 annual performance test outcomes.**

### Annual Performance Test

The performance test has been introduced by the Australian Government and is intended to hold trustees accountable for performance of investment options offered to members.

For 2023, 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 9 years<sup>1</sup> to 30 June 2023.

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 for 2023 has been extended by the Government to include “trustee-directed products” (TDPs). A limited range of the investment options available to members through Expand Extra super and pension products in the IOOF Portfolio Service Superannuation Fund are classified as TDPs and have therefore been included in the 2023 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 super and pension products, TDPs are 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, although members that hold those TDPs will be allowed to continue to hold and invest future monies in the option.

Note that this is the first year the performance test has applied to TDPs. The Government requires us to notify you that several TDPs have not passed the annual performance test for the first year. If you were invested in any of the TDPs, you'll receive a letter about this by 27 September 2023.

<sup>1</sup> The performance assessment period will be less than 9 years if the TDP hasn't been available through the super fund for that long. If the TDP has been available for less than 6 years, it will generally not be tested.

## If you hold a TDP that has failed the 2023 performance test, what should you do?

If you hold a TDP that has failed the performance test, you could potentially benefit from switching into a better performing product. Your money will stay in the TDP unless you move it.

However, as mentioned above it is important to understand that the outcome of the test may not be a measure of your individual experience with the investment option or your overall portfolio if you hold multiple concurrent investment options. It is also important to understand that:

- There may be costs in moving your monies held to another investment option or super product, including tax on capital gains or transaction costs (including buy/sell margins);
- The outcome of the performance test is based on standard fee parameters which may be higher than the actual fees you pay. 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.

Before acting on the performance test result, you should consider your personal situation, objectives and needs. We suggest you speak to your financial adviser who can assist you in determining any action you should or could take. You can also contact us on 1800 517 124 or [clientfirst@myexpand.com.au](mailto:clientfirst@myexpand.com.au) for information about your account.

## What are the outcomes of the 2023 performance test?

Super products included in the test	
Products	Expand Extra Super Expand Extra Pension <sup>2</sup>
Trustee	IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFSL 230524
Superannuation fund	IOOF Portfolio Service Superannuation Fund, ABN 70 815 369 818

Investment options held by members	
Total investment options held by members <sup>3</sup>	530
TDPs included in the 2023 performance test	20
- TDPs that passed the 2023 performance test	16
- TDPs that failed the 2023 performance test (refer to list below)	4

TDPs that have failed the performance test		
AJF0802AU	OnePath Wholesale Balanced Trust	
LEF0044AU	Optimix WS Balanced Trust-Class A Units	Option closed to new members
MLC0260AU	MLC Wholesale Horizon 4 - Balanced Portfolio	Option closed to new members
MMF0700AU	Tax Effective Income Trust-Wholesale Units	Option closed to new members

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

<sup>3</sup> Across all super and pension products, as of 25 August 2023.

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. 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](http://myexpand.com.au), by calling us on 1800 517 124, or emailing [clientfirst@myexpand.com.au](mailto:clientfirst@myexpand.com.au).