

AvWrap Retirement Service

ABN 82 004 832 237

Annual Financial Report
For the year ended 30 June 2024

AvWrap Retirement Service Annual Financial Report

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Directors' report

The Directors of I.O.O.F. Investment Management Limited (IIML) ABN 53 006 695 021 (the 'Trustee'), as Trustee for the AvWrap Retirement Service (the 'Fund'), submit here with the annual financial report of the Fund for the financial year ended 30 June 2024. In order to comply with the provisions of the *Corporations Act 2001*, the Directors of the Trustee report as follows:

Principal activities

The AvWrap Retirement Service is a superannuation fund that provides defined contribution accounts to members. The Fund is operated for the purpose of providing superannuation services to members. The Fund was constituted by a Trust Deed dated 17 July 2006, as amended. It is domiciled in Australia and the address of the registered office is Level 1, 800 Bourke Street Docklands, VIC 3008.

In accordance with the amendments to the Superannuation Industry (Supervision) Act 1993, the Fund is registered with the Australian Prudential Regulation Authority (APRA) as a Registrable Superannuation Entity (RSE) (registration number R1069020).

Directors

The Directors during the period were:

Directors	Date Appointed / Retired	Position
Lindsay Smartt	06 August 2019	Independent Non-Executive Director, Chair
Karen Gibson	26 November 2018	Independent Non-Executive Director
Beth McConnell	17 March 2022	Independent Non-Executive Director
Steven Schubert	17 March 2022	Independent Non-Executive Director
Mario Pirone	03 October 2023	Independent Non-Executive Director
Marianne Perkovic	03 October 2023	Independent Non-Executive Director
Jane Harvey	Appointed 19 March 2020 Retired 15 December 2023	Independent Non-Executive Director

Review of operations

During the financial year, the net assets available for member benefits of the Fund was \$1,729.2m (2023: \$554.8m) with the increase being driven by the successor fund transfer of the Symetry Personal Retirement Fund (Symetry) ABN 24 685 968 122 into the Fund. The Fund recorded total revenue of \$147.4m (2023: \$40.7m) and total expenses of \$12.4m (2023: \$5.1m).

Significant events

- Licence conditions

In November 2022, APRA imposed additional licence conditions on IIML. These conditions included:

- Enhancement of the Trustee's governance in relation to member outcomes, oversight of service providers, risk, compliance and managing conflicts of interest;
- Appointment of an independent expert to examine the operational effectiveness of the Trustee's governance, accountability and risk management frameworks and practices; and
- Rectification of areas of concern with input from the independent expert

Directors' report (continued)

The Trustee is working with Insignia Financial Ltd and its subsidiaries (collectively referred to as the IFL Group) to satisfactorily address all the Licence Conditions and to rectify any and all areas of concern identified by the independent expert. A Rectification Action Plan to address these additional licence conditions was formally approved by APRA on 22 November 2023.

Aside from the above, there are no other matters to note.

Significant changes in state of affairs

During the year, the Trustee approved the merger of the Symetry Personal Retirement Fund via Successor Fund Transfer (SFT) to the Fund. All assets and liabilities of Symetry were transferred to the Fund on 2 December 2023 and no members or assets remained in Symetry.

Aside from the above there are no other matters to note.

Events subsequent to balance date

In August 2024, Chair Lindsay Smartt announced that he will be stepping down from the RSEL Board. Danielle Press will be appointed as a Non-Executive Director on 19 September 2024 and will officially take on the position of Chair in November 2024.

Aside from the above there are no other matters to note.

Likely developments

There are no likely developments to report except as may be stated elsewhere in this report or in the financial statements. Further information has not been included in this report to avoid the disclosure of information that may result in unreasonable prejudice to the Fund.

Environmental regulations

The operations of the Fund are not subject to any significant environmental regulation under Commonwealth, State or Territory law.

Environmental, social and governance ("ESG") risks can have a material impact on the Fund's ability to deliver sustainable long-term outcomes for the members and the community. To ensure the Fund fulfils its purpose, the IFL Group considers a broad range of ESG considerations. To help guide its responsible investment practice, the IFL Group has become a member of the Investor Group on Climate Change (IGCC). The IFL Group's ESG activities are discussed in the ESG section of its annual report.

Rounding

The AvWrap Retirement Service is an entity of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest \$100,000 (\$m with one decimal point), unless otherwise indicated.

Directors' report (continued)

Indemnification and insurance of officers and auditors

The Fund has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an officer of the Trustee or an auditor of the Fund during the year. Subject to the relevant Trust Deed and relevant law, the Trustee is entitled to be indemnified out of the assets of the Fund for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. The auditor of the Fund is in no way indemnified out of the assets of the Fund.

The ultimate parent company of the Trustee, Insignia Financial Ltd, has paid or agreed to pay insurance premiums in respect of the Trustee's officers for liability, legal expenses, insurance contracts, and premiums in respect of such insurance contracts, for the financial year ended 30 June 2024. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the officers of the Trustee. Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

Non-audit services

The Directors are satisfied that there were no non-audit services provided by the auditor. This complies with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Any non-audit services are managed as follows:

- Fees earned from non-audit work undertaken by KPMG are capped at 0.1 times the total audit fee;
- Services are reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- Services are provided in accordance with the general principles relating to auditor independence as set out in the Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Further information regarding remuneration of auditors is included in Note 11 Auditor's remuneration.

Lead auditor's independence declaration

The lead auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* is set out on page 28 and forms part of the Directors' Report for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors of I.O.O.F. Investment Management Limited, pursuant to Section 298(2) of the *Corporations Act 2001*.



SIGNATURE

Mr Lindsay Smartt

Chair

18 September 2024

Remuneration report

Remuneration report

Letter from the Group People & Remuneration Committee Chair

Dear Members,

On behalf of I.O.O.F Investment Management Limited (IIML), I am pleased to present our 2024 Remuneration report to members. IIML is the Registrable Superannuation Entity Licensee (RSEL) of the AvWrap Retirement Service and is one of the RSEL Boards under Insignia Financial. As a Group, Insignia Financial Limited (IFL) is made up of a number of businesses and products, that provide a number of services to IIML including administrative services, through outsourced arrangements, which supports IIML to operate this Fund.

I present this report to you as the Chair of the IFL Group People and Remuneration Committee, which is also the Remuneration Committee for this Fund. In this capacity, the Committee is responsible for overseeing remuneration for employees who provide services to IIML. This report aims to provide clarity and transparency on our remuneration practices and governance as well as insight on remuneration arrangements for the most critical employees providing services to IIML, referred to as Key Management Personnel (KMP) in this report.

This is the first Remuneration report published for this Fund, which is in response to new financial reporting obligations. I hope it is well received by our members.

Changes to Key Management Personnel

This year saw the departure of Renato Mota as Chief Executive Officer (CEO) of IFL at the end of February and the commencement of Scott Hartley into the role on 1 March 2024. In addition, Chris Weldon (Chief Client Officer) was appointed as a KMP in November 2023. With the announcement of a new Executive structure in July and changes to the Executive Team, there will be changes to our KMP in next year's Remuneration report.

Board renewal

In 2024, we welcomed two new directors to the IIML Board. Mario Pirone and Marianne Perkovic both joined the RSEL Boards on 3 October 2023. It was announced in September 2024 that Danielle Press has been appointed as Chair elect and Non-Executive Director of the RSEL Board. Danielle will begin her role as Non-Executive Director on 19 September 2024 and will officially take on the position of Chair in November 2024 from Lindsay Smartt who recently announced he would be stepping down from the RSEL Boards.

Financial Year 2024

Over the past few years, IFL has been on a pathway of simplifying and uplifting the company. IFL (then IOOF Holdings Ltd) acquired MLC Wealth from National Australia Bank in 2021, and the Australian & New Zealand Pensions and Investments business (P&I from ANZ) in 2020, making it one of the largest super Fund providers in Australia. The greater scale, capability and efficiency of these combined businesses will flow through to members in the form of value, choice and accessibility. I am pleased to say that through the 2024 financial year, we have continued taking steps forward to better integrate and simplify these legacy businesses, to support this Fund in a more efficient way.

In addition, focus has continued around uplifting governance standards to reflect the larger organisation we have become. In particular, good progress continues to be made in relation to the licence conditions APRA imposed in November 2022, aimed at enhancing IIML's governance in relation to member outcomes, oversight of service providers, risk, compliance and managing conflicts of interest. IIML is working with IFL to satisfactorily address these licence conditions.

With regard to investment performance, all three of IFL's default Funds were placed in the top 10 for FY24 in the SuperRatings SR50 MySuper Survey – a great achievement and outcome for members.

Equally, we also recognise that there have been challenges in 2024, largely related to remediation for legacy product compliance issues. In response, the relevant RSEL has paid a fine, increased its remediation provision to address legacy issues and agreed to additional commitments with APRA on this matter.

Remuneration report

Performance & remuneration outcomes for Financial Year 2024

The average short-term variable reward (STVR) outcome for KMP as a percentage of target is 70% as compared with the maximum of 125%.

In the 2024 financial year, a 2.1% average Total Fixed Remuneration (TFR) increase was applied across the KMP, effective 1 July 2024.

Non-Executive Director Fees

For financial year 2024, the Non-Executive Directors fees received a 2.5% increase across their fee structure to ensure alignment to market benchmarks. In addition to the 2.5% increase, an additional fee was introduced for the financial year 2024 to compensate the directors for additional workload.

On behalf of the People and Remuneration Committee, I would like to thank you for your support as a member and invite you to read this Remuneration report.

Yours sincerely



John Selak

Group People & Remuneration Committee Chair

18 September 2024

Remuneration report

Contents

The Remuneration report for AvWrap Retirement Service outlines our remuneration approach and outcomes for the KMP. This report has been prepared, and audited, as required by the *Corporations Act 2001*. It forms part of the Directors' Report.

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Remuneration report

1. Remuneration objectives, principles & governance

IFL believes remuneration plays an important role in supporting a strong culture and delivering business outcomes. We have a comprehensive remuneration framework which ensures the design and oversight of our practices support the delivery of strategic objectives, whilst meeting regulatory standards and stakeholder expectations. This is achieved by rewarding collective and individual performance, in addition to constructive behaviours that drive strong risk outcomes.

Promoting member best financial interests

Our remuneration framework practices support behaviours that protect the best financial interests of members. This is achieved by encouraging prudent risk management behaviours that underpin a foundation of member and employee trust and ensure clear accountability and appropriate consequences for management where there are adverse outcomes for members.

Role of RSEs in governing remuneration

The RSEL Boards within IFL are responsible for the relevant RSEL's Remuneration Framework and its effective application. The RSEL Boards consider, approve and adopt IFL's Remuneration Policy and oversee the remuneration practices of IFL to support behaviours that protect the best financial interests of members for RSEs. The RSEL Boards are responsible for providing feedback, input and decision making on the performance and remuneration outcomes for employees who provide services that have been outsourced to IFL by the RSEL Boards. This is facilitated by the People and Culture function who ensure appropriate and timely information is provided to the Boards regarding goals, performance and remuneration. The RSEL Boards receive relevant reporting and information from their respective Risk & Compliance Committees, the Risk and Conduct Forum (on serious risk matters) and the Chief Risk Officer to ensure that the risk outcomes are appropriately reflected in remuneration outcomes.

RSEL Board representatives also took part in a joint meeting with the IFL Group People & Remuneration, Group Risk and Compliance and Group Audit Committees, as part of IFL's end of year performance and remuneration review process. The joint Committee meeting was extended to include the Chairs of the RSEL Boards, Risk and Compliance and Audit Committees to provide the perspective of the RSEs to the discussion. The joint meeting reviewed the material risk matters and considered potential consequences on performance and remuneration outcomes for senior leaders. For the financial year 2024, two Executive KMP incurred a reduction to their Short Term Variable Reward (STVR) via the Risk & Conduct modifier due to significant risk matters.

In addition, the IFL Group People and Remuneration Committee, were recommended by the IFL Board to exercise discretion for 2024 by applying a 20% reduction to STVR outcomes for all current executives in relation to the fines, increased provisions and additional commitments with APRA on remediation matters. This reduction was approved by the RSEL Boards.

Remuneration report

2. Meeting Regulatory Requirements

The Financial Accountability Regime (FAR) will apply to superannuation RSEs and insurance entities commencing 15 March 2025. We welcome this legislation which is aimed at strengthening our responsibility and accountability frameworks and improving the risk and governance cultures of Australia's financial institutions. IFL has made solid progress over FY2024 in readiness for this legislation. We have established our Office of the FAR and defined the operationalisation of the uplifted Risk Governance Frameworks and systems to ensure adherence with the regime. We are also in the final stages of defining our Accountable Persons, who will have additional obligations to ensure compliance with the regime.

An amended CPS 511 commenced in FY2024 for superannuation and insurance Significant Financial Institutions. This standard aims to ensure remuneration practices manage risk and conflicts, that appropriate consequences exist for risk and conduct and that RSEL Boards have oversight and accountability for remuneration outcomes for key employees. This represented an opportunity to strengthen the existing practices within the industry and in the twelve months since this standard commenced, we have continued to embed and uplift practices.

This includes:

- Further enhancing the application of our consequence management framework, including launching a new policy and practices to support more consistent and rigorous application of consequences where there are adverse risk matters;
- Updating our performance and goal setting framework to ensure the right balance of financial and non-financial goals;
- Putting appropriate deferrals in place for at risk incentive payments for key senior managers, to manage any risk matters that may emerge over time;
- Completing another rigorous review of the remuneration framework and policy and continued to develop robust processes around conflicted remuneration scenarios;
- Defining a materiality threshold and definition for the engagement of Third-Party Service Providers (TPSP), approved by the Boards, which is used to identify the scale and nature of services that could present a material conflict to the remuneration framework; and
- Our Boards continuing to demonstrate active governance and oversight to these significant matters and ongoing regulatory change.

Remuneration report

3. Key components of remuneration for Key Management Personnel

The Key Management Personnel are employed by IOOF Service Co Pty Ltd or MLC Wealth Ltd. Whilst this cohort are employed by IOOF Service Co Pty Ltd and MLC Wealth Ltd, the amounts paid to KMP are in relation to services provided to the Fund. No amounts are paid by the Fund directly to the KMP as they are not employed or remunerated by the Fund. They are all remunerated in accordance with IFL's Group Remuneration policy and practices by the employing entities.

Each KMP is aligned to one of the three incentive plans outlined in the table. However, this excludes NEDs who are not eligible to participate in IFL incentive plans:

KMP Incentive Plans	Executive Incentive Plan (EIP)	Asset Management Incentive Plan (AMIP)	Insignia Financial Incentive Plan (IFIP)															
TFR	Total fixed remuneration (TFR) comprises base remuneration (i.e. cash salary) and superannuation. TFR is delivered in accordance with contractual terms and conditions of employment and is reviewed annually against relevant comparator Group remuneration benchmarks.																	
STVR	<p>The EIP is the incentive plan covering the CEO and Executive KMP. It is divided into short-term variable reward (STVR) which is delivered in cash, and long-term variable reward (LTVR) which is delivered in equity. The total EIP opportunity is 170% of fixed remuneration for the CEO and 60% -90% for Executive KMP.</p> <p>The Table below represents the total STVR opportunity of each role's total variable reward:</p> <table border="1"> <thead> <tr> <th></th> <th>% STVR of EIP Target</th> <th>Maximum STVR (125%)</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>35%</td> <td>43.75%</td> </tr> <tr> <td>Executive KMP</td> <td>50%</td> <td>62.5%</td> </tr> </tbody> </table> <p>Individual STVR outcomes are determined with reference to IFL performance and individual performance, through a balanced scorecard. The performance measures comprise a mix of financial and non-financial metrics linked to IFL and business unit targets, aligned to IFL's strategy, with the weightings varied by role. For the CEO and Executive KMP, the financial weighting was 30% for financial year 2024. STVR outcomes are subject to Board Discretion.</p>		% STVR of EIP Target	Maximum STVR (125%)	CEO	35%	43.75%	Executive KMP	50%	62.5%	<p>The AMIP is a specialist incentive plan which is designed to reward participants for delivery of annual goals that drive long-term sustainable performance.</p> <p>The plan provides an appropriate level of remuneration that varies based on the RSEL Board's determination of the KMP performance for the year which is measured against agreed targets for financial and non-financial measures that deliver strategic objectives.</p> <p>All participants for consideration for an AMIP award, will be subject to minimum performance requirements.</p> <p>The AMIP Pool is allocated to participants on a discretionary basis, taking into account individual performance, contribution to Asset Management outcomes, risk outcomes and the values and behaviours demonstrated by participants.</p>	<p>The IFIP is the general plan for the IFL. The plan is designed to deliver remuneration outcomes in line with annual performance achievement, with material weighting to financial and non-financial outcomes across customer, leadership, strategy execution and member and shareholder measures, incorporating both risk and behavioural assessments. The plan recognises both the "what" and the "how" of performance. STVR amounts are paid in cash.</p> <p>The Table below represents the total STVR opportunity of each role's total variable reward:</p> <table border="1"> <thead> <tr> <th></th> <th>% STVR of IFIP Target</th> <th>Maximum STVR (125%)</th> </tr> </thead> <tbody> <tr> <td>KMP, CMO, Senior Manager and Material Risk Takers</td> <td>0% - 100%</td> <td>0% - 125%</td> </tr> </tbody> </table> <p>Individual STVR outcomes are determined with reference to IFL performance and individual performance through a balanced scorecard. The performance measures comprise a mix of financial and</p>		% STVR of IFIP Target	Maximum STVR (125%)	KMP, CMO, Senior Manager and Material Risk Takers	0% - 100%	0% - 125%
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Remuneration report

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KMP, CMO and APRA Specified Roles	30% - 50%	50% - 70%																
LTVR	<p>Under the LTVR, performance rights are performance tested after four years and are vested subject to the relevant restriction period.</p> <p>TSR (70% of LTVR target) Based on the percentile ranking against the peer group of the ASX 200 (excluding resources).</p> <p>Reputational (30% of LTVR target) IFL is using RepTrak to track its reputation from a 2024 baseline score of 73.4%. The outcome is derived at the end of the four-year performance period, using the average of the quarterly scores of the last 12 months of the performance period.</p>	n/a	n/a															
Risk and Conduct and Principles	<p>Performance outcomes are subject to the following gateways and modifiers:</p> <ul style="list-style-type: none"> Compliance gateways: all KMP must meet core compliance expectations to be eligible for a STVR, including adherence to the Code of Conduct and completion of mandatory training requirements. 																	

Remuneration report

	<ul style="list-style-type: none"> Principles: the Boards have the discretion to adjust the CEO, Executive KMP and APRA Specified Roles STVR outcomes on the basis of an assessment of behaviours aligned with IFL principles, where appropriate. Risk and Conduct: the Boards have discretion, where appropriate, to adjust the CEO, Executive KMP and/or other APRA Specified Roles STVR outcomes, including where informed by recommendations from the Risk & Conduct Forum in relation to risk and conduct matters. The Risk and Conduct modifier also includes consideration of the risk matter outcomes that may warrant an adjustment to the Risk and Conduct assessment. 												
<p>Deferral</p>	<p>The EIP, AMIP & IFIP are designed to meet CPS 511 and Financial Accountability Regime (FAR) deferral requirements with at least 40% of the total reward deferred for 5 years for KMP and APRA Specified Roles & at least 60% of the total reward deferred for 6 years for the Chief Executive Officer.</p> <p>STVR is delivered as a combination of cash and deferred cash/or performance rights*</p> <table border="1" data-bbox="300 654 1442 846"> <thead> <tr> <th></th> <th>Cash</th> <th>Deferred Cash /or Performance Rights</th> <th>Minimum deferral period</th> </tr> </thead> <tbody> <tr> <td>KMP and APRA Specified Roles</td> <td>60%</td> <td>40%</td> <td>5 years</td> </tr> <tr> <td>CEO</td> <td>40%</td> <td>60%</td> <td>6 years</td> </tr> </tbody> </table> <p><i>*Deferral only applies if the total VR outcome is \$125,000 or more.</i></p> <p>These deferrals enable the Board to have effective forfeiture powers for a period of time if malus or other equivalent events subsequently come to light post grant/vesting.</p>		Cash	Deferred Cash /or Performance Rights	Minimum deferral period	KMP and APRA Specified Roles	60%	40%	5 years	CEO	40%	60%	6 years
	Cash	Deferred Cash /or Performance Rights	Minimum deferral period										
KMP and APRA Specified Roles	60%	40%	5 years										
CEO	40%	60%	6 years										
<p>Board discretion and adjustments</p>	<p>The Boards may apply its absolute discretion to adjust remuneration, subject to clawback and malus provisions in the relevant variable reward plans.</p>												

Remuneration report

4. Key Management Personnel remuneration outcomes for the 2024 financial year

Snapshot of FY24 remuneration outcomes

KMP (excluding NEDs)

Gateway Compliance	<ul style="list-style-type: none"> - All KMP have all met the behavioural and compliance gateway requirements.
Total Fixed Remuneration (TFR)	<ul style="list-style-type: none"> - Average fixed remuneration increases for KMP were 2.1%, effective 1 July 2024.
Short-term variable reward (STVR)	<ul style="list-style-type: none"> - The key financial and non-financial goals that determine STVR outcomes are outlined on page 18. - Against a possible STVR range of 0% - 125%, the average Executive KMP STVR target outcome was 70%. - Discretion was exercised by the Board in relation to the 2024 STVR outcome for the current CEO and Executive KMP, with a 20% reduction applied in relation to an increase in provisions related to remediation. - A reduction of 30% under the risk and conduct modifier was also applied to two executive KMP, totalling a 50% reduction overall for those individuals. - 50% of Executive KMP STVR is deferred for 12 months.
Long-term variable reward (LTVR)	<p><u>CEO & Executive KMP only</u></p> <ul style="list-style-type: none"> - The first tranche of the prior equity-based Executive incentive scheme (the Executive Equity Plan) reached the end of its four-year performance period on 30 June 2024. - The 40% of rights tested against a relative Total Shareholder Return hurdle, failed and will lapse. - The 60% that was tested against annualised business performance vested at the maximum opportunity of 100%. - LTVR is now issued under the EIP with a 4-year vesting period, released after 5 or 6 years in line with relevant regulatory requirements.

Non-Executive Director (NED)

NED fees	<ul style="list-style-type: none"> - NED fees were increased by 2.5% effective 1 July 2023. - An additional RSEL workload fee was also introduced in FY2024 to compensate the NEDs for increase in additional workload and time commitment to RSEL activities.
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Remuneration report

4. Key Management Personnel remuneration outcomes for the 2024 financial year (continued)

2024 performance outcomes

The following table provides the 2024 financial year STVR outcomes for the current KMP (excluding NEDs). The 50% weighting of shared goals for the CEO is due to his tenure of 4 months and balance with other priorities for this time.

	IFL Performance Measures	Rationale	CEO weighting	Exec KMP weighting	CMO Weighting	Scorecard result	CEO outcome	Exec KMP outcome ⁽²⁾	CMO ⁽²⁾
Financial	Net Funds flow	Aggregate Funds flow from platforms and asset management. Assessed against financial ranges set at the commencement of the financial year	7.5%	10.0%	10.0%	Not Achieved	0.0%	0.0%	0.0%
	OPEX	Operating expenditure across the enterprise assessed against financial ranges set at the commencement of the financial year	7.5%	10.0%	0%	Achieved	7.5%	10.0%	0.0%
	UNPAT	Underlying net profit after tax. Assessed against financial ranges set at the commencement of the financial year	7.5%	10.0%	0%	Exceeds	9.4%	12.5%	0.0%
Non-Financial	Rectification Action Plan	Embedding sustainable enterprise governance to meet APRA Licence conditions. Assessed against delivery of program milestones	10.0%	15.0%	25.0%	Achieved	10.0%	15.0%	25%
	MasterTrust Separation Critical Pathways	Separation of legacy MasterTrust products - Plum and MasterKey from NAB and P&I from ANZ. Assessed against delivery of program milestones	7.5%	10.0%	10.0%	Exceeds	9.4%	12.5%	12.5%
	MLC Wrap transition to Expand	Transition of MLC Wrap members to Expand platform. Assessed against delivery of program milestones	7.5%	10.0%	10.0%	Exceeds	9.4%	12.5%	12.5%
	Cultural alignment	Assessment of engagement factors measured through CultureAmp, externally benchmarked across organisations. Assessed against targets set at the commencement of the financial year	2.5%	5.0%	5.0%	Not Achieved	0.0%	0.0%	0.0%
Total outcome	Total shared goals outcome		50.0%	70.0%	60.0%	Partially Achieved	45.6%	62.5%	50%
	Total individual goals outcome		50.0%	30.0%	40.0%	Varied	50.0%	27.5% - 35.0%	40%
	Total scorecard outcome ⁽¹⁾		100.0%	100.0%	100.0%	Varied	95.6%	90.0%-121.9%	90%

⁽¹⁾ The total scorecard outcome includes any individuals who may have role modelled behavioural principles where the total scorecard outcome is multiplied by 125%.

⁽²⁾ The CMO and Chief Investment Officer are part of discretionary plans where STVR outcomes are not driven from a performance scorecard. The Chief Investment Officer has the same shared goals and weightings as the Exec KMP.

Remuneration report

5. Key Management Personnel

All KMP (including NEDs) are employed by IOOF Service Co Pty Ltd or MLC Wealth Ltd. KMP are defined as persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity.

They are all remunerated in accordance with IFL's Remuneration policy and practices by the employing entities. KMP (excluding NEDs) remuneration arrangements are reflective of the role they perform for IFL and are reviewed at least annually. In setting an individual's remuneration IFL considers:

- o role complexity and responsibilities;
- o individual capabilities, experience and knowledge;
- o business and individual performance;
- o internal and external market role relativities;
- o management on the target remuneration for individuals; and
- o general remuneration market environment and trends.

More information on the remuneration arrangements for NEDs, can be found in Section 6 of this report.

Remuneration Methodology

NEDs perform work for the RSEL and other RSEs within IFL. Therefore, the proportion of remuneration is based on Funds Under Management (FUM) for the relevant RSE as a percentage of the total FUM across all the RSEs within IFL.

For all other KMP, they perform work for the RSEL and other IFL entities. The amounts disclosed for remuneration in this document reflect an apportionment methodology considering the following:

- o time committed to the RSEs, and
- o the FUM of the relevant RSE, as a percentage of the total FUM of all the RSEs within IFL.

The amounts paid to all KMP (including NEDs) in relation to services provided to the Fund amounted to \$47,505. No amounts are paid by the Fund directly to the KMP as they are not employed or remunerated by the Fund. The exception to this is the Chief Member Officer and NEDs, who only perform work for the RSEs within IFL, therefore 100% of their remuneration is dedicated to this work. The remuneration paid to perform the role of the Chief Member Officer as well as the NED Fees are fully funded by the RSEL.

Remuneration report

5. Key Management Personnel (continued)

Key Management Personnel

The table below outlines the Group's KMP for the year ended 30 June 2024.

Name	Role	Term as KMP
Chair⁽¹⁾		
L Smartt	Independent Non-Executive Director & Chair	Full year
Non-Executive Directors⁽¹⁾		
K Gibson	Independent Non-Executive Director	Full year
B McConnell	Independent Non-Executive Director	Full year
M Perkovic	Independent Non-Executive Director	Appointed 3 October 2023
M Pirone	Independent Non-Executive Director	Appointed 3 October 2023
S Schubert	Independent Non-Executive Director	Full year
Chief Executive Officer and Executive Director		
S Hartley	Chief Executive Officer (CEO) and Executive Director	Appointed 1 March 2024
Current KMP		
D Chalmers	Chief Financial Officer	Full year
F Lombardo	Chief Operating and Technology Officer	Full year Ceased KMP duties effective 26 July 2024
D Farmer	Chief Investment Officer	Full year
S Hopwood	Acting Chief Member Officer	Appointed 26 February 2024 Ceased KMP duties effective 26 July 2024
M Oliver	Chief Distribution Officer	Full year Ceased KMP duties effective 26 July 2024
A Saxena	Chief Risk Officer	Full year
M Walls	Chief People Officer	Full year
C Weldon	Chief Client Officer	Appointed 13 November 2023 Ceased KMP duties effective 26 July 2024
Former Non-Executive Directors		
J Harvey	Independent Non-Executive Director	Ceased KMP duties effective 15 December 2023
Former KMP		
A Coyne	Chief Member Officer	Ceased KMP duties effective 23 February 2024
R Mota	Chief Executive Officer (CEO) and Managing Director	Ceased KMP duties effective 29 February 2024

⁽¹⁾ NEDs serve an initial term of 4 years from the date of appointment, a decision to reappoint of RSEL Board NEDs can serve as a Board member for maximum 9 years and Board Chair for a maximum of 12 years.

I.O.O.F. Investment Management Limited is the RSEL for the following RSE's:

- IOOF Portfolio Service Superannuation Fund
- AvWrap Retirement Service
- Symetry Personal Retirement Fund

Remuneration report

5. Key Management Personnel (continued)

KMP STVR performance outcomes

The following table provides the 2024 financial year STVR outcomes for KMP (excluding NEDs) for the period. The minimum potential outcome is zero:

Name	STVR Target 2024 \$	STVR Maximum 2024 \$	STVR Outcome ^(2,3,4) 2024 \$	STVR Cash ⁽⁵⁾ 2024 \$	STVR Deferred ⁽⁶⁾ 2024 \$	STVR actual as a % of STVR target 2024 %	STVR actual as a % of STVR maximum 2024 %
Chief Executive Officer and Executive Director							
S Hartley ⁽¹⁾	376	470	288	115	173	77	61
Current KMP							
D Chalmers	431	539	332	166	166	77	62
D Farmer ^(8,10)	-	-	3,023	1,814	1,209	-	-
S Hopwood ⁽⁹⁾	-	-	149	149	-	-	-
F Lombardo	901	1,127	454	227	227	50	40
M Oliver	1,299	1,623	655	327	327	50	40
A Saxena	600	750	585	292	292	98	78
M Walls	340	425	314	157	157	92	74
C Weldon	485	607	369	184	184	76	61
Former KMP							
A Coyne ^(8,9)	-	-	-	-	-	-	-
R Mota ⁽⁷⁾	812	1,015	1,015	507	507	125	100

⁽¹⁾S Hartley commenced KMP duties 1 March 2024. STVR amounts are prorated for the period they were KMP.

⁽²⁾Includes 20% discretionary Board reduction.

⁽³⁾Includes 30% risk and conduct modifier reduction for F Lombardo and M Oliver.

⁽⁴⁾Approval date of STVR for S Hartley is 21 August 2024 and 20 August 2024 for other Executive KMP.

⁽⁵⁾STVR Cash will be paid on 20 September 2024.

⁽⁶⁾STVR Deferred will be paid September 2025 (excluding S Hartley), subject to malus and clawback provisions. S Hartley will have 60% of their STVR outcome deferred as follows: 50% payment due September 2025, 10% payment in November 2024, subject to shareholder approval of LTVR offer at 2024 AGM.

⁽⁷⁾R Mota ceased KMP duties 29 February 2024 and STVR amounts are prorated for the period they were KMP, 50% of STVR outcome is paid upfront and remaining 50% STVR deferred will be paid September 2025.

⁽⁸⁾D Farmer, S Hopwood and A Coyne are not participants of the EIP STVR plan. Their plans are discretionary plans and do not have target and maximum amounts.

⁽⁹⁾A Coyne ceased KMP duties 23 February 2024.

⁽¹⁰⁾D Farmer STVR deferral equates to 40%, deferred for 5 years.

Remuneration report

5. Key Management Personnel (continued)

Remuneration received by KMP

The remuneration outcomes table below provides a summary of the remuneration that was received by KMP (excluding NEDs). We believe that presenting this information provides members with greater clarity and transparency of remuneration. This voluntary non-statutory disclosure differs from the statutory remuneration table in section 7.

	Total fixed remuneration ⁽¹⁾	STVR ⁽²⁾	EEP/EIP ^(4,5)	Total value of remuneration
Name	2024 \$	2024 \$	2024 \$	2024 \$
Chief Executive Officer and Executive Director				
S Hartley ⁽⁸⁾	634	288	699	1,621
Current KMP				
D Chalmers	962	332	257	1,551
D Farmer	3,033	3,023	-	6,056
S Hopwood	811	149	-	960
F Lombardo ⁽⁶⁾	2,011	454	232	2,697
M Oliver ⁽⁵⁾	2,912	655	1,080	4,647
A Saxena ⁽³⁾	2,009	1,250	600	3,859
M Walls	759	314	209	1,282
C Weldon	1,033	369	309	1,711
Former KMP				
A Coyne	1,609	-	-	1,609
R Mota ⁽⁷⁾	1,379	1,015	(329)	2,065
Total	17,152	7,849	3,057	28,058

⁽¹⁾Includes base salary, non-monetary and superannuation.

⁽²⁾Refer to table on prior page 'KMP STVR performance outcomes' for specific STVR arrangements.

⁽³⁾A Saxena total STVR represents a commencement incentive and performance based STVR for the FY24 period. The commencement incentive was paid 11 October 2023.

⁽⁴⁾On review of the 2023 EEP annual assessment of the Financial and Non-Financial hurdles, a portion of the Performance Rights granted were forfeited/cancelled. The impact of this cancellation has been reflected in 2024. Those with negative figures are due to not being part of the 2024 EIP offer, however did have cancellation of rights that were in relation to 2023 EEP.

⁽⁵⁾EIP/EEP value for M Oliver includes an additional grant of performance rights for the 2023 EEP plan granted in October 2023 due to a remuneration increase associated with a role expansion.

⁽⁶⁾F Lombardo 2024 EEP/EIP amount includes an additional 40% reduction to his 2023 EEP annualised outcome via a Risk & Conduct modifier which was determined in 2024.

⁽⁷⁾R Mota ceased KMP duties 29 February 2024 and STVR amounts are prorated for the period they were KMP for FY24, as per prior table 'KMP STVR performance outcomes'.

⁽⁸⁾S Hartley has been offered an LTVR (EIP) for 2024. Approval of this grant will be sought at the 2024 IFL AGM.

Remuneration report

5. Key Management Personnel (continued)

Deferred performance rights for CEO and Executive KMP

Performance rights for the CEO and Executive KMP currently operate under the Executive Incentive Plan (EIP). The vesting of performance rights is subject to two hurdles over a four-year vesting period. The IFL performance rights are equity-settled share-based payment plans as per below:

- 70% of the grant is subject to a Total Shareholder Return (TSR) progressive vesting scale over four years which is known as the financial measure. TSR represents the change in the value of a share plus the value of dividends paid.
- The remaining 30% of the grant is subject to reputation which will be determined based on the Company's reputation score as at 1 July 2023, relative to a subset of peer organisations positions similar to the company over the same four year performance period. 2024 is the first year that IFL will use reputation as a performance measure, and it has been included in recognition of its critical importance in enhancing long-term financial performance.

Year	Performance period	Grant date	IFL TSR for the period %	Ranking relative to ASX200	Vesting status at 30 June 2024	Performance period end date
2024 EIP	2024-2027	13-Dec-23	(12.98%)	125th	0% vested	30 Jun 27

For performance rights plans pre-dating the EIP, the vesting of 60% of performance rights under the EEP is subject to annualised assessment for the grant date performance period and subject to a four-year vesting period. 40% of the grant is subject to a TSR progressive vesting scale over four years.

Year	Performance period	Grant date	IFL TSR for the period %	Ranking relative to ASX200	Vesting status at	Performance period end date
2023 EEP	2023-2026	14-Dec-22	(8.44%)	116th	0% vested	30 Jun 26
2022 EEP	2022-2025	04-Mar-22	(34.02%)	128th	0% vested	30 Jun 25
2021 EEP	2021-2024	18-Dec-20	(37.08%)	122nd	0% vested	30 Jun 24

Accordingly, the following IFL performance rights were vested and forfeited for KMP as issued under the 2021 Executive Equity Plan. This plan refers to the previous executive incentive scheme which was in place for financial years 2021 – 2023.

Name	Performance period end	Type of instrument	TSR (40%) ⁽²⁾	Financial (10%) ⁽¹⁾	Non-Financial (50%) ⁽¹⁾	% vested	% forfeited
Current KMP			Number of rights vested				
D Chalmers	30-Jun-24	2021 Executive Equity Plan	-	13	67	60%	40%
D Farmer	30-Jun-24	2021 Executive Equity Plan	-	20	99	60%	40%
F Lombardo	30-Jun-24	2021 Executive Equity Plan	-	21	105	60%	40%
M Oliver	30-Jun-24	2021 Executive Equity Plan	-	20	101	60%	40%
M Walls	30-Jun-24	2021 Executive Equity Plan	-	6	29	60%	40%
C Weldon	30-Jun-24	2021 Executive Equity Plan	-	6	31	60%	40%
Former KMP			Number of rights vested				
R Mota	30-Jun-24	2021 Executive Equity Plan	-	36	178	60%	40%

⁽¹⁾ The financial and non-financial hurdles were annualised hurdles that were assessed on a one-year performance period between 1 July 2020 and 30 June 2021.

⁽²⁾ The TSR performance condition had a four-year performance period (1 July 2020 - 30 June 2024) and was performance tested on 30 June 2024. The TSR hurdle did not pass its performance conditions and performance rights were forfeited.

Remuneration report

5. Key Management Personnel (continued)

CEO, Executive KMP and other KMP employment arrangements

Contract Term	CEO	Executive KMP	Other KMP ⁽²⁾
Contract Type ⁽¹⁾	Permanent	Permanent	Permanent
Notice Period	6 months	6 months	3 months
Severance	n/a	n/a	n/a
STVR treatment on termination	<p>In general, unless otherwise determined by the IFL Board and subject to law:</p> <ul style="list-style-type: none"> In the case of a KMP resignation or termination for cause before the end of the performance period, the KMP will not be eligible to be considered for an STVR award for that year. Where a KMP's exit is related to any other reason (i.e. retrenchment, retirement, ill health separation, mutual agreement or death), the KMP remains eligible (unless the IFL Board determines otherwise) to be considered for an STVR award with regard to actual performance against performance measures (as determined by the IFL Board in the ordinary course following the end of the performance period). 		
LTVR treatment on termination	<p>In general, unless otherwise determined by the IFL Board:</p> <ul style="list-style-type: none"> Any performance rights will lapse if a KMP resigns or is terminated for cause before the vesting date of the 2024 LTVR (EIP), and the end of the performance period for awards granted of the 2021 LTVR (EEP). Where a KMP's exit is related to any other reason (i.e. retrenchment, retirement, ill health separation, mutual agreement or death), any unvested LTVR awards continue on foot with performance measured at the end of the performance period related to each award (and with the award otherwise remaining subject to all terms and conditions other than those relating to continuity of employment). For LTVR awards granted from the 2024 financial year, KMPs who are dismissed during the restricted period will forfeit all performance rights subject to the restricted period. Where a KMP exits for any other reason during the restricted period, outstanding performance rights will continue to remain on foot for the original restricted period(s). 		

⁽¹⁾ Contracts for permanent employment continue until notice is given by either party.

⁽²⁾ Excludes RSEL Non-Executive Directors.

Remuneration report

6. Non-Executive Director remuneration

Director and Committee fees are set by the IFL Board for each NED across IFL including the RSEs. Whilst this cohort are employed by IOOF Service Co Pty Ltd or MLC Wealth Ltd, the fee paid to perform the role undertaken for the RSEL is funded by the RSEL. Fees include compulsory contributions to superannuation. This fee is based on market data provided by external market remuneration from the Financial Institutions Remuneration Group (FIRG) and IFL's Group People & Remuneration Committee's recommendations to the IFL Board, where the following is considered.

- The ability to attract, retain and motivate directors.
- General industry practise and fees paid to non-executive directors of comparable companies, and principles of corporate governance.
- The responsibilities and risks attached to the role.
- The time commitment expected of NEDs on all matters.

To ensure independence and impartiality, fees are not linked to performance. NEDs are not eligible to participate in any of the IFL incentive arrangements.

NEDs are remunerated for their work, having regard to their specific responsibilities and the nature and objectives of the Fund. The fees are reviewed annually, effective 1 July each year.

Remuneration report

6. Non-Executive Director remuneration

2024 statutory remuneration – Non-Executive Directors

The following table has been prepared in accordance with the Act and Regulations. It shows details of the nature and amount of each element of remuneration paid or awarded for services provided for the year based on a FUM apportionment methodology. The figures below relate to the total remuneration apportionment paid to each NED for services provided to the Fund.

NED		Short-term benefits ⁽¹⁾		Post-employment	Total
		Directors' fees ⁽²⁾	Non-monetary ⁽³⁾	Superannuation	
		\$	\$	\$	\$
Chair					
L Smartt	2024	2,430	-	170	2,600
Non-Executive Directors					
K Gibson ⁽⁶⁾	2024	1,820	6	161	1,987
B McConnell	2024	1,811	-	170	1,981
M Perkovic ⁽⁵⁾	2024	1,353	-	127	1,480
M Pirone ⁽⁵⁾	2024	1,357	-	123	1,480
S Schubert	2024	1,811	-	170	1,981
Former Non-Executive Directors					
J Harvey ^(4,7)	2024	835	-	90	925
Total	2024	11,417	6	1,011	12,434

⁽¹⁾Short-term benefits include mandated superannuation guarantee contributions in line with the superannuation opt out rules.

⁽²⁾Directors fees include Board and committee fees received in cash.

⁽³⁾Non-monetary benefits include Company funded benefits and fringe benefits tax payable on those benefits.

⁽⁴⁾J Harvey ceased KMP duties on 15 December 2023.

⁽⁵⁾M Perkovic and M Pirone commenced KMP duties on 3 October 2023.

⁽⁶⁾Amounts for K Gibson include delayed payments in relation to financial year 2024 for Fees and Superannuation of \$183. Payments have been processed in financial year 2025.

⁽⁷⁾Amounts for J Harvey include delayed payments in relation to financial year 2024 for Fees and Superannuation of \$43. Payments have been processed in financial year 2025.

Terms of appointment

All NEDs and KMP have letters of appointment detailing the terms under which they are engaged. The term of appointment for each is open-ended, subject to the provisions of the Corporations Act and the Company's Constitution.

Remuneration report

7. Key Management Personnel remuneration – additional statutory disclosure

The following table sets out the remuneration received by KMP (excluding NEDs) for the year ended 30 June 2024 reflecting the apportionment methodology that constitutes time committed to the RSEs and the FUM of the relevant RSE as a percentage of the total FUM of all the RSEs within IFL. The share-based payments shown below are not amounts received by the KMP during the year, as they include accounting values for unvested share awards in accordance with accounting standards.

Element of remuneration	Short-term benefits				Post-employment	Long-term benefits	Termination benefits	Total	Component as a % of total remuneration		
	Salary	Bonus - cash		Non-monetary ⁽¹⁾	Super-annuation	Share based payments ⁽²⁾			Fixed	Var ⁽⁵⁾	
Component of remuneration	Fixed \$	Fixed ⁽⁴⁾ \$	Variable ⁽³⁾ \$	Fixed \$	Fixed \$	Variable \$	Fixed \$	\$	Fixed ⁽⁵⁾ %	Var ⁽⁵⁾ %	
Chief Executive Officer and Executive Director											
S Hartley	2024	614	-	288	-	20	24	-	946	67	33
Current KMP											
D Chalmers	2024	928	-	332	3	31	313	-	1,607	60	40
D Farmer	2024	2,905	-	3,023	-	128	113	-	6,169	49	51
S Hopwood ⁽⁷⁾	2024	754	-	149	1	56	-	-	960	84	16
F Lombardo	2024	1,934	-	454	8	70	441	-	2,907	69	31
M Oliver	2024	2,781	-	655	20	111	792	-	4,359	67	33
A Saxena	2024	1,934	665	585	9	66	52	-	3,311	81	19
M Walls	2024	718	-	314	4	37	218	-	1,291	59	41
C Weldon	2024	981	-	369	3	49	247	-	1,649	63	37
Former KMP											
A Coyne ⁽⁸⁾	2024	1,488	-	-	-	121	11	2,838	4,458	100	0
R Mota ⁽⁶⁾	2024	1,342	-	1,015	10	27	477	4,543	7,414	80	20
Total	2024	16,379	665	7,184	58	716	2,688	7,381	35,071		

⁽¹⁾Non-monetary benefits include Company funded benefits and fringe benefits tax payable on those benefits, typically car parking.

⁽²⁾Share-based payments include accruals in relation to the Executive Performance Share Plans (EEP/EIP) and accruals in relation to other grants of performance rights over shares in the Company. The value of the number of shares and options expected to vest has been apportioned over the term from grant date to vesting date, in accordance with the accounting standards.

⁽³⁾Incentive amounts represent cash accruals in current year. As payment of the variable component is at the discretion of the IFL Board, the minimum value is nil and the maximum is the total amount paid. The variable bonus paid in cash refers to the total STVR outcome and includes an upfront amount paid in September 2024 and the deferred amount due in 2025.

⁽⁴⁾Amounts represent retention and commencement incentives, which are non-performance based. For A Saxena, this is a commencement incentive that was paid 11 October 2023.

⁽⁵⁾Fixed amounts are non-performance based, and variable amounts are performance based.

⁽⁶⁾R Mota ceased KMP duties on 29 February 2024 and STVR amounts are prorated for the period they were a KMP.

⁽⁷⁾S Hopwood commenced KMP duties on 26 February 2024 and STVR amounts are prorated for the period they were a KMP.

⁽⁸⁾A Coyne ceased KMP duties on 23 February 2024.

Remuneration report

8. Other information

Equity holdings

The table below sets out details of deferred Insignia Financial performance rights that were granted to KMP (excluding NEDs) during 2024, or in prior years and that then vested, were exercised/sold or which lapsed/were forfeited during 2024. When each performance right is exercised, it is converted into one IFL ordinary share. Amounts reflect the apportionment methodology aforementioned, comprising time committed to the RSELs and the FUM of the relevant RSE as a percentage of the total FUM of all RSEs within IFL.

Name	Type of instrument	Grant date	Fair value per right at grant date	Number granted ⁽¹⁾	Opening balance	Granted as compensation	Exercised/Vested ⁽²⁾	Forfeited/Lapsed ^(3,4)	Closing balance	Financial year of performance period end
Chief Executive Officer and Executive Director										
S Hartley ⁽⁶⁾	2024 EIP	-	\$0.99	245	-	245	-	-	245	2027
Total S Hartley				245	-	245	-	-	245	
Current KMP										
D Chalmers	2024 EIP	13-Dec-23	\$0.99	151	-	151	-	-	151	2027
	2023 EEP	14-Dec-22	\$2.45	277	277	-	-	(60)	218	2026
	2022 EEP	4-Mar-22	\$2.72	185	163	-	-	-	163	2025
	2021 EEP	18-Dec-20	\$2.29	134	134	-	(80)	(53)	-	2024
Total D Chalmers				747	574	151	(80)	(113)	532	
D Farmer	2021 EEP	18-Dec-20	\$2.29	197	197	-	(118)	(79)	-	2024
Total D Farmer				197	197	-	(118)	(79)	-	
F Lombardo	2024 EIP	13-Dec-23	\$0.99	316	-	316	-	-	316	2027
	2023 EEP	14-Dec-22	\$2.45	578	578	-	-	(229)	349	2026
	2022 EEP	4-Mar-22	\$2.72	334	295	-	-	-	295	2025
	2021 EEP	18-Dec-20	\$2.29	209	209	-	(125)	(84)	-	2024
Total F Lombardo				1,437	1,082	316	(125)	(313)	960	
M Oliver ⁽⁵⁾	2024 EIP	13-Dec-23	\$0.99	455	-	455	-	-	455	2027
	2023 EEP	14-Dec-22	\$2.45	833	692	141	-	(215)	617	2026
	2022 EEP	4-Mar-22	\$2.72	417	383	-	-	-	383	2025
	2021 EEP	18-Dec-20	\$2.29	201	201	-	(121)	(80)	-	2024
Total M Oliver				1,906	1,276	596	(121)	(295)	1,455	
A Saxena	2024 EIP	13-Dec-23	\$0.99	210	-	210	-	-	210	2027
Total A Saxena				210	-	210	-	-	210	

Remuneration report

8. Other information (continued)

Name	Type of instrument	Grant date	Fair value per right at grant date	Number granted ⁽¹⁾	Opening balance	Granted as compensation	Exercised/Vested ⁽²⁾	Forfeited/Lapsed ^(3,4)	Closing balance	Financial year of performance period end
Current KMP (continued)										
M Walls	2024 EIP	13-Dec-23	\$0.99	119	-	119	-	-	119	2027
	2023 EEP	14-Dec-22	\$2.45	218	218	-	-	(45)	174	2026
	2022 EEP	4-Mar-22	\$2.72	145	122	-	-	-	122	2025
	2021 EEP	18-Dec-20	\$2.29	58	58	-	(35)	(23)	-	2024
Total M Walls				540	398	119	(35)	(68)	415	
C Weldon	2024 EIP	13-Dec-23	\$0.99	170	-	170	-	-	170	2027
	2023 EEP	14-Dec-22	\$2.45	268	268	-	-	(61)	207	2026
	2022 EEP	4-Mar-22	\$2.72	146	129	-	-	-	129	2025
	2021 EEP	18-Dec-20	\$2.29	63	63	-	(38)	(25)	-	2024
Total C Weldon				647	460	170	(38)	(86)	506	
Former KMP										
A Coyne ⁽⁷⁾	2022 EPR	4-Mar-22	\$2.29	21	21	-	-	-	21	2025
Total A Coyne				21	21	-	-	-	21	
R Mota	2023 EEP	14-Dec-22	\$2.45	785	785	-	-	(169)	616	2026
	2022 EEP	4-Mar-22	\$2.72	523	395	-	-	-	395	2025
	2021 EEP	18-Dec-20	\$2.29	357	357	-	(214)	(143)	-	2024
Total R Mota				1,665	1,537	-	(214)	(312)	1,011	
Total KMP				7,615	5,545	1,807	(731)	(1,266)	5,355	

⁽¹⁾Exercise price at grant date is \$nil.

⁽²⁾Vested rights were approved and vested 30 June 2024 for EEP 2021. These were exercised in financial year 2025.

⁽³⁾Forfeited/lapsed performance rights for EEP 2023 refer to annualised assessment at the end of each financial year.

⁽⁴⁾Forfeited/lapsed performance rights for EEP 2021 refer to the non-achievement of the TSR hurdle assessed at the end of the performance period.

⁽⁵⁾Additional rights were granted to M Oliver in 2024 in respect of the 2023 EEP plan based on a review of his remuneration in December 2022.

⁽⁶⁾S Hartley equity holdings relate to the offer provided for 2024. Official grant is subject to shareholder approval at the 2024 IFL AGM.

⁽⁷⁾A Coyne amounts represent performance rights that were granted through the Employee Performance Rights (EPR).

Remuneration report

8. Other information (continued)

This report is signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

The *Remuneration Report* is prepared, and audited, in accordance with the requirements of the *Corporations Act 2001*. It forms part of the *Directors' Report*.



John Selak

Group People & Remuneration Committee Chair

18 September 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To The directors of I.O.O.F. Investment Management Limited, as trustee for the
AvWrap Retirement Service

I declare that, to the best of my knowledge and belief, in relation to the audit of AvWrap Retirement
Service for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the
Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Dean Waters
Partner
Melbourne
18 September 2024

KPMG

AvWrap Retirement Service
Statement of financial position
As at 30 June 2024

	Note	<u>2024</u>	<u>2023</u>
		\$m	\$m
Assets			
Cash and cash equivalents	13(a)	133.5	48.8
Receivables	6	46.8	10.8
Investment assets:			
Equities	14	124.1	39.7
Term deposits		26.1	10.8
Listed trusts	14	108.0	67.6
Unlisted unit trusts	14	1,296.2	377.3
Current tax assets		2.3	0.5
Total assets		<u>1,737.0</u>	<u>555.5</u>
Liabilities			
Payables and accruals	7	2.3	0.5
Deferred tax liabilities	12(c)	5.5	0.2
Total liabilities excluding member benefits		<u>7.8</u>	<u>0.7</u>
Net assets available for member benefits		<u>1,729.2</u>	<u>554.8</u>
Member benefits			
Defined contribution member liabilities	5	<u>1,728.0</u>	<u>553.8</u>
Total member liabilities		<u>1,728.0</u>	<u>553.8</u>
Total net assets		<u>1.2</u>	<u>1.1</u>
Equity			
Operational Risk Financial Requirement reserve	8	<u>1.2</u>	<u>1.1</u>
Total equity		<u>1.2</u>	<u>1.1</u>

The above statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

AvWrap Retirement Service
Income statement
For the year ended 30 June 2024

	Note	<u>2024</u>	<u>2023</u>
		\$m	\$m
Superannuation activities			
Interest income		4.9	1.3
Dividend income		6.7	3.4
Distribution Income		51.7	12.8
Net change in fair value of investments	9	<u>84.1</u>	<u>23.2</u>
Total revenue		<u>147.4</u>	<u>40.7</u>
Expenses			
Administration expenses	10	12.2	5.0
Investment expenses	10	<u>0.2</u>	<u>0.1</u>
Total expenses		12.4	5.1
Profit from operating activities		135.0	35.6
Less: Net benefits allocated to defined contribution member accounts		(137.3)	(37.9)
Loss before income tax		<u>(2.3)</u>	<u>(2.3)</u>
Income tax benefit		2.3	2.3
Profit/(Loss) after income tax		<u><u>-</u></u>	<u><u>-</u></u>

The above income statement should be read in conjunction with the accompanying notes to the financial statements.

AvWrap Retirement Service
Statement of changes in member benefits
For the year ended 30 June 2024

	2024	2023
	\$m	\$m
Opening balance of member benefits	553.8	422.7
Contributions:		
Employer	9.7	3.5
Member	55.8	48.9
Successor fund transfer	1,046.7	-
Transfer from other superannuation funds	107.7	90.4
Transfer to other superannuation funds	(77.5)	(12.4)
Income tax on contributions	(2.4)	(0.9)
Net after tax contributions	1,140.0	129.5
Benefits to members/beneficiaries	(101.5)	(35.9)
Insurance premiums charged to members' accounts	(1.6)	(0.4)
Benefits allocated to members' accounts comprising:		
Net investment income	149.5	43.0
Administration expenses	(12.2)	(5.1)
Net change in member benefits	1,174.2	131.1
Closing balance of member benefits	1,728.0	553.8

The above statement of changes in member benefits should be read in conjunction with the accompanying notes to the financial statements.

AvWrap Retirement Service
Statement of changes in reserves
For the year ended 30 June 2024

	Operational risk financial requirement reserve
	\$m
Opening balance as at 1 July 2023	1.1
Profit	0.1
Closing balance as at 30 June 2024	<u>1.2</u>
	Operational risk financial requirement reserve
	\$m
Opening balance as at 1 July 2022	1.1
Profit	-
Closing balance as at 30 June 2023	<u>1.1</u>

The above statement of changes in reserves should be read in conjunction with the accompanying notes to the financial statements.

AvWrap Retirement Service
Statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$m	2023 \$m
Cash flows from operating activities			
Interest received		4.2	1.1
Dividends received		6.7	3.4
Distributions received		22.4	15.6
Insurance premiums paid		(1.4)	(0.4)
Other expenses paid		(12.0)	(5.0)
Income tax received		3.8	2.1
Net cash flows from operating activities	13(b)	23.7	16.8
Cash flows from investing activities			
Proceeds from sale of investments		350.6	153.5
Purchases of investments		(369.3)	(260.1)
Net cash flows from investing activities		(18.7)	(106.6)
Cash flows from financing activities			
Employers' contributions		9.7	3.5
Members' contributions		55.8	48.9
Successor fund transfer		86.7	-
Transfer from other superannuation funds		101.2	90.6
Transfer to other superannuation funds		(72.2)	(12.4)
Benefits to members/beneficiaries		(101.0)	(35.9)
Income tax on contributions		(0.5)	(0.9)
Net cash flows from financing activities		79.7	93.8
Net increase in cash and cash equivalents		84.7	4.0
Cash and cash equivalents at the beginning of the year		48.8	44.8
Cash and cash equivalents at the end of the year	13(a)	133.5	48.8

The above statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

1. Reporting entity

The AvWrap Retirement Service (the "Fund") is a superannuation fund that provides defined contribution accounts to members. The Fund is operated for the purpose of providing superannuation services to members. The Fund was constituted by a Trust Deed dated 17 July 2006, as amended. It is domiciled in Australia and the address of the registered office is Level 1, 800 Bourke Street, Docklands, VIC 3008.

The Trustee of the Fund is I.O.O.F. Investment Management Limited (IIML) ABN 53 006 695 021. The Trustee is incorporated and domiciled in Australia and holds RSE Licence Number L0000406. The ultimate parent entity is Insignia Financial Limited.

In accordance with the amendments to the *Superannuation Industry (Supervision) Act 1993*, the Fund is registered with the Australian Prudential Regulation Authority (APRA) as a Registrable Superannuation Entity (RSE) (registration number R1069020).

a) Significant events

Successor Fund Transfer

The Fund completed the merger with Symetry Personal Retirement Fund via Successor Fund Transfer (SFT) on 2 December 2023. Refer to note 20 for further details.

Licence condition

In November 2022, APRA imposed additional licence conditions on IIML. These conditions included:

- (i) Enhancement of the Trustee's governance in relation to member outcomes, oversight of service providers, risk, compliance and managing conflicts of interest;
- (ii) Appointment of an independent expert to examine the operational effectiveness of the Trustee's governance, accountability and risk management frameworks and practices; and
- (iii) Rectification of areas of concern with input from the independent expert.

The Trustee is working with Insignia Financial Ltd and its subsidiaries (collectively referred to as the IFL Group) to satisfactorily address all the Licence Conditions and to rectify any and all areas of concern identified by the independent expert. A Rectification Action Plan to address these additional licence conditions was formally approved by APRA on 22 November 2023.

Aside from the above, there are no other matters to note.

2. Basis of preparation

The principal accounting policies that have been adopted in the preparation of the financial statements are as follows:

(a) Statement of compliance

General purpose financial statements

These general purpose financial statements have been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. They contain disclosures that are mandatory under the Accounting Standards and those considered necessary by the Directors to meet the needs of members.

The financial statements were authorised for issue by the Board of Directors of the Trustee, IIML, on 18 September 2024.

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

2. Basis of preparation (continued)

(b) Basis of measurement

The financial statements and notes accompanying the financial statements have been prepared on the historical cost basis except for:

- (i) financial instruments held at fair value through profit or loss, which are measured at fair value; and
- (ii) financial liabilities and term deposits, other than those held at fair value through profit or loss, are measured at amortised cost.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars. Amounts are shown rounded to the nearest \$100,000 (\$m with one decimal point), under the option available under ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and ASIC Corporations (Amendment) Instrument 2022/519, unless otherwise stated. Prior to the year ended 30 June 2024, the financial statements issued were presented to the nearest thousand (\$'000).

(d) Material accounting judgements, estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(d) Material accounting judgements, estimates and assumptions (continued)

Assumptions made at each reporting date are based on best estimates at that date. Although the Fund has internal control systems in place to ensure that estimates are reliably measured, actual amounts may differ from those estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

The additional accounting policies sensitive to the use of judgement, estimates and assumptions are outlined below:

(i) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management applies judgement in selecting valuation techniques where there is no market price available for an instrument. Further details on the determination of fair values of financial instruments are set out in note 14.

(ii) Assessment of the interest in unlisted unit trusts as structured entities

The Fund has assessed whether its investments in related unlisted unit trusts should be classified as structured entities. A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. The Fund has concluded that its investments in unlisted registered managed investment schemes meet the definition of structured entities as the voting rights of these unlisted registered managed investment schemes are not substantive in nature as set out in note 17 Investment assets of unconsolidated structured entities.

As such, the Fund does not consolidate any entities.

3. Changes in material accounting standards and interpretations

The Fund has adopted Disclosure of Accounting Policies (Amendments to AASB 101 and IFRS Practice Statement 2) from 1 July 2023. The amendments did not result in changes to the accounting policy information disclosed in the financial statements.

There are no other material new standards or amendments to standards that are mandatory for the first time in the financial year beginning 1 July 2023 that affect the Fund's financial statements and are not likely to affect future periods. The Fund has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2023.

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

3. Changes in material accounting standards and interpretations (continued)

New standards and amendments to accounting standards issued but not yet effective

AASB 18 Presentation and Disclosure in Financial Statements will be applicable to the Fund for the 30 June 2029 financial year. The standard will replace AASB 101 Presentation of Financial Statements. The standard establishes key presentation and disclosure requirements including newly defined subtotals in the statement of profit or loss, the disclosure of management-defined performance measures and enhanced requirements for grouping information.

4. Material accounting policies

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

(a) Financial assets

(i) Cash and cash equivalents

Cash comprises cash at bank. Cash and cash equivalents include cash at bank, deposits held at call with financial institutions and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. As cash and cash equivalents are not subject to changes in price, historical cost approximates fair value.

(ii) Outstanding settlements

Outstanding settlements include net amounts outstanding for redemptions of investments and purchases of investments, which remain unsettled at the reporting date and are normally settled within 30 days. These amounts are measured at fair value.

(iii) Other receivables

Receivables are carried at nominal amounts due and are measured at fair value. Receivables are normally settled within 30 days.

(iv) Investments

Investments of the Fund are initially recognised at cost, being the fair value of the consideration given. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments are included in the statement of financial position at fair value as at reporting date and movements in the fair value of investments are recognised in the income statement in the financial year in which they occur. Further details on how fair value is determined at each reporting date is set out in note 14.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, i.e. the date that the Fund commits to purchase the asset.

The Fund's maximum exposure to loss from their investments in unlisted unit trusts, which have been assessed to be structured entities, is restricted to their fair value, refer to note 17.

The prices used to value investments include:

(i) Equities

Equities, for which there is a readily available market quotation, are valued at the last quoted sale price as at the close of business on reporting date.

(ii) Listed trusts

Listed trusts, for which there is a readily available market quotation, are valued at the last quoted sale price as at the close of business on reporting date.

(iii) Term deposits

Term deposits, other than those held at fair value through profit or loss, are recorded at amortised cost which approximates fair value.

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

4. Material accounting policies (continued)

(a) Financial assets (continued)

(iv) Investments (continued)

(iv) Units in unlisted unit trusts

Units in unlisted unit trusts are valued at the sale price at reporting date quoted by the investment managers which equates to the fair value.

For investments in suspended unlisted unit trusts, the prices used to value investments are the last available sale prices published by the relevant Fund Manager.

(b) Financial liabilities

The Fund recognises financial liabilities on the day it becomes a party to the contractual provisions of the instrument. Liabilities are carried at fair value and may include amounts for unsettled investment purchases and accrued fees payable. Unsettled purchases are amounts due to brokers for securities purchased that have not been paid at reporting date. Trades are recorded on trade date and normally settle within two business days.

(c) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to offset the amounts and it intends either to settle on a net basis or realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under Australian Accounting Standards. For example, for gains and losses arising from a group of similar transactions, such as gains and losses from investments held at fair value.

(d) Member liabilities

Allocated to members

Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date.

(e) Revenue and expense recognition

(i) Interest income

Interest income is recognised in the income statement as it accrues, using the effective interest rate of the instrument calculated at the acquisition date.

(ii) Dividend income

Dividends from equity securities are recognised on the date the shares are quoted ex-dividend.

(iii) Distribution income

Distributions from unlisted unit trusts are recognised as at the date the unit value is quoted ex-distribution.

(iv) Net change in fair values of investments

Changes in investments measured at fair value are calculated as the difference between the fair value at sale, or at reporting date, and the fair value at the previous valuation point. All changes are recognised in the income statement.

(v) Other income

Other income consists mainly of fee rebate income which is recognised when the Fund has established the right to receive the income.

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

4. Material accounting policies (continued)

(e) Revenue and expense recognition (continued)

(vi) Expenses

Expenses are recognised on an accruals basis and if not paid at reporting date, are reflected in the statement of financial position as a liability.

(f) Income tax

The Fund is a complying superannuation fund for the purposes of the provisions of the *Income Tax Assessment Act 1997*. Accordingly, the concessional tax rate of 15% has been applied to the Fund's taxable income. The Fund has both accumulation and pension members. Where assets are held to support pension liabilities, the income earned on those assets does not form part of the Fund's assessable income, thus incurring an effective tax rate of 0%.

Income tax in the income statement for the year includes current and deferred tax.

Current tax expense is the expected tax payable on the taxable income for the year using the tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years. Taxable income includes gains and losses on disposals of investments and these are calculated using the first-in-first-out method.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(g) Goods and services tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO) as a Reduced Input Tax Credit (RITC). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of other receivables or payables, in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(h) No-TFN contributions tax

Where a member does not provide their tax file number (TFN), the Fund may be required to pay no-TFN contributions tax at a rate of 32% which is in addition to the concessional tax rate of 15% which applies to the Fund's taxable income.

The no-TFN contributions tax liability recognised by the Fund will be charged to the relevant member's account. Where a tax offset is obtained by the Fund in relation to members' no-TFN contributions tax, the tax offset will be included in the relevant members' accounts.

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

4. Material accounting policies (continued)

(i) Excess contributions tax

The ATO may issue release authorities to members of the Fund relating to the relevant member's excess contributions tax that is payable in respect of the member's concessional and/or non-concessional contributions for a particular year and the concessional and/or non-concessional contributions received in the prior year. The liability for the excess contributions tax will be recognised when the relevant release authorities are received from the members, as the Trustee considers this is when it can be reliably measured.

5. Member liabilities and funding arrangements

Defined contribution member liabilities and funding arrangements:

Defined contribution member account balances are determined by unit prices that are based on the underlying investment assets or the surrender value of policies at the end of the financial year. As at reporting date, the Fund had a net total of \$1,728.0m (2023: \$553.8m) defined contribution member liabilities.

Defined contribution members bear the investment risk relating to the underlying assets and unit prices used to measure the member liabilities. Unit prices are updated daily for movements in investment markets. The Fund's management of the investment market risks is disclosed within note 15.

For defined contribution members, employers are expected to contribute at a minimum rate as determined by the Industrial Awards or Superannuation Guarantee Legislation together with any additional salary sacrifice contributions. The Superannuation Guarantee for the year ending 30 June 2024 was 11% (2023: 10.5%) of salary for superannuation purposes. Members' contributions were made in accordance with the requirements of the Trust Deed pursuant to applications contained in the Product Disclosure Statements and Supplements on issue by the Trustee during the year.

6. Receivables

	2024	2023
	\$m	\$m
Interest receivable	0.8	0.2
Accrued income receivable	37.9	8.6
Outstanding settlements	7.3	1.9
Contributions receivable	0.1	-
GST receivable	0.7	0.1
	46.8	10.8

7. Payables and accruals

	2024	2023
	\$m	\$m
Creditors - Fees	1.5	0.5
PAYG withholding payable	0.4	-
Other payables	0.4	-
	2.3	0.5

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

8. Reserves

Operational Risk Financial Reserve (ORFR)

In accordance with Superannuation Prudential Standard 114: Operational Risk Financial Requirement, financial resources to meet the ORFR target amount is held directly by the Fund and also by the Trustee, on behalf of the Fund. The standard requires the ORFR to be separately identifiable from member accounts and provide an unrestricted commitment of financial resource to address losses arising from operational risk in a timely manner.

The Trustee has assessed a Target Amount of 0.25% of funds under management for the Fund. These reserve monies are invested in cash. As part of the ORFR governance processes, the Trustee monitors the ORFR reserve on a quarterly basis as set out in the ORFR Strategy. The strategy also states that if the ORFR reserve falls below the lower Tolerance Limit of 85%, the Trustee will approve and implement a plan to replenish financial resources to bring the ORFR reserve back to Target Amount. The ORFR balance attributable to the Fund as at 30 June 2024 was \$1.2m and an overall 102% of the Target Amount (2023: \$1.1m and 98%). An additional \$3.2m was held by the Trustee on behalf of the Fund (2023: \$0.3m) due to the Symetry successor fund transfer (SFT) in note 20.

9. Net change in fair value of investments

Investments held at the end of the financial year

	2024	2023
	\$m	\$m
Equities	6.9	1.4
Listed trusts	9.8	4.1
Unlisted unit trusts	54.3	12.7
Total unrealised gains/(losses)	71.0	18.2

Investments realised during the financial year

	2024	2023
	\$m	\$m
Equities	1.2	0.3
Listed trusts	1.0	0.3
Unlisted unit trusts	10.9	4.4
Total realised gains/(losses)	13.1	5.0
Net change in fair values of investments	84.1	23.2

10. Expenses

	2024	2023
	\$m	\$m
<i>Administration fees</i>		
Administration expenses	12.2	5.0
	12.2	5.0
<i>Investment expenses</i>		
Investment expenses	0.2	-
	0.2	-
Total	12.4	5.0

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

11. Auditor's remuneration

The principal auditor of the Fund is KPMG. The following fees were incurred by the Fund for services provided by the auditor.

	2024	2023
	\$	\$
Audit services		
<i>KPMG</i>		
Audit and review of financial statements	102,500	102,500
Audit and review of regulatory compliance and APRA returns	92,250	92,250
Total remuneration for audit services	194,750	194,750

Audit fees for the Fund were paid by the Trustee in both 2024 and 2023.

12. Income tax benefit/(expense)

Reconciliation of accounting profit/(loss) to income tax benefit/(expense)

A reconciliation of accounting profit/(loss) to tax benefit/(expense), and to income tax paid/payable with identification of material temporary and non-temporary differences is included within the financial statements.

(a) Recognised in the income statement:

	2024	2023
	\$m	\$m
Current income tax		
Current income tax benefit	4.8	1.4
Over/(under) provision in the previous year	0.3	1.9
Deferred tax expense		
Movement in temporary differences	(2.8)	(1.0)
Total tax benefit as reported in the income statement	2.3	2.3

(b) Reconciliation between income tax benefit/(expense) and the accounting profit/(loss) before income tax:

	2024	2023
	\$m	\$m
Profit/(loss) from operating activities	135.0	35.6
Income tax benefit/(expense) at 15% (2023:15%):	(20.3)	(5.3)
Adjustments in respect of current income tax:		
Deduction on insurance premium charged to members' account	0.2	0.1
Franking credits & foreign income tax offsets	8.0	1.8
Non-assessable investment revenue	11.5	3.9
Under/over provision for income tax in the previous year	0.4	1.8
Deferred tax transferred due to SFT	2.5	-
Income tax benefit reported in the income statement	2.3	2.3

(c) Deferred income tax at 30 June relates to the following:

The balance comprises temporary differences attributable to:

	2024	2023
	\$m	\$m
Amounts recognised in changes in net assets:		
Net realised losses & unrealised gains/losses on investments subject to CGT	(3.0)	(0.2)
Deferred tax transferred due to Symetry SFT	(2.5)	-
Gross deferred tax liability	(5.5)	(0.2)

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

13. Cash flow statement reconciliation

(a) Reconciliation of cash and cash equivalents

Cash at the end of the financial year in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2024	2023
	\$m	\$m
Cash at bank and at call deposits	133.5	48.8
	<u>133.5</u>	<u>48.8</u>

(b) Reconciliation of net cash from operating activities to net profit after income tax:

	2024	2023
	\$m	\$m
(Profit)/Loss after income tax	-	-

Adjustments for non-cash items and movements in the statement of financial position:

Net change in fair value of investments	(84.1)	(23.2)
(Increase)/decrease in receivables	(36.0)	1.8
(Decrease)/Increase in payables	1.8	(0.1)
(Increase)/decrease in current tax asset	1.8	0.5
(Decrease)/increase in current tax liability	-	(0.5)
(Increase)/decrease in deferred tax asset	-	(0.8)
(Decrease)/increase in deferred tax liabilities	5.3	0.2

Adjustments for items not included in profit/(loss) after tax, but included in net cash from operating activities:

Benefits allocated to members' account	136.5	39.3
Insurance premiums charged to members	(1.6)	(0.4)

Net cash flows from operating activities	<u>23.7</u>	<u>16.8</u>
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14. Fair value of financial instruments

Investments

Investments of the Fund, other than cash held for liquidity purposes, comprise units in investment vehicles such as equities, term deposits, listed trusts, and unlisted unit trusts. The Trustee has determined that these types of investments are appropriate for the Fund and are in accordance with the Fund's published investment strategy.

The investment managers of the investment vehicles will have invested in a variety of financial instruments, which expose the Fund's investments to a variety of investment risks, including credit risk, liquidity risk, market risk which includes interest rate risk and currency risk. The investment manager provides a regular report on the Fund's investments to the Trustee.

The Trustee seeks information from the managers of each proposed investment vehicle so as to determine the nature and extent of any risks, and the expected returns, associated with each investment prior to determining its suitability as an investment for the Fund.

Investments held in suspended unlisted unit trusts and stale price or thinly traded securities

As at 30 June 2024, the Fund held approximately \$5k (2023: \$4k) of its investments in suspended unlisted unit trusts (unlisted unit trusts suspended to applications and redemptions) and stale price or thinly traded securities. For the suspended unlisted unit trusts, the prices used to value investments are the last available sale price published by the relevant fund manager. For stale price or thinly traded securities, the last price available is used to value these investments. Below is a list of stale price or thinly traded securities and unlisted unit trusts suspended at 30 June 2024 and held by the Fund.

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Notes to the financial statements
For the year ended 30 June 2024

14. Fair value of financial instruments

Investments held in suspended unlisted unit trusts and stale price or thinly traded securities (continued)

Suspended unlisted unit trusts and stale price or thinly traded securities held:

Investment Name	Fair Value of Investment	
	2024	2023
	\$	\$
Buddy Technologies Limited	-	2,357
Consolidated Financial Holdings Limited	1,621	2,094
Leo Lithium Limited	3,607	-
	<u>5,228</u>	<u>4,451</u>

The Trustee is continuing to monitor distressed unit trusts where it has been notified by the fund manager that the unit trust is closed to applications and redemptions.

Estimation of fair value

The Fund's financial assets and liabilities included in the statement of financial position are carried at fair value. The major methods and assumptions used in determining fair value of financial instruments are disclosed in note 4(a) financial assets.

The Fund measures fair value using the following fair value hierarchy that reflect the significance of the inputs used in making the measurements:

Level 1 - Quoted prices (unadjusted) in active markets for financial assets or liabilities;

Level 2 - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all material inputs are directly or indirectly observable from market data;

Level 3 - Valuation techniques using material unobservable inputs. This category includes all instruments that use a valuation technique which includes inputs not based on observable data and the unobservable inputs have a material effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which material unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table details how the fair values of the Fund's financial instruments have been determined, and the valuation technique applied.

Financial Instruments	Fair Value Hierarchy	Valuation Techniques and Inputs
Equities	1	Valued based on quoted sale prices in an active market.
Listed trusts	1	Valued based on quoted sale prices in an active market.
Unlisted unit trusts	2	Valued using prices as quoted by the investment managers.
Unlisted/Delisted equities	3	Valued based on last available price. The investment is transferred to Level 3 where the stale price/suspension/delisting event has happened with positions reviewed periodically for material events that might impact upon fair value.

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

14. Fair value of financial instruments

Estimation of fair value (continued)

The Trustee has implemented a Valuation Policy to ensure that management proactively manages valuation risks and ensures an effective governance structures is in place to produce equitable distribution of investment earnings to members. The valuation policy outlines the guiding principles in managing valuation risks and includes valuation methodologies and frequencies for superannuation investments.

To assist the Trustee in its fiduciary duties, a Trustee Valuation Forum (VF) is in place to review, oversee and monitor valuations. Key observations and outcomes of the forum are reported to the Superannuation Trustee Investment Committee (STIC) in line with APRA's prudential requirements. The VF reviews key valuation metrics and information to monitor the appropriateness, effectiveness and adequacy of valuations of investments and considers whether valuations are equitable and align with the required valuation methods and frequency as set out in the Trustee Valuation Policy. Additionally, the Insignia Financial Limited group has established a Unit Pricing Forum (UPF) to promote good unit pricing practices, and manage unit pricing risks and controls. The Unit Pricing Forum oversees unit pricing operations including policies and standards, outsourced arrangements, incident and remediation methodologies, identifying systematic issues, tax related matters and unit pricing principles and practices.

When third party information, such as custodian valuations, broker quotes or pricing services, is used to measure fair value, the UPF and VF assess the evidence from these third parties to support the conclusion that these valuations meet the fair value requirements. This may include: information and inputs from the Fund, verifying that the custodian valuation, broker or pricing service, is appropriate to use in pricing the relevant type of financial instruments, understanding how the fair value has been arrived and the extent at which it represents actual market transactions, and whether it represents a quoted price in an active market for an identical asset.

Recurring fair value measurements

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

2024	Level 1	Level 2	Level 3	Total
	\$m	\$m	\$m	\$m
Equities	124.1	-	-	124.1
Listed trusts	108.0	-	-	108.0
Unlisted unit trusts	-	1,296.2	-	1,296.2
	<u>232.1</u>	<u>1,296.2</u>	<u>-</u>	<u>1,528.3</u>

2023	Level 1	Level 2	Level 3	Total
	\$m	\$m	\$m	\$m
Equities	39.7	-	-	39.7
Listed trusts	67.6	-	-	67.6
Unlisted unit trusts	-	377.3	-	377.3
	<u>107.3</u>	<u>377.3</u>	<u>-</u>	<u>484.6</u>

Non - recurring fair value measurements

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

Level 3 financial instruments

Movements of Level 3 investments

The disclosure in the following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 at the beginning and the end of the reporting year for the investments held directly by the Fund.

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14. Fair value of financial instruments (continued)

Level 3 financial instruments (continued)

Movements of Level 3 investments (continued)

	Equities		Total	
	2024	2023	2024	2023
	\$000	\$000	\$000	\$000
<i>Financial assets</i>				
Opening balance	4	13	4	13
Change in fair value*	(2)	(9)	(2)	(9)
Movement from/to Level 3	3	-	3	-
Closing balance	5	4	5	4

*These amounts are included in 'Net change in fair value of investments' within the income statement.

The fair value of Level 3 units in unlisted unit trusts are based on the sale prices published by the relevant fund manager. These unlisted unit trusts have been classified as Level 3 as they are suspended. The fair value of Level 3 equities is based on last quoted prices. These equities have been classified as Level 3 as they are stale price or thinly traded securities. Transfers into/(out of) Level 3 comprise investments whose status has changed during the reporting period. Transfers into Level 3 comprise unlisted unit trusts that became suspended and equities whose prices became stale, were suspended or that were thinly traded during the reporting period. Transfers out of Level 3 comprise unlisted unit trusts that lost their suspended status and equities whose prices or trading levels became active during the reporting period.

During the year there were movements from Level 1 to Level 3, and from Level 2 to Level 3 of the fair value hierarchy. There were no transfers between Level 1 to Level 2.

Level 3 fair value measurement of unobservable inputs and sensitivity analysis

The following table summarises the quantitative information about the material unobservable inputs used in Level 3 investments. These Level 3 assets are often infrequently traded and the valuation can be subjective. As observable prices are not available for these assets, the Fund has used valuation techniques to derive fair value. These unobservable inputs may include discounts for the lack of marketability or restrictions on redemptions, liquidity market adjustments using comparable trading, and benchmarking to similar assets. Changes in assumptions about these factors could affect the reported fair value.

Type	Valuation Approach	Key unobservable input	Range	2024 Fair Value \$000	2023 Fair Value \$000
Unlisted/ Delisted securities with stale price	Latest available trade price less appropriate discounts	Valuation of underlying assets of company and liquidity used to derive the price	0-100%	5	4

There were no material inter-relationships between unobservable inputs that materially affect fair value.

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14. Fair value of financial instruments (continued)

Level 3 sensitivity analysis of unobservable inputs

Although the Trustee of the Fund believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used as reasonably possible alternative assumptions upwards or downwards (% are disclosed in the table) would have the following effects on profit or loss:

	Favourable \$000		Unfavourable \$000	
	2024	2023	2024	2023
	10%	10%	10%	10%
<u>Input on fair value of Level 3 sensitivities</u>				
Unlisted/Delisted stale price securities	0.5	0.4	(0.5)	(0.4)
	0.5	0.4	(0.5)	(0.4)

15. Financial management framework

Risk Management

The Fund's assets principally consist of financial instruments which include term deposits, equities (comprising listed shares, units in listed unit trusts, exchange traded funds, stapled securities, hybrid securities), and units in unlisted unit trusts. The Trustee has determined that these types of investments are appropriate for the Fund and are in accordance with the Fund's published investment strategy.

Overview

The Trustee seeks to ensure the appropriateness of investments offered through an approval process before making them available to members and also through ongoing monitoring. The allocation of assets between the various types of investments described above is determined by members of the Fund as they or their financial adviser instruct the Trustee to invest into financial instruments on their behalf.

The Trustee has a Superannuation Trustee Investment Committee (STIC), which is delegated with certain responsibilities through its Trustee approved Charter. The STIC monitors and approves all investment options of the Fund on a regular basis to ensure they still meet the investment guidelines of the Fund. This monitoring is done on a regular basis and any investment option that no longer meets the investment guidelines is tabled with the STIC.

The Fund is exposed to a variety of financial risks: credit risk, liquidity risk, market risk (including price risk and interest rate risk) arising from the financial instruments it holds. The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The financial risks are discussed in more detail in the sections below and are disclosed on a direct basis only.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The controls around this risk are assessed at the approval stage of a new investment option being made available to members of the Fund.

The Fund's financial assets that are exposed to credit risk include cash and cash equivalents, term deposits and receivables as reported in the statement of financial position. The carrying amounts of financial assets that are exposed to credit risk best represent the maximum credit risk exposure at the reporting date. No collateral is held as security nor do other credit enhancements exist for all financial assets held. No financial assets are considered past due as all payments are considered recoverable when contractually due.

Credit quality

The following table details the credit risk for the Fund in relation to cash and cash equivalents, and term deposits held. The rating table excludes any rating categories applicable to the underlying assets of the unlisted unit trusts. The source of the ratings are Standard and Poors (S&P).

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15. Financial management framework (continued)

Credit risk (continued)

Institution

Australia and New Zealand Banking Group Limited
Commonwealth Bank of Australia
National Australia Bank Limited
Bendigo and Adelaide Bank Limited
Members Equity Bank Limited

Rating	
2024	2023
AA-	AA-
AA-	AA-
AA-	AA-
A-	A-
BBB+	BBB+

The credit quality of cash and cash equivalents, and term deposits held by the Fund at 30 June 2024 and 30 June 2023 are analysed below:

	AAA to AA-		BBB+ to B+		Total	
	2024	2023	2024	2023	2024	2023
	\$m	\$m	\$m	\$m	\$m	\$m
Cash and cash	133.4	48.8	0.1	-	133.5	48.8
Term deposits	26.1	10.8	-	-	26.1	10.8
	159.5	59.6	0.1	-	159.6	59.6

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations to members or counterparties in full as they fall due or can only do so on terms that are disadvantageous. The Fund's liquidity policy is designed to ensure it will meet its obligations as and when they fall due by ensuring it has sufficient cash and liquid assets to sell without adversely affecting the Fund's net asset value. The Fund's liquidity policy is designed to ensure it maintains sufficient cash and liquid investments to meet its obligations to members and counterparties in both orderly markets and in periods of stress.

The Fund's cash and cash equivalents and term deposits are held by the financial institutions disclosed in the credit risk note above. Bankruptcy or insolvency of these Australian Authorised Deposit Taking Institutions may cause the Fund's rights, with respect to the cash held, to be delayed or limited. The Fund's liquidity risk is mitigated because the Trustee considers liquidity risk in line with the Trustee's Superannuation Liquidity Management Policy prior to approving any new investment option.

The Fund's equities are considered to be readily realisable as they are all listed on the Australian Stock Exchange (ASX), except for stale price and thinly traded securities. The Fund holds investments in unlisted unit trusts, which may be subject to redemption restrictions. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time in order to meet their liquidity requirements. If the Fund is unable to meet liquidity requirements this may impact on member withdrawals. The Fund's liquidity risk is monitored at portfolio level and the investment managers' approaches are in accordance with their investment mandates.

The Fund's liabilities of the Fund comprise liabilities for accrued benefits, income tax payable and other payables. The liabilities are generally due within one month except for income taxes which are typically settled within statutory deadlines which is greater than one month. The liability for accrued benefits are payable on demand under normal circumstances.

	Carrying Amount		less than one month		greater than one month	
	2024	2023	2024	2023	2024	2023
	\$m	\$m	\$m	\$m	\$m	\$m
Payables and accruals	2.3	0.5	2.3	0.5	-	-
Deferred tax liabilities	5.5	0.2	-	-	5.5	0.2
Total member liabilities	1,728.0	553.8	1,728.0	553.8	-	-
Total liabilities	1,735.8	554.5	1,730.3	554.3	5.5	0.2

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Notes to the financial statements
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15. Financial management framework (continued)

Market price risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as currencies, interest rates and prices. These changes might be caused by factors specific to the individual asset or its issuer or factors affecting all assets in the market. Market risk is managed by providing diversified portfolios for members to choose from the investment list. Diversification helps reduce the exposure to market risk.

(a) Currency risk

Currency risk is the risk that the fair value of future cash flows of a monetary financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund only invested into financial instruments denominated in Australian dollars in the current and prior financial years and therefore has no direct exposure to currency risk. However, many of the Fund's investment options in listed securities and unlisted unit trusts are indirectly exposed to currency risk. Fluctuations in currency could impact either underlying asset values of the investment option, or the underlying cash flow, and be reflected in the ongoing market value of the investment option. The indirect exposure is not material.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates. The Fund is directly exposed to interest rate risk through its: cash and cash equivalents, and term deposits.

The Fund addresses exposure to interest rate risk through its diverse investment list. Some of the underlying investments held by the Fund in unlisted unit trusts use derivative financial instruments to provide flexibility to manage the risks arising from interest rate movements.

At the reporting date the interest rate risk exposure of the Fund's interest-bearing financial instruments was:

	2024	2023
	\$m	\$m
Cash & cash equivalents	133.5	48.8
Term deposits	26.1	10.8
	159.6	59.6

Interest rate sensitivity analysis

The sensitivity analysis shows the effect on change in net assets and the income statement to a reasonably possible change in interest rates with all other variables held constant is indicated in the table below:

	+ change in basis points		- change in basis points		Sensitivity of interest income and changes on net assets - Increase		Sensitivity of interest income and changes on net assets - Decrease	
	2024	2023	2024	2023	2024	2023	2024	2023
					\$m	\$m	\$m	\$m
Cash and cash	25	50	(50)	(25)	0.3	0.2	(0.7)	(0.1)
Term deposits	25	50	(50)	(25)	0.1	0.1	(0.1)	-
					0.4	0.3	(0.8)	(0.1)

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Notes to the financial statements
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15. Financial management framework (continued)

(c) Other market price risk

Other market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As investments in listed securities and units in unlisted unit trusts are carried at fair value with changes recognised in the income statement, all changes in market conditions affecting fair value will be recognised under the investment income section disclosed in the income statement.

The Fund's investments in Australian listed securities and units in unlisted unit trusts directly and indirectly expose it to other market price risk.

Other market price risk is mitigated by constructing a diversified portfolio of investments. This is in accordance with the investment objective of the Fund, to provide a diversified range of investments including listed securities (comprising equities, units in listed unit trusts, exchange traded funds, stapled securities, hybrid securities) and units in unlisted unit trusts.

The Trustee seeks information from the Trustee and/or manager of each proposed unlisted unit trusts (and may also seek independent advice from other qualified persons) so as to determine the nature and extent of any risks, and the expected returns, associated with each investment prior to determining its suitability as an investment for the Fund.

Risk is measured through the careful assessment of assets offered and through measures to facilitate appropriate diversification. The measures include:

- (i) The provision of multiple asset classes and investment strategies from which a member can choose; and
- (ii) The appointment of multiple investment managers with multiple investment strategies.

At the reporting date the other market price risk exposure of the Fund's investments is as follows:

	2024	2023
	\$m	\$m
Equities	124.1	39.7
Listed trusts	108.0	67.6
Units in unlisted unit trusts	1,296.2	377.3
	1,528.3	484.6

Other market price risk sensitivity

Management have considered the movements for each investment asset type in the below table to be reasonable given the Fund's economic environment. The increase/(decrease) in the market price against the investments of the Fund at 30 June 2024 would have increased/(decreased) the profit from operating activities and net assets available for member benefits by the amounts shown below. This analysis assumes that all other variables, including interest rates, remain constant. The analysis was performed on the same basis in 2023.

	% Applied*		Change in profit/(loss)	
			from operating activities and change on net assets	
	2024	2023	2024	2023
			\$m	\$m
Equities	10%	10%	12.4	4.0
Listed trusts	10%	10%	10.8	6.8
Units in unlisted unit trusts	10%	10%	129.6	37.7
			152.8	48.5

* A corresponding decrease in the market price would provide an equal and opposite effect on the profit from operating activities and net assets available for member benefits.

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Notes to the financial statements
For the year ended 30 June 2024

16. Related parties

Trustee

The Trustee of the Fund is IIML (ABN 53 006 695 021) (RSE L0000406) which is a wholly owned subsidiary of Insignia Financial Limited ABN 49 100 103 722, whose ultimate parent entity is Insignia Financial Limited (ABN 49 100 103 722).

Key Management Personnel

The names of the Directors of the Trustee who held office at any time during or since the end of the financial year

Directors	Date Appointed	Date Retired
Lindsay Smartt (Appointed Chair 15/10/2021)	06/08/2019	
Steven Schubert	17/03/2022	
Beth McConnell	17/03/2022	
Jane Harvey	19/03/2020	15/12/2023
Karen Gibson	26/11/2018	
Marianne Perkovic	3/10/2023	
Mario Pirone	3/10/2023	

The following persons had the authority and responsibility for planning, directing and controlling the major activities of the Fund, directly or indirectly, during the financial year:

Other key management personnel	Position held	Date Appointed	Date Resigned
Scott Hartley	Chief Executive Officer	1/03/2024	
David Chalmers	Chief Financial Officer	31/05/2021	
Daniel Farmer	Chief Investment Officer	19/08/2022	
Frank Lombardo	Chief Operating and Technology Officer	31/05/2021	
Mark Oliver	Chief Distribution Officer	31/05/2021	
Anvij Saxena	Chief Risk Officer	27/03/2023	
Mel Walls	Chief People Officer	1/07/2023	
Chris Weldon	Chief Transformation Officer/ Chief Client Officer	1/07/2023	
Sally Hopwood	Acting Chief Member Officer	26/02/2024	
Renato Mota	Chief Executive Officer	31/05/2021	29/02/2024
Anne Coyne	Chief Member Officer	9/01/2023	23/02/2024

Changes to other key management personnel post year end

Since the end of the financial year, the following KMPs have been retired from the Fund, Frank Lombardo, Mark Oliver, Chris Weldon and Sally Hopwood.

Key management personnel remuneration, loan disclosures and holdings

The KMPs are employed by IOOF Service Co Pty Limited or MLC Wealth Limited, related parties of the Fund. The remuneration paid by IOOF Service Co Pty Ltd and MLC Wealth Ltd to the KMPs in relation to services to the Fund amounted to \$47,505, refer to Note 6 Non-executive director remuneration and Note 7 Key management personnel in the Remuneration Report.

No amounts are paid by the Fund directly to the KMPs as they are not employed or remunerated by the Fund.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the financial year. The Directors may become members of and hold investments in the Fund. These transactions are on normal commercial, arm's length basis.

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

16. Related parties (continued)

Related parties transactions

The Trustee has appointed various related party service providers with all arrangements managed in accordance with the Insignia Financial's Conflicts Management Framework.

The duties and obligations of each service provider are documented in contractual arrangements with each service provider required to report on their performance, including any material breaches of obligations and details of how these breaches were, or will be, resolved.

Transactions between the related entities and the Fund result from normal dealings in the ordinary course of business and all transactions are conducted on normal arms length commercial terms and conditions.

The below relationships were in place with related parties throughout the reporting period:

Related Party	Service Provided
Insignia Financial Limited	Ultimate parent entity of the Trustee
I.O.O.F. Investment Management Limited	Trustee of the Fund
IOOF Investment Services Limited (IISL)	Responsible Entity for certain unlisted unit trusts in which the Fund invests. The fees associated with these investments are reflected in the unit prices of the unit trusts.
MLC Investments Limited (MLCI)	Responsible Entity for certain unlisted unit trusts in which the Fund invests. The fees associated with these investments are reflected in the unit prices of the unit trusts.
OnePath Funds Management Limited	Responsible Entity for certain unlisted unit trusts in which the Fund invests. The fees associated with these investments are reflected in the unit prices of the unit trusts.
Antares Capital Partners Limited	Responsible Entity for certain unlisted unit trusts in which the Fund invests. The fees associated with these investments are reflected in the unit prices of the unit trusts. Antares retired as a Responsible Entity on 3 October 2023.
Bridges Financial Services Pty Limited	Financial adviser to certain members.
Consultum Financial Advisers Pty Limited	Financial adviser to certain members. Consultum ceased to be a related party on 1 July 2024, after the parent entity divested a significant portion of its holdings.
Financial Services Partners Pty Limited	Financial adviser to certain members.
Godfrey Pembroke Group Pty Limited	Financial adviser to certain members. Godfrey Pembroke ceased to be a related party on 22 March 2024 due to its sale by the parent entity.
Lonsdale Financial Group Limited	Financial adviser to certain members.
Millennium 3 Financial Services Pty Limited	Financial adviser to certain members. Millennium 3 ceased to be a related party on 8 December 2023 due to its sale by the parent entity.
RI Advice Group Pty Limited	Financial adviser to certain members. RI Advice ceased to be a related party on 1 July 2024, after the parent entity divested a significant portion of its holdings.
Shadforth Financial Group Limited	Financial adviser to certain members.

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16. Related parties (continued)

Related parties fees

The following table sets out transactions with related parties during the year and balances held at reporting date:

2024

IIML	Related party investments	Related party financial advisers	Total
\$m	\$m	\$m	\$m

Transactions during the reporting period

Income

Distribution income and gains ¹ - 21.1 - 21.1

Expenses

Administration fees (includes adviser fees) ² 3.3 - 4.7 8.0

Total income/(expenses) (3.3) 21.1 (4.7) 13.1

Balances outstanding as at end of reporting period

Receivable / (payable) - 17.2 - 17.2

Fair value of unlisted unit trusts - 541.0 - 541.0

Total assets/(liabilities) - 558.2 - 558.2

2023

IIML	Related party investments	Related party financial advisers	Total
\$m	\$m	\$m	\$m

Transactions during the reporting period

Income

Distribution income and gains ¹ - 0.2 - 0.2

Expenses

Administration fees (includes adviser fees) ² 1.3 - 1.3 2.6

Total income/(expenses) (1.3) 0.2 (1.3) (2.4)

Balances outstanding as at end of reporting period

Receivable / (payable) - 0.2 - 0.2

Fair value of unlisted unit trusts - 4.8 - 4.8

Total assets/(liabilities) - 5.0 - 5.0

¹ Income includes distributed realised gains from underlying trusts, which are allocated to changes in investments measured at fair value.

² Administration fees include adviser fees collected from members and paid to financial advisers through IIML.

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Notes to the financial statements
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16. Related parties (continued)

Related party investments

The Fund held investments in the following unlisted unit trusts of which a related party within the Insignia Financial Limited is the Responsible Entity. The following table sets out transactions with related party unit trusts during the year and balances held at reporting date.

2024

	Fair value at 30 June \$m	Interest held %	Distribution income \$m	Number of Units Held
IISL Trusts:				
Foundation Assertive Fund	17.9	81.39%	1.8	14,098,674
Foundation Balanced Fund	29.2	69.52%	2.0	23,858,107
Foundation Conservative Fund	6.1	72.33%	0.4	6,265,735
MLC Cash Management Trust - Class D ^	0.4	0.23%	-	369,364
MLC MultiActive Balanced ^	0.5	0.03%	-	549,705
MLC MultiActive Conservative ^	0.2	0.04%	-	235,980
MLC MultiActive Diversified Fixed Income ^	1.1	0.31%	-	1,376,390
MLC MultiActive Moderate ^	0.2	0.03%	-	169,813
MLC MultiActive Property ^	5.6	6.66%	-	6,892,289
MLC MultiSeries 30 ^	2.4	0.37%	0.1	2,241,011
MLC MultiSeries 50 ^	7.7	0.45%	0.3	6,941,822
MLC MultiSeries 70 ^	3.1	0.17%	0.2	3,448,941
Specialist Australian Shares Fund	5.0	7.90%	0.3	4,313,595
Specialist Diversified Fixed Interest Fund	25.3	17.36%	0.8	31,677,683
Specialist Global Shares Fund	16.9	17.01%	1.0	14,716,021
Strategic Australian Equity Fund	109.7	4.15%	5.2	5,293,380
Strategic Cash Plus Fund	11.8	4.07%	1.0	11,656,044
Strategic Fixed Interest Fund	87.8	5.77%	3.2	8,711,694
Strategic Global Property Fund	43.8	6.23%	2.0	2,414,465
Strategic Infrastructure Fund	6.5	1.50%	0.1	6,380,605
Strategic International Equity Fund	132.5	4.47%	2.2	4,655,211
Strategic Sustainable Global Bond Fund	18.2	2.10%	-	20,520,693
	<u>531.9</u>		<u>20.6</u>	<u>176,787,222</u>
MLC Investment Trusts:				
Antares Dividend Builder ^^	0.2	0.19%	-	144,324
Antares Elite Opportunities Fund ^^	0.1	0.06%	-	75,935
Antares Ex-20 Australian Equities Fund ^^	0.4	0.91%	-	365,346
Antares High Growth Shares Fund ^^	0.9	0.28%	-	824,973
Antares Income Fund ^^	1.3	0.70%	-	1,345,123
Fairview Equity Partners Emerging Companies Fund ^^	1.3	0.23%	-	601,206
MLC Wholesale Horizon 4 Balanced Portfolio	0.3	0.01%	-	263,493
MLC Wholesale Horizon 5 Growth Portfolio	0.3	0.04%	-	209,367
Intermede Global Equities Fund ^^	0.9	0.26%	0.1	450,159
MLC Real Return Assertive ^	2.3	0.43%	0.2	2,395,455
MLC Real Return Moderate ^	0.7	0.19%	0.1	697,638
MLC Wholesale IncomeBuilder	0.1	0.02%	-	33,785
MLC Wholesale Property Securities Fund	0.1	0.07%	-	57,685
	<u>8.9</u>		<u>0.4</u>	<u>7,464,489</u>
OnePath Funds:				
OnePath Multi Asset Income Trust	0.3	0.24%	-	144,754
OnePath Wholesale Australian Share Trust	-	0.01%	-	13,159
OnePath Wholesale Emerging Companies Trust	-	0.07%	-	6,552
	<u>0.3</u>		<u>-</u>	<u>164,465</u>

^ On 30 November 2023, the MLCI and IISL renamed multiple unit trusts as part of its rebranding strategy.

^^ On 3 October 2023, MLCI replaced Antares as Responsible Entity of the unlisted unit trusts.

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

16. Related parties (continued)

Related party investments (continued)

2023

	Fair value at 30 June \$m	Interest held* %	Distribution income \$m	Number of Units Held
IISL Trusts:				
MLC Cash Management Trust - Class D ^	0.1	0.04	-	114,361
MLC MultiActive Balanced ^	0.2	0.01	-	167,803
MLC MultiActive Conservative ^	0.2	0.04	-	248,598
MLC MultiActive Diversified Fixed Income ^	0.3	0.08	-	389,114
MLC MultiActive Growth ^	0.1	0.01	-	60,689
MLC MultiActive Moderate ^	-	0.00	-	18,629
MLC MultiSeries 50 ^	0.2	0.01	-	220,933
MLC MultiSeries 90 ^	0.3	0.09	0.1	219,861
	<u>1.4</u>		<u>0.1</u>	<u>1,439,988</u>
MLC Investments Limited:				
Antares Dividend Builder ^^	0.2	0.22	-	170,429
Antares Ex-20 Australian Equities Fund ^^	0.2	0.68	-	159,595
Antares High Growth Shares Fund ^^	-	0.01	-	37,801
Antares Income Fund ^^	0.3	0.14	-	259,154
Fairview Equity Partners Emerging Companies Fund ^^	0.9	0.18	0.1	474,285
Intermede Global Equities Fund ^^	0.7	0.11	-	381,544
MLC Wholesale Horizon 3 Conservative Growth Portfolio	0.1	0.01	-	77,808
MLC Wholesale Horizon 4 Balanced Portfolio	0.2	0.01	-	172,783
MLC Wholesale IncomeBuilder	-	0.01	-	12,270
MLC Real Return Assertive ^	0.6	0.10	-	581,090
MLC Real Return Moderate ^	0.1	0.03	-	114,164
MLC Wholesale Property Securities Fund	-	0.06	-	57,685
	<u>3.3</u>		<u>0.1</u>	<u>2,498,608</u>
OnePath Funds:				
OnePath Alternatives Growth Fund	0.1	0.07	-	125,191
	<u>0.1</u>		<u>-</u>	<u>125,191</u>

^ On 30 November 2023, the MLCI and IISL renamed multiple unit trusts as part of its rebranding strategy.

^^ On 3 October 2023, MLCI replaced Antares as Responsible Entity of the unlisted unit trusts.

Insignia Financial Limited Securities - Related party investments

As at reporting date, the Fund's holdings in Insignia Financial Limited issued securities are set out in the table below:

Fair Value of Investment		Dividend income received/receivable	
2024	2023	2024	2023
\$m	\$m	\$m	\$m

Insignia Financial Limited (Listed Equity)	0.1	0.1	-	-
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AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

17. Investment assets of unconsolidated structured entities

Investments in unlisted unit trusts, which are considered unconsolidated structured entities, are disclosed in statement of financial position. The maximum exposure to loss in the unconsolidated structured entities is the fair value disclosed in the note. The fair value of the exposure will change on a daily basis throughout the period and in subsequent periods and will cease once the investments are disposed of.

The investments of the Fund are managed in accordance with the investment mandates with the respective underlying investment managers. The investment decisions of the Fund are based on the analysis conducted by the investment manager. The return of the Fund is exposed to the variability of the performance of the underlying investment strategies. The underlying investment managers receive a management fee for undertaking the management of these investments. The table below describes the types of the investments of the underlying assets of the unconsolidated structured entities that the Fund invests into:

Investment asset	Fair Value of Investment		Ownership Interest	
	2024	2023	2024	2023
	\$m	\$m	%	%
Cash	69.5	22.3	5%	6%
Equity	737.3	204.0	58%	55%
Fixed Interest	337.9	91.9	26%	24%
Commodity	0.1	-	0%	0%
Property	104.0	24.2	8%	6%
Infrastructure	28.5	22.0	2%	6%
Other	18.9	12.9	1%	3%
	1,296.2	377.3	100%	100%

As at 30 June 2024 and 30 June 2023, the Fund has not imposed any material restrictions (e.g. borrowing arrangements or contractual arrangements) on the ability of the unconsolidated structured entity to transfer funds to the Fund in the form of dividends or to repay loans or advances made to the unconsolidated structured entities by the Fund.

As at 30 June 2024 and 30 June 2023, the Fund does not have any current commitments or intentions to provide financial or other support to the unconsolidated structured entities, including commitments or intentions to assist the structured entities in obtaining financial support.

The Fund had a controlling interest in the related parties listed in note 16 with interests of greater than 50%. Unlisted unit trusts that the Fund invests in, but do not consolidate, meet the definition of structured entities because:

- (a) The voting rights in the unlisted unit trusts are not dominant rights in deciding who controls them as they relate to administrative tasks only;
- (b) The investment and other activities of the unlisted unit trusts are restricted to their investment mandates and/(or) Product Disclosure Statements (PDS); and
- (c) The unlisted unit trusts have narrow and well defined objectives to provide investment opportunities to investors.

AvWrap Retirement Service
Notes to the financial statements
For the year ended 30 June 2024

18. Indemnity

For the year ended 30 June 2024, the Trustee and its Directors are entitled to be indemnified by the Fund for certain liabilities they might incur in their capacity as Trustees of the Fund.

19. Contingent assets, liabilities and capital commitments

As at the reporting date, there were no contingent assets, liabilities or capital commitments that are required to be recognised.

20. Successor fund transfer

The Trustee approved the merger of the Symetry Personal Retirement Fund (ABN 24 685 968 122) to the Fund via SFT with a transfer date of 2 December 2023.

As a result, all assets and members were successor fund transferred into the Fund and recorded as a transfer in the statement of changes in member benefits effective 2 December 2023.

	<u>\$m</u>
Successor fund transfer in	<u>1,046.7</u>
Cash	86.7
Investments	962.2
Other assets	1.0
Liabilities	(0.7)
SFT deferred tax transfer	(2.5)
Net assets	<u>1,046.7</u>
Total member liabilities	<u>1,046.7</u>

21. Events subsequent to reporting date

In August 2024, Chair Lindsay Smartt announced that he will be stepping down from the RSEL Board. Danielle Press will be appointed as a Non-Executive Director on Thursday, 19 September 2024 and will officially take on the position of Chair in November 2024.

No other significant events have occurred after the reporting date that affect the interpretation of the financial information contained within this report.

AvWrap Retirement Service
For the year ended 30 June 2024
Trustee Declaration

In the opinion of the Directors of I.O.O.F. Investment Management Limited being the Trustee of AvWrap Retirement Service (the Fund):

1. The financial statements, notes to the financial statements and the Remuneration Report set out in the Directors' Report, are in accordance with the *Corporations Act 2001* including:

i giving a true and fair value of the financial position of the Fund as at 30 June 2024, the results of its operations and its cash flows for the year then ended;

ii complying with Australian Accounting Standards, other mandatory professional reporting requirements and the provisions of the Trust Deed dated 20 June 1994, as amended, and the *Corporations Regulations 2001* ; and

2. There are reasonable grounds to believe that the Fund will be able to pay their debts as and when they become due and payable; and

3. The operations of the Fund have been carried out in accordance with its Trust Deed dated 17 July 2006, as amended and in compliance with:

- *the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations;*
- *applicable sections of the Corporations Act 2001 and Regulations;*
- *the requirements under Section 13 of the Financial Sector (Collection of Data) Act 2001.*

Signed in accordance with a resolution of the Board of Directors of the Trustee, I.O.O.F. Investment Management Limited:



.....
Director



.....
Director

Signed 18 September 2024



Independent Auditor's Report

To the members of AvWrap Retirement Service

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of AvWrap Retirement Service (the Fund).

In our opinion, the accompanying Financial Report of the Fund gives a true and fair view, including of the Fund's financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2024
- Income statement, Statement of changes in member benefits, Statement of changes in reserves and Statement of cash flows for the year then ended
- Notes, including material accounting policies
- Trustee Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Fund in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in the Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Trustee is responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not



express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors of the Trustee for the Financial Report

The Directors of the Trustee are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and that is free from material misstatement, whether due to fraud or error
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our Auditor's Report.



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of AvWrap Retirement Service for the year ended 30 June 2024, complies with *Section 300C* of the *Corporations Act 2001*.

Directors of the Trustee's responsibilities

The Directors of the Trustee are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300C* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 8 to 27 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Dean Waters

Partner

Melbourne

18 September 2024