

## HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

### REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR – IOOF

**IOOF23QON:** Could you please indicate how you supervise the indirect costs associated with vertically integrated retail funds, including what the costs are for (brokerage etcetera) and how you ensure they are not eroding members' accounts?

**Answer:** Our superannuation products contain both internal and external options for members to choose from. Overall, less than 5% of investment options available on IOOF super products are IOOF managed investments (via an outsourced approach). There are some products where investment options are restricted to IOOF managed options only. These attract a lower superannuation administration fee.

Indirect costs are calculated in accordance with ASIC Regulatory Guide 97 *Disclosing fees and costs in PDSs and periodic statements*. IOOF engages an independent research house to determine the quality (including costs) of IOOF funds. These funds (and other managed investment schemes) are evaluated through regular performance monitoring. This is conducted on an after-fee basis against respective benchmarks and through reporting from the external consultant.