

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU24QW:

Over the last five financial years:

- a. What is the total number of member accounts?
- b. What is the total increase in the number of members as a result of the fund's default status?
- c. What is the total increase in the number of members through voluntary adoption or switching?
- d. What was the average member balance?
- e. What was the average dollar amount deducted in insurance fees per member, across all fund products in dollar terms and as a share of a member account?
- f. What was the total number of inactive accounts? (Please use the APRA definition: no contributions for two years)

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

All questions have been answered separately for each fund for the period that NULIS was the trustee.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- NULIS has been the trustee for the MLC Wrap Funds for the last five financial years.

For question b. and c., the figure reported is an estimate of the net increase in accounts (new accounts opened less accounts closed).

- The figure reported for b. is the estimate for the net increase in accounts for corporate superannuation products where MSF is the "default" superfund for employer plans. There are no corporate superannuation products in the MLC Wrap Funds.
- The figure reported for c. is the net increase in accounts for all non-corporate super products where members have chosen individually to join the fund.

For question e. the figure reported only includes actual insurance fees (excludes insurance premiums) which were charged for MSF. There were no insurance fees charged for the MLC Wrap Funds.

The answers for questions a. to f. are presented in the table below.

Fund / Question	FY19*	FY18*	FY17*	FY16*	FY15*
MSF					
a.	1,180,621	1,168,651	1,244,420	N/A	N/A
b.	10,175	(64,404)	1,057,757 (1)	N/A	N/A
c.	1,796	(11,365)	186,663 (1)	N/A	N/A
d.	\$68,131	\$68,104	\$60,889	N/A	N/A
e.(dollars)	\$7	\$7	\$6	N/A	N/A
e.(percentage)	0.01%	0.01%	0.01%	N/A	N/A
f.	112,468	127,991	150,823	N/A	N/A
MLCSF					
a.	87,810	77,509	79,487	82,993	84,894
b.	N/A	N/A	N/A	N/A	N/A
c.	10,301	(1,978)	(3,506)	(1,901)	(2,594)
d.	\$236,111	\$254,137	\$235,876	\$205,080	\$197,659
e.(dollars)	N/A	N/A	N/A	N/A	N/A
e.(percentage)	N/A	N/A	N/A	N/A	N/A
f.	7,717	5,923	5,643	7,515	8,206
DPMRS					
a.	437	388	434	527	651
b.	N/A	N/A	N/A	N/A	N/A
c.	49	(46)	(93)	(124)	(23)
d.	\$135,108	\$161,923	\$156,560	\$138,448	\$127,114
e.(dollars)	N/A	N/A	N/A	N/A	N/A
e.(percentage)	N/A	N/A	N/A	N/A	N/A
f.	28	31	22	26	52
PCRS					
a.	2,272	2,187	2,424	2,610	2,644
b.	N/A	N/A	N/A	N/A	N/A
c.	85	(237)	(186)	(34)	2
d.	\$199,366	\$200,410	\$172,080	\$144,189	\$139,588
e.(dollars)	N/A	N/A	N/A	N/A	N/A
e.(percentage)	N/A	N/A	N/A	N/A	N/A
f.	294	247	200	308	343

*The period reported on is the funds' financial year (FY) 1 July to 30 June.

(1) The majority of the new accounts relate to the Successor Fund Transfer where on 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU25QW:

Please provide the one, five, and ten year net return after fees, costs, and taxes for the primary default MySuper balanced product.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**) which has the primary default MySuper balanced product.

On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF.

Information for MSF is hence reported for the last three financial years. This means there are no five or ten year returns to report.

In March 2019, MySuper was changed to a life stage product. As a result, there is no one-year return for 1 July 2018 to 30 June 2019.

- 1 July 2016 to 30 June 2017 one-year net return was 9.07%
- 1 July 2017 to 30 June 2018 one-year net return was 7.57%

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU26QW:

Over the last five financial years:

- a. What was the average dollar amount deducted for administration and asset management fees per member, across all fund products? (please do not include insurance fees)
- b. What was the cost (%) of fund administration expenses as a proportion of funds under management?
- c. What was the total cost of in-house administration expenses?
- d. What was the cost of in-house administration expenses as a proportion of funds under management?
- e. What was the total cost of any external administration expenses?
- f. What was the cost of any external administration expenses as a proportion of funds under management?
- g. What was the total cost of any external administration expenses to Related Parties?
- h. What was the cost of any external administration expenses to Related Parties as a proportion of funds under management?
- i. How many staff are employed in roles considered part of the administrative cost?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

All questions have been answered separately for each fund for the period that NULIS was the trustee.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- NULIS has been the trustee for the MLC Wrap Funds for the last five financial years.

For question a., the figures reported are the administration and investment fees deducted from the funds by NULIS* and paid to NULIS*. For transparency, in addition to the figures reported, underlying investment managers, some of which are part of the NAB group and related parties to NULIS, also deduct fees and costs from the unit price values received by NULIS.

For questions, b., e., f, g. and h, the figures reported are the administration fees deducted from the funds by NULIS* and paid to NULIS*, hence reporting the cost to members. All administration services were provided by external parties who are part of the NAB group and related parties to NULIS.

*NULIS notes that in FY15, FY16 and for a part of FY17, Navigator Australia Limited (**NAL**), a related party of NULIS, was the administrator and commercial entity for the MLC Wrap Funds. For this period fees were deducted from the funds by NAL and paid to NAL.

For questions, c., d. and i., NULIS does not employ any staff in roles considered part of the administrative cost or have other in-house administration costs. All administration services were provided by external parties who are part of the NAB group and related parties to NULIS.

The answers for questions a. to i. are presented in the table below.

Fund / Question	FY19*	FY18*	FY17*	FY16*	FY15*
MSF					
a.	\$421	\$498	\$474	N/A	N/A
b.	0.35%	0.36%	0.38%	N/A	N/A
c.	N/A	N/A	N/A	N/A	N/A
d.	N/A	N/A	N/A	N/A	N/A
e.	\$280,104,000	\$289,199,000	\$293,973,000	N/A	N/A
f.	0.35%	0.36%	0.38%	N/A	N/A
g.	\$280,104,000	\$289,199,000	\$293,973,000	N/A	N/A
h.	0.35%	0.36%	0.38%	N/A	N/A
i.	N/A	N/A	N/A	N/A	N/A
MLCSF					
a.	\$1,196	\$1,459	\$1,472	\$1,427	\$1,591
b.	0.51%	0.57%	0.63%	0.69%	0.81%
c.	N/A	N/A	N/A	N/A	N/A
d.	N/A	N/A	N/A	N/A	N/A
e.	\$105,000,000	\$113,069,000	\$116,994,000	\$118,451,000	\$135,043,000
f.	0.51%	0.57%	0.63%	0.69%	0.81%
g.	\$105,000,000	\$113,069,000	\$116,994,000	\$118,451,000	\$135,043,000
h.	0.51%	0.57%	0.63%	0.69%	0.81%
i.	N/A	N/A	N/A	N/A	N/A
DPMRS					
a.	\$1,922	\$2,634	\$2,641	\$2,387	\$2,137
b.	1.40%	1.60%	1.68%	1.71%	1.66%
c.	N/A	N/A	N/A	N/A	N/A
d.	N/A	N/A	N/A	N/A	N/A
e.	\$840,000	\$1,022,000	\$1,146,000	\$1,258,000	\$1,391,000
f.	1.40%	1.60%	1.68%	1.71%	1.66%
g.	\$840,000	\$1,022,000	\$1,146,000	\$1,258,000	\$1,391,000
h.	1.40%	1.60%	1.68%	1.71%	1.66%
i.	N/A	N/A	N/A	N/A	N/A

Fund / Question	FY19*	FY18*	FY17*	FY16*	FY15*
PCRS					
a.	\$1,330	\$1,614	\$1,466	\$1461	\$1674
b.	0.67%	0.81%	0.86%	1.00%	1.19%
c.	N/A	N/A	N/A	N/A	N/A
d.	N/A	N/A	N/A	N/A	N/A
e.	\$3,022,000	\$3,530,000	\$3,554,000	\$3,813,000	\$4,425,000
f.	0.67%	0.81%	0.86%	1.00%	1.19%
g.	\$3,022,000	\$3,530,000	\$3,554,000	\$3,813,000	\$4,425,000
h.	0.67%	0.81%	0.86%	1.00%	1.19%
i.	N/A	N/A	N/A	N/A	N/A

*The period reported on is the funds' financial year (FY) 1 July to 30 June

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU27QW:

What is the total number of statutory fines over the past five years?

Answer:

NULIS has had no statutory fines over the past five years.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU28QW:

Over the last five financial years:

- a. The number of rollover requests that the fund did not pay out to another fund for each year?
- b. The average dollar value of a rollover for each year?
- c. The value of any clawback accounts and/or funds held that is used to hold funds between financial years?

Answer:

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All questions have been answered separately for each fund for the period that NULIS was the trustee.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- NULIS has been the trustee for the MLC Wrap Funds for the last five financial years.

Answer for Question a.

For question a., NULIS completes all rollovers to other Funds within SuperStream obligation standards.

Answer for Question b.

For question b., to provide a meaningful response, the figures reported include rollovers where this has resulted in the account being closed. For transparency, in addition members may also complete a partial rollover of their account balance.

Fund	FY19*	FY18*	FY17*	FY16*	FY15*
MSF	\$38,806	\$37,937	\$53,354	N/A	N/A
MLCSF	\$169,075	\$198,349	\$110,774	\$110,057	\$131,584
DPMRS	\$106,250	\$97,074	\$136,619	\$85,871	\$280,929
PCRS	\$122,565	\$79,431	\$77,791	\$82,162	\$95,339

*The period reported on is the funds' financial year (FY) 1 July to 30 June.

Answer for Question c.

For question c., as it relates to rollovers, NULIS does not clawback accounts or funds at any period, including between financial years.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU29QW:

- a. Does the fund maintain a reserve at least partially funded through insurance premiums, rebates from an insurance company (such as profit share arrangements) or tax benefits that have arisen from insurance?
- b. The total value of that reserve?
- c. The total value of tax rebates received from the ATO on insurance premiums?

Answer:

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All questions have been answered separately for each fund for the period that NULIS was the trustee.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- NULIS has been the trustee for the MLC Wrap Funds for the last five financial years, however, they do not maintain a reserve at least partially funded through insurance premiums, rebates from an insurance company (such as profit share arrangements) or tax benefits that have arisen from insurance.

Answer for Question a.

For question a., MSF maintains a general reserve which is used for the benefit of all members. It is partially funded by the tax benefits (rebates) on insurance premiums where they cannot be fully allocated directly back to members.

Answer for Questions b. and c.

Questions b. and c. are answered in the table below.

For question c., in c.i., we have provided a response that directly answers the written question. NULIS notes, however, that the majority of this amount is allocated directly to members and hence not to the general reserve. In c.ii., we have also provided the amount of tax rebates received from the ATO that could not be allocated directly to a member and has been allocated to the general reserve. The figure reported in c.ii. is not solely related to insurance premiums.

Fund / Question	FY19*	FY18*	FY17*	FY16*	FY15*
MSF					
b.	\$83,872,000	\$62,137,000	\$62,066,000	N/A	N/A
c.i.	\$116,441,159	\$110,279,745	\$107,225,964	N/A	N/A
c.ii.	\$10,326,857	\$12,410,026	\$12,023,779	N/A	N/A

*The period reported on is the funds' financial year (FY) 1 July to 30 June.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU30QW:

The number of trusts or investment vehicles the fund controls in each of the low tax regions, including Andorra, the Bahamas, Belize, Bermuda, the British Virgin Islands, the Cayman Islands, the Channel Islands, the Cook Islands, Hong Kong, the Isle of Man, Mauritius, Lichtenstein, Luxembourg, Monaco, Panama, St Kitts and Nevis?

Answer:

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MSF and the MLC Wrap Funds do not control any trusts or investment vehicles in low tax regions.

For transparency, Responsible Entities who manage our investments, some of which are related parties, may control trusts or investment vehicles in low tax regions.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU31QW:

- a. The number of accounts that have been transferred to the ATO as a result of 'Protecting your Super' legislation?
- b. The value of the money that will be paid to the ATO as a result of the 'Protecting your Super' legislation?
- c. The number of accounts that has been transferred into an eligible rollover fund in the 2019 financial year?
- d. The value of the money that has been transferred into an eligible rollover fund in the 2019 financial year?

Answer:

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- a. Across MSF and the MLC Wrap Funds the number of accounts that have been transferred to the ATO as a result of 'Protecting your Super' legislation is 23,131.
- b. Across MSF and the MLC Wrap Funds the value of the money that will be paid to the ATO as a result of the 'Protecting your Super' legislation is \$35,680,522.
- c. Across MSF and the Wrap Funds, NULIS confirms, as a result of 'Protecting your Super' legislation, no accounts were transferred into an eligible rollover fund.
- d. Across MSF and the Wrap Funds, NULIS confirms, as a result of 'Protecting your Super' legislation, no money was transferred into an eligible rollover fund.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU32QW:

Have you ever made a donation and/or subscription fee to the ACTU Member Connect and/or ACTU Superannuation Partnerships program, and if so, to what value over the past five years?

Answer:

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NULIS confirms it has not made a donation and/or subscription fee to the ACTU Member Connect and/or ACTU Superannuation Partnerships program.

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**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU33QW:

Does the fund pay any external consultants for any advocacy and communication services, and if so can you please name them and the costs incurred over the past five years?

Answer:

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For this response, NULIS considers advocacy and communication services to be services designed to achieve certain policy outcomes.

NULIS confirms the MSF or the MLC Wrap Funds have not paid external consultants for any advocacy

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

NULIS

NU34QW:

- a. How many staff are employed for the purpose of policy research or analysis?
- b. How much was spent on engaging external policy and data analysis consultants?
- c. How much was spent on membership of industry advocacy organisations that provide policy and data analysis service to member funds?

Answer:

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- a. NULIS confirms that it does not employ staff for the purpose of policy research or analysis.
- b. NULIS confirms that it does not spend money engaging external policy and data analysis consultants
- c. NULIS confirms that it does not spend money on membership of industry advocacy organisations that provide specific policy and data analysis service to member funds. NULIS notes that an entity within MLC Wealth is a member of some industry bodies such as the Financial Services Council who advocate for policies on behalf of members. NULIS's members would derive benefit from this advocacy.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU35QW:

In the context of building investments:

- a. Have you completed assessments of the prevalence of flammable cladding across some properties?
- b. Have you completed assessments of the prevalence of flammable cladding across all properties?
- c. Have you taken any remediation to reduce your exposure to risk to identify flammable cladding, and if so, what?
- d. Have you taken any remediation to reduce your exposure to risk to remove flammable cladding, and if so, what?
- e. Do you hold any properties where insurance has been refused or are uninsured due to defective building construction such as cladding?

Answer:

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MSF

MSF does not hold unlisted building assets directly. The unlisted building asset investments are held through externally managed investment trusts. The managers of the property investment trusts that MSF has exposure to have completed assessments of the exposure to flammable cladding across their properties. A summary of responses provided by the property managers are provided below:

- a. The managers have completed assessments of the exposure to flammable cladding across their properties that are in the investment trusts that NULIS invests in.
- b. The managers have completed assessments of the exposure to flammable cladding across all the investment trust properties.
- c. The managers have undertaken a range of remediation measures to reduce their exposure to the potential risk posed by flammable cladding. These actions have included identifying properties requiring remediation, evaluating the risk and where necessary scoping works and confirming where works are required with some making capital provisioning for flammable cladding exposure. Some managers have also engaged external consultants to review their asset register of identified risks.
- d. The managers have undertaken a range of remediation measures which have included the complete removal of flammable cladding in some instances, while others have employed a

range of operational mitigation strategies to reduce the risk such as works associated with upgrades or installation of additional operational requirements, upgrades or installation of new fire services (such as sprinklers) as well as the removal of cladding. Rectification works have been ongoing and, in some examples, have resulted in the temporary closure of buildings in order to replace the external cladding.

e. No.

MLC Wrap Funds

The funds do not hold any direct building investments.

While the Managed Investment Schemes (MISs) that may be chosen by members may hold building investments, NULIS does not have oversight of the MIS exposures and in the ordinary course of business does not have access to any of this information.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU36QW:

- a. What external parties manage your investments, if any?
- b. What are the fee structures per member from external management?

Answer:

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Answer to Question a.

As outlined in the MSF 2019 Annual Report, the external parties, some of which are part of the NAB group and related parties to NULIS, who manage the investments are as follows:

- Altrinsic Global Advisors, LLC
- Antares Capital Partners Limited
- Ausbil Investment Management Limited
- BlackRock Investment Management Australia Limited
- Fairview Equity Partners Pty Ltd
- Investors Mutual Limited
- Macquarie Investment Management Global Limited
- MAPP Pty Limited
- MLC Limited
- MLC Asset Management Services Limited, noting that as a multi manager, MLC Asset Management Services Limited researches and selects underlying managers.
- National Australia Bank Limited
- Perennial Value Management Limited
- Perpetual Investment Management Limited
- PIMCO Australia Pty Limited
- Platinum Investment Management Limited
- Schroder Investment Management Australasia Limited
- Vanguard Investments Australia Limited

For the MLC Wrap Funds, members hold their investments via the MLC Wrap administration platform that enables each member to invest their superannuation assets in a wide range of Australian registered Managed Investment Schemes (MISs), listed ASX securities and term deposits. The investment list approved by NULIS includes over 380 MISs, each of which is made publicly available by third party Responsible Entities (REs) to direct investors and members of superannuation platforms.

Answer to Question b.

The fee structures per member for external parties (which cover the fees of underlying investment managers) comprise of management costs (the fees and costs for managing the investments) which are reflected in the unit prices and are generally made up of their management fees, performance-related fees (if applicable) and indirect costs.

External parties, some of which are part of the NAB group and related parties to NULIS, may also incur transaction and operational costs and borrowing (gearing) costs which are also reflected in the unit price.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU37QW:

Governance:

- a. How many trustee board members did the fund have?
- b. What was the total salary of all trustee board members?
- c. What was the average salary of all trustee board members?
- d. Are there any performance-based assessments that determine trustee board remuneration, and if so what are they?
- e. What was the salary of the trustee board chair?
- f. What was the average length of service of all trustee board members?
- g. What is the length of service of the longest serving trustee board member?
- h. Are trustee board members asked whether they have conflicts of interest at each meeting, and if not, why not?
- i. What is the conflict of interest policy for trustee board members?
- j. Does your fund have a policy on gender diversity and/or balance for listed companies?
- k. Does your board have gender balance?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

- a. As at 28 February 2020 the NULIS board consists of eight non-executive directors, including four new directors who were appointed effective 4 Dec 2019.
- b. The total remuneration for all trustee board members per the NULIS Executive Officer Remuneration disclosure as at 30 September 2019 was \$1,151,682.
- c. The average salary for trustee board members calculated using the information from the NULIS Executive Officer Remuneration disclosure as at 30 September 2019 was \$221,477.
- d. No. NULIS Directors are paid a set fee for their services and are not paid any performance related remuneration.
- e. As at 30 September 2019, the Board Chair fee was \$285,000.
- f. The average length of service of current trustee board members is 2.6 years. The date of appointment for each current board member is as follows:
 1. Peggy O'Neal – appointed 14 February 2011
 2. Terry McCredde – appointed 28 May 2014
 3. Andrew Gale – appointed 26 October 2016

4. Peter Promnitz – appointed 7 December 2017
 5. Karina Kwan – appointed 4 December 2019
 6. Beth McConnell – appointed 4 December 2019
 7. Steve Schubert – appointed 4 December 2019
 8. Kathryn Watt – appointed 4 December 2019
- g. The length of service of the longest serving trustee board member is nine years (Peggy O’Neal).
 - h. Yes. There is a standing agenda item at the beginning of each board and committee meeting requesting all directors to disclose any conflict/s or interests.
 - i. All trustee board members abide by the NULIS Conflicts of Interest Policy (**COI**). In addition, directors also abide by the NAB conflicts of interest policy and Code of Conduct (which incorporates conflicts of interest).
 1. The COI outlines the key policy principles where the policy is based on the fiduciary and statutory duties that NULIS owes to its members. NULIS requires:
 - The identification of all potential and actual conflicts in NULIS’s business operation in a timely manner;
 - All reasonably practical actions are taken to ensure that the conflicts are avoided or prudently managed; and
 - Conflicts must be managed so that the interests of members are given priority over the interests of NAB, its subsidiaries and their directors and employees. If a conflict cannot be managed in a manner that gives priority to the interests of members then the conflict must be avoided.
 2. The key responsibilities for directors outlined in the COI are as follows:
 - The Board is “ultimately responsible for the development and maintenance of the RSE licensee’s Conflicts Management Framework”.
 - Approve the Conflicts Management Policy.
 - Approve and oversight the Conflicts Management Framework.
 - Ensure that the duties to and interests of members are given priority when conflicts of interest arise.
 - Identify and disclose any relevant duties or relevant interests at Board and committee meetings in accordance with the Board’s procedures.
 - Abstention from the discussion and voting of resolutions for which the director has a conflict of interest.
 - Disclose any personal conflicts; including gifts and entertainment in the Personal, Gifts and Entertainment Register as required under the NAB Group Conflicts of Interest Policy (adopted by NULIS).
 - j. The board gender diversity target is to have at least 30% of board positions filled by females.
 - k. As at 28 February 2020, the board has 50% of board positions filled by females.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU38QW:

In the context of the ACCC's legal action and question for competition in monopoly infrastructure entities:

- a. What are the implications for infrastructure investment returns if the ACCC is successful in its legal action?
- b. Have you analysed your infrastructure investment portfolio to examine the risk of ACCC action to reduce anti-competitive monopoly of oligopoly pricing?
- c. If so, can you provide details of the likely impact, and what is the project impact on revenue and income?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

MSF

Answers to questions a., b. and c.

MSF's unlisted infrastructure asset investments are held through externally managed investment trusts. The assets within these trusts are diversified across a wide range of assets, sectors and countries. We are not aware of any ACCC legal action pending on any of the assets in the trusts that we invest in. The managers of the trusts that we invest in regularly review the risks associated with their assets and the independent valuations of these assets reflect these risks.

MLC Wrap Funds

Answers to questions a., b. and c.

The funds do not hold any direct infrastructure investments.

While the Managed Investment Schemes (MISs) and listed investments that may be chosen by members may hold infrastructure investments, NULIS does not have oversight of the MIS exposures and in the ordinary course of business does not have access to any of this information.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU39QW:

In dollar terms, for each of your superannuation products, can you please provide annual data for the past five financial years on average, for a member with a balance of \$6,000, \$50,000 and \$150,000?

- a. Investment fees
- b. Administration fees
- c. Indirect costs
- d. Any other cost to a member which is incurred or foregone by way of a lesser return pre-unit price (but not included in the indirect cost ratio) including any other costs, charges, fees, direct or indirect benefits including any benefit by way of rebate, set-off, commission, in-kind, tax credit/offset retained, interest (or interest rebate) retained by any party involved in the management, custody, review, compliance, administration, servicing, asset consulting, valuation, operation and maintenance, financing, auditing, brokerage, execution, settlement, or otherwise of the assets in the fund, or their underlying assets.
- e. An aggregate total of all fees mentioned above.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

The questions have been answered separately for each fund for the period that NULIS was the trustee.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- NULIS has been the trustee for the MLC Wrap Funds for the last five financial years.

For question d., NULIS has included the fees and costs which are incurred or foregone by way of a lesser return pre-unit price. For transparency, members may also pay other activity-based fees such as buy/sell spreads or brokerage when they choose to buy and sell direct shares as part of their portfolio.

MSF - Corporate Super Products

MSF has a large and diverse range of products and investment options. To provide a meaningful response to this question, NULIS has utilised the fees and costs disclosed in the Product Disclosure Statement (PDS) for the investment option required by law to be used in the example of annual fees and costs.

For MSF Corporate Super Products (MasterKey Business and Personal Super, Plum Corporate Plan and Plum Personal Plan), **MySuper** is disclosed in the PDS example of annual fees and costs.

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	\$27.60	\$108.60 (1)	\$19.80	\$8.40	\$2.40	\$6.60	\$173.40
	\$50,000	\$230.00	\$333.00 (1)	\$165.00	\$70.00	\$20.00	\$55.00	\$873.00
	\$150,000	\$690.00	\$843.00 (1)	\$495.00	\$210.00	\$60.00	\$165.00	\$2,463.00
FY18	\$6,000	\$27.60	\$108.60 (1)	\$13.80	\$1.80	\$1.20	\$7.80	\$160.80
	\$50,000	\$230.00	\$333.00 (1)	\$115.00	\$15.00	\$10.00	\$65.00	\$768.00
	\$150,000	\$690.00	\$843.00 (1)	\$345.00	\$45.00	\$30.00	\$195.00	\$2,148.00
FY17	\$6,000	\$28.20	\$108.00	\$4.80 (2)	These costs were not required to be calculated and disclosed in the PDS at this time (2).			\$141.00
	\$50,000	\$235.00	\$328.00	\$40.00 (2)				\$603.00
	\$150,000	\$705.00	\$828.00	\$120.00 (2)				\$1,653.00

*Financial Year (FY).

(1) - MasterKey Business Super and Plum Corporate Plan members may receive discounts to administration fees if they are in an employer plan. These discounts are negotiated with the Employer and apply to the PDS (headline) fee as reported in the table above.

(2) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

d.i. is Borrowing costs (introduced by RG97).

d.ii. is Property Operating costs (introduced by RG97).

d.iii. is Implicit Transaction costs (introduced by RG97).

MSF - Retail Products

MSF has a large and diverse range of products and investment options. To provide a meaningful response to this question, NULIS has provided data for products held by the majority of members and utilised the fees and costs disclosed in the Product Disclosure Statement (PDS) for the investment option required by law to be used in the example of annual fees and costs.

For MSF retail products, the **Horizon 4** investment option is disclosed in the PDS example of annual fees and costs and is also used for this response for products that do not have updated PDSs as they are no longer available to new members.

MLC MasterKey Super and Pension Fundamentals

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	\$42.00	\$96.60	\$28.20	\$2.40	N/A	\$4.80	\$174.00
	\$50,000	\$350.00	\$155.00	\$235.00	\$20.00	N/A	\$40.00	\$800.00
	\$150,000	\$1,050.00	\$465.00	\$705.00	\$60.00	N/A	\$120.00	\$2,400.00
FY18	\$6,000	\$42.00	\$154.60	\$30.00	\$2.40	N/A	\$4.80	\$233.80
	\$50,000	\$350.00	\$205.00	\$250.00	\$20.00	N/A	\$40.00	\$865.00
	\$150,000	\$1,050.00	\$615.00	\$750.00	\$60.00	N/A	\$120.00	\$2,595.00
FY17	\$6,000	\$42.00	\$154.00	\$13.20 (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			\$209.20
	\$50,000	\$350.00	\$200.00	\$110.00 (1)				\$660.00
	\$150,000	\$1,050.00	\$600.00	\$330.00 (1)				\$1,980.00

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

d.i. is Borrowing costs (introduced by RG97).

d.ii. is Property Operating costs (introduced by RG97).

d.iii. is Implicit Transaction costs (introduced by RG97).

MLC MasterKey Super & Pension

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	\$42.00	\$150.60	\$28.20	\$2.40	N/A	\$4.80	\$228.00
	\$50,000	\$350.00	\$683.00	\$235.00	\$20.00	N/A	\$40.00	\$1,328.00
	\$150,000	\$1,050.00	\$1,893.00	\$705.00	\$60.00	N/A	\$120.00	\$3,828.00
FY18	\$6,000	\$42.00	\$150.60	\$30.00	\$2.40	N/A	\$4.80	\$229.80
	\$50,000	\$350.00	\$683.00	\$250.00	\$20.00	N/A	\$40.00	\$1,343.00
	\$150,000	\$1,050.00	\$1,893.00	\$750.00	\$60.00	N/A	\$120.00	\$3,873.00
FY17	\$6,000	\$42.00	\$150.00	\$13.20 (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			\$205.20
	\$50,000	\$350.00	\$678.00	\$110.00 (1)				\$1,138.00
	\$150,000	\$1,050.00	\$1,878.00	\$330.00 (1)				\$3,258.00

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

- d.i. is Borrowing costs (introduced by RG97).
- d.ii. is Property Operating costs (introduced by RG97).
- d.iii. is Implicit Transaction costs (introduced by RG97).

MLC MasterKey Superannuation Gold Star

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	\$34.20	\$97.60	\$28.80	\$2.70	N/A	\$4.80	\$168.10
	\$50,000	\$285.00	\$1,017.00	\$240.00	\$22.50	N/A	\$40.00	\$1,604.50
	\$150,000	\$855.00	\$2,557.00	\$720.00	\$67.50	N/A	\$120.00	\$4,319.50
FY18	\$6,000	\$34.20	\$97.60	\$32.40	\$2.28	N/A	\$4.80	\$171.28
	\$50,000	\$285.00	\$1,017.00	\$270.00	\$19.00	N/A	\$40.00	\$1,631.00
	\$150,000	\$855.00	\$2,557.00	\$810.00	\$57.00	N/A	\$120.00	\$4,399.00
FY17	\$6,000	\$34.20	\$97.60	\$13.20 (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			\$145.00
	\$50,000	\$285.00	\$1,017.00	\$110.00 (1)				\$1,412.00
	\$150,000	\$855.00	\$2,557.00	\$330.00 (1)				\$3,742.00

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

- d.i. is Borrowing costs (introduced by RG97).
- d.ii. is Property Operating costs (introduced by RG97).
- d.iii. is Implicit Transaction costs (introduced by RG97).

MLC MasterKey Superannuation Five Star

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	\$34.20	\$99.60	\$28.80	\$3.00	N/A	\$4.80	\$170.40
	\$50,000	\$285.00	\$1,130.00	\$240.00	\$25.00	N/A	\$40.00	\$1,720.00
	\$150,000	\$855.00	\$2,670.00	\$720.00	\$75.00	N/A	\$120.00	\$4,440.00
FY18	\$6,000	\$34.20	\$99.60	\$32.40	\$2.40	N/A	\$4.80	\$173.40
	\$50,000	\$285.00	\$1,130.00	\$270.00	\$20.00	N/A	\$40.00	\$1,745.00
	\$150,000	\$855.00	\$2,670.00	\$810.00	\$60.00	N/A	\$120.00	\$4,515.00
FY17	\$6,000	\$34.20	\$133.20	\$13.20 (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			\$180.60
	\$50,000	\$285.00	\$1,410.00	\$110.00 (1)				\$1,805.00
	\$150,000	\$855.00	\$3,510.00	\$330.00 (1)				\$4,695.00

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

- d.i. is Borrowing costs (introduced by RG97).
- d.ii. is Property Operating costs (introduced by RG97).
- d.iii. is Implicit Transaction costs (introduced by RG97).

MLC Personal Superannuation Savings Plan

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	\$34.20	\$92.40	\$28.80	\$2.70	N/A	\$4.80	\$162.90
	\$50,000	\$285.00	\$770.00	\$240.00	\$22.50	N/A	\$40.00	\$1,357.50
	\$150,000	\$855.00	\$2,310.00	\$720.00	\$67.50	N/A	\$120.00	\$4,072.50
FY18	\$6,000	\$34.20	\$92.40	\$32.40	\$2.28	N/A	\$4.80	\$166.08
	\$50,000	\$285.00	\$770.00	\$270.00	\$19.00	N/A	\$40.00	\$1,384.00
	\$150,000	\$855.00	\$2,310.00	\$810.00	\$57.00	N/A	\$120.00	\$4,152.00
FY17	\$6,000	\$34.20	\$92.40	\$13.20 (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			\$139.80
	\$50,000	\$285.00	\$770.00	\$110.00 (1)				\$1,165.00
	\$150,000	\$855.00	\$2,310.00	\$330.00 (1)				\$3,495.00

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

d.i. is Borrowing costs (introduced by RG97).

d.ii. is Property Operating costs (introduced by RG97).

d.iii. is Implicit Transaction costs (introduced by RG97).

MLC MasterKey Allocated Pension Gold Star/MLC Term Allocated Pension

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	\$34.20	\$157.80	\$29.40	\$2.70	N/A	\$4.80	\$228.90
	\$50,000	\$285.00	\$743.00	\$245.00	\$22.50	N/A	\$40.00	\$1,335.50
	\$150,000	\$855.00	\$2,073.00	\$735.00	\$67.50	N/A	\$120.00	\$3,850.50
FY18	\$6,000	\$34.20	\$157.80	\$32.40	\$2.28	N/A	\$4.80	\$231.48
	\$50,000	\$285.00	\$743.00	\$270.00	\$19.00	N/A	\$40.00	\$1,357.00
	\$150,000	\$855.00	\$2,073.00	\$810.00	\$57.00	N/A	\$120.00	\$3,915.00
FY17	\$6,000	\$34.20	\$157.80	\$13.20 (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			\$205.20
	\$50,000	\$285.00	\$743.00	\$110.00 (1)				\$1,138.00
	\$150,000	\$855.00	\$2,073.00	\$330.00 (1)				\$3,258.00

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

d.i. is Borrowing costs (introduced by RG97).

d.ii. is Property Operating costs (introduced by RG97).

d.iii. is Implicit Transaction costs (introduced by RG97).

MLC MasterKey Pension Five Star

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	\$34.20	\$157.80	\$29.40	\$3.00	N/A	\$4.80	\$229.20
	\$50,000	\$285.00	\$743.00	\$245.00	\$25.00	N/A	\$40.00	\$1,338.00
	\$150,000	\$855.00	\$2,073.00	\$735.00	\$75.00	N/A	\$120.00	\$3,858.00
FY18	\$6,000	\$34.20	\$157.80	\$32.40	\$2.40	N/A	\$4.80	\$231.60
	\$50,000	\$285.00	\$743.00	\$270.00	\$20.00	N/A	\$40.00	\$1,358.00
	\$150,000	\$855.00	\$2,073.00	\$810.00	\$60.00	N/A	\$120.00	\$3,918.00
FY17	\$6,000	\$34.20	\$197.40	\$13.20 (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			\$244.80
	\$50,000	\$285.00	\$1,073.00	\$110.00 (1)				\$1,468.00
	\$150,000	\$855.00	\$3,063.00	\$330.00 (1)				\$4,248.00

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

d.i. is Borrowing costs (introduced by RG97).

d.ii. is Property Operating costs (introduced by RG97).

d.iii. is Implicit Transaction costs (introduced by RG97).

MLC Wrap Funds

MLC Wrap Funds, allow members to hold their investments via the MLC Wrap administration platform that enables each member to invest their superannuation assets in a wide range of Australian Registered Managed Investment Schemes (MISs), listed ASX securities and term deposits.

NULIS charges administration fees for these products. For transparency, other fees are charged by third parties who issue and manage the investments.

Series 2 Products

The table below provides the administration fee amounts that apply to MLC Wrap Funds Series 2 products for each of the account balance levels required by the question. The actual amount for each member will depend on the product they are in and their investment choices.

NULIS notes that the average account balance for members of the MLCSF is over \$200,000.

Balance	FY*	Admin Fee \$
\$6,000	FY19	\$378.33
	FY18	\$379.38
	FY17	\$379.38
	FY16	\$378.00
	FY15	\$753.00
\$50,000	FY19	\$406.50
	FY18	\$411.50
	FY17	\$411.50
	FY16	\$400.00
	FY15	\$775.00
\$150,000	FY19	\$694.50
	FY18	\$709.50
	FY17	\$709.50
	FY16	\$675.00
	FY15	\$825.00
\$150,000	FY19	\$844.50
	FY18	\$859.50
	FY17	\$859.50
	FY16	\$825.00
	FY15	\$975.00
\$150,000	FY19	\$682.50
	FY18	\$697.50
	FY17	\$697.50
	FY16	\$675.00
	FY15	\$825.00
\$150,000	FY19	\$832.50
	FY18	\$847.50
	FY17	\$847.50

Balance	FY*	Admin Fee \$
	FY16	\$825.00
	FY15	\$975.00

*Financial Year (FY).

Other Products

The table below provides the administration fee amounts that apply to other MLC Wrap Funds products for each of the account balance levels required by the question. The actual fee amount for each member will depend on the product they are in and their investment choices.

NULIS notes that the average account balance for members of the MLCSF is over \$200,000.

Balance	FY*	Admin Fee \$
\$6,000	FY19	\$1,204.83
	FY18	\$1,204.38
	FY17	\$1,204.38
	FY16	\$1,203.00
	FY15	\$1,203.00
\$50,000	FY19	\$1,244.00
	FY18	\$1,236.50
	FY17	\$1,236.50
	FY16	\$1,225.00
	FY15	\$1,225.00
\$150,000	FY19	\$1,332.00
	FY18	\$1,309.50
	FY17	\$1,309.50
	FY16	\$1,275.00
	FY15	\$1,275.00
\$6,000	FY19	\$813.33
	FY18	\$812.88
	FY17	\$812.88
	FY16	\$811.50
	FY15	\$811.50
\$50,000	FY19	\$1,281.50
	FY18	\$1,274.00
	FY17	\$1,274.00
	FY16	\$1,262.50
	FY15	\$1,262.50
\$150,000	FY19	\$2,944.50
	FY18	\$2,922.00
	FY17	\$2,922.00
	FY16	\$2,887.50
	FY15	\$2,887.50
\$150,000	FY19	\$3,004.50
	FY18	\$2,982.00
	FY17	\$2,982.00
	FY16	\$2,947.50
	FY15	\$2,947.50
\$150,000	FY19	\$3,229.50
	FY18	\$3,207.00

Balance	FY*	Admin Fee \$
	FY17	\$3,207.00
	FY16	\$3,172.50
	FY15	\$3,172.50
\$150,000	FY19	\$2,932.50
	FY18	\$2,910.00
	FY17	\$2,910.00
	FY16	\$2,887.50
	FY15	\$2,887.50
\$6,000	FY19	\$303.33
	FY18	\$302.88
	FY17	\$302.88
	FY16	\$301.50
	FY15	\$301.50
\$50,000	FY19	\$1,044.00
	FY18	\$1,036.50
	FY17	\$1,036.50
	FY16	\$1,025.00
	FY15	\$1,025.00
\$150,000	FY19	\$3,132.00
	FY18	\$3,109.50
	FY17	\$3,109.50
	FY16	\$3,075.00
	FY15	\$3,075.00

*Financial Year (FY).

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU40QW:

As a percentage of the value of the member account, for each of your superannuation products, can you please provide annual data for the past five financial years on average, for a member with a balance of \$6,000, \$50,000 and \$150,000?

- a. Investment fees
- b. Administration fees
- c. Indirect costs
- d. Any other cost to a member which is incurred or foregone by way of a lesser return pre-unit price (but not included in the indirect cost ratio) including any other costs, charges, fees, direct or indirect benefits including any benefit by way of rebate, set-off, commission, in-kind, tax credit/offset retained, interest (or interest rebate) retained by any party involved in the management, custody, review, compliance, administration, servicing, asset consulting, valuation, operation and maintenance, financing, auditing, brokerage, execution, settlement, or otherwise of the assets in the fund, or their underlying assets.
- e. An aggregate total of all fees mentioned above.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

The questions have been answered separately for each fund for the period that NULIS was the trustee.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- NULIS has been the trustee for the MLC Wrap Funds for the last five financial years.

For question d., NULIS has included the fees and costs which are incurred or foregone by way of a lesser return pre-unit price. For transparency, members may also pay other activity-based fees such as buy/sell spreads or brokerage when they choose to buy and sell direct shares as part of their portfolio.

MSF - Corporate Super Products

MSF has a large and diverse range of products and investment options. To provide a meaningful response to this question, NULIS has utilised the fees and costs disclosed in the Product Disclosure Statement (PDS) for the investment option that is required by law to be used in the example of annual fees and costs.

For MSF Corporate Super Products (MasterKey Business and Personal Super, Plum Corporate Plan and Plum Personal Plan), **MySuper** is disclosed in the PDS example of annual fees and costs.

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	0.46%	1.81% (1)	0.33%	0.14%	0.04%	0.11%	2.89%
	\$50,000	0.46%	0.67% (1)	0.33%	0.14%	0.04%	0.11%	1.75%
	\$150,000	0.46%	0.56% (1)	0.33%	0.14%	0.04%	0.11%	1.64%
FY18	\$6,000	0.46%	1.81% (1)	0.23%	0.03%	0.02%	0.13%	2.68%
	\$50,000	0.46%	0.67% (1)	0.23%	0.03%	0.02%	0.13%	1.54%
	\$150,000	0.46%	0.56% (1)	0.23%	0.03%	0.02%	0.13%	1.43%
FY17	\$6,000	0.47%	1.80% (1)	0.08% (2)	These costs were not required to be calculated and disclosed in the PDS at this time (2).			2.35%
	\$50,000	0.47%	0.66% (1)	0.08% (2)				1.21%
	\$150,000	0.47%	0.55% (1)	0.08% (2)				1.10%

*Financial Year (FY).

(1) - Masterkey Business Super and Plum Corporate Plan members may receive discounts to administration fees if they are in an employer plan. These discounts are negotiated with the Employer and apply to the PDS (headline) fee as reported in the table above.

(2) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

d.i. is Borrowing costs (introduced by RG97).

d.ii. is Property Operating costs (introduced by RG97).

d.iii. is Implicit Transaction costs (introduced by RG97).

MSF - Retail Products

MSF has a large and diverse range of products and investment options. To provide a meaningful response to this question, NULIS has provided data for products held by the vast majority of members and utilised the fees and costs disclosed in the Product Disclosure Statement (PDS) for the investment option required by law to be used in the example of annual fees and costs.

For MSF retail products, the **Horizon 4** investment option is disclosed in the PDS example of annual fees and costs and is also used for this response for products that do not have updated PDSs as they are no longer available to new members.

MLC MasterKey Super and Pension Fundamentals

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	0.70%	1.61%	0.47%	0.04%	N/A	0.08%	2.90%
	\$50,000	0.70%	0.31%	0.47%	0.04%	N/A	0.08%	1.60%
	\$150,000	0.70%	0.31%	0.47%	0.04%	N/A	0.08%	1.60%
FY18	\$6,000	0.70%	2.58%	0.50%	0.04%	N/A	0.08%	3.90%
	\$50,000	0.70%	0.41%	0.50%	0.04%	N/A	0.08%	1.73%
	\$150,000	0.70%	0.41%	0.50%	0.04%	N/A	0.08%	1.73%
FY17	\$6,000	0.70%	2.57%	0.22% (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			3.49%
	\$50,000	0.70%	0.40%	0.22% (1)				1.32%
	\$150,000	0.70%	0.40%	0.22% (1)				1.32%

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

d.i. is Borrowing costs (introduced by RG97).

d.ii. is Property Operating costs (introduced by RG97).

d.iii. is Implicit Transaction costs (introduced by RG97).

MLC MasterKey Super and Pension

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	0.70%	2.51%	0.47%	0.04%	N/A	0.08%	3.80%
	\$50,000	0.70%	1.37%	0.47%	0.04%	N/A	0.08%	2.66%
	\$150,000	0.70%	1.26%	0.47%	0.04%	N/A	0.08%	2.55%
FY18	\$6,000	0.70%	2.51%	0.50%	0.04%	N/A	0.08%	3.83%
	\$50,000	0.70%	1.37%	0.50%	0.04%	N/A	0.08%	2.69%
	\$150,000	0.70%	1.26%	0.50%	0.04%	N/A	0.08%	2.58%
FY17	\$6,000	0.70%	2.50%	0.22% (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			3.42%
	\$50,000	0.70%	1.36%	0.22% (1)				2.28%
	\$150,000	0.70%	1.25%	0.22% (1)				2.17%

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

- d.i. is Borrowing costs (introduced by RG97).
- d.ii. is Property Operating costs (introduced by RG97).
- d.iii. is Implicit Transaction costs (introduced by RG97).

MLC MasterKey Superannuation Gold Star

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	0.57%	1.63%	0.48%	0.05%	N/A	0.08%	2.81%
	\$50,000	0.57%	2.03%	0.48%	0.05%	N/A	0.08%	3.21%
	\$150,000	0.57%	1.70%	0.48%	0.05%	N/A	0.08%	2.88%
FY18	\$6,000	0.57%	1.63%	0.54%	0.04%	N/A	0.08%	2.86%
	\$50,000	0.57%	2.03%	0.54%	0.04%	N/A	0.08%	3.26%
	\$150,000	0.57%	1.70%	0.54%	0.04%	N/A	0.08%	2.93%
FY17	\$6,000	0.57%	1.63%	0.22% (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			2.42%
	\$50,000	0.57%	2.03%	0.22% (1)				2.82%
	\$150,000	0.57%	1.70%	0.22% (1)				2.49%

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

- d.i. is Borrowing costs (introduced by RG97).
- d.ii. is Property Operating costs (introduced by RG97).
- d.iii. is Implicit Transaction costs (introduced by RG97).

MLC MasterKey Superannuation Five Star

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	0.57%	1.66%	0.48%	0.05%	N/A	0.08%	2.84%
	\$50,000	0.57%	2.26%	0.48%	0.05%	N/A	0.08%	3.44%
	\$150,000	0.57%	1.78%	0.48%	0.05%	N/A	0.08%	2.96%
FY18	\$6,000	0.57%	1.66%	0.54%	0.04%	N/A	0.08%	2.89%
	\$50,000	0.57%	2.26%	0.54%	0.04%	N/A	0.08%	3.49%
	\$150,000	0.57%	1.78%	0.54%	0.04%	N/A	0.08%	3.01%
FY17	\$6,000	0.57%	2.22%	0.22% (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			3.01%
	\$50,000	0.57%	2.82%	0.22% (1)				3.61%
	\$150,000	0.57%	2.34%	0.22% (1)				3.13%

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

- d.i. is Borrowing costs (introduced by RG97).
- d.ii. is Property Operating costs (introduced by RG97).
- d.iii. is Implicit Transaction costs (introduced by RG97).

MLC Personal Superannuation Savings Plan

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	0.57%	1.54%	0.48%	0.05%	N/A	0.08%	2.72%
	\$50,000	0.57%	1.54%	0.48%	0.05%	N/A	0.08%	2.72%
	\$150,000	0.57%	1.54%	0.48%	0.05%	N/A	0.08%	2.72%
FY18	\$6,000	0.57%	1.54%	0.54%	0.04%	N/A	0.08%	2.77%
	\$50,000	0.57%	1.54%	0.54%	0.04%	N/A	0.08%	2.77%
	\$150,000	0.57%	1.54%	0.54%	0.04%	N/A	0.08%	2.77%
FY17	\$6,000	0.57%	1.54%	0.22% (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			2.33%
	\$50,000	0.57%	1.54%	0.22% (1)				2.33%
	\$150,000	0.57%	1.54%	0.22% (1)				2.33%

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

d.i. is Borrowing costs (introduced by RG97).

d.ii. is Property Operating costs (introduced by RG97).

d.iii. is Implicit Transaction costs (introduced by RG97).

MLC MasterKey Allocated Pension Gold Star/MLC Term Allocated Pension

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	0.57%	2.63%	0.49%	0.05%	N/A	0.08%	3.82%
	\$50,000	0.57%	1.49%	0.49%	0.05%	N/A	0.08%	2.68%
	\$150,000	0.57%	1.38%	0.49%	0.05%	N/A	0.08%	2.57%
FY18	\$6,000	0.57%	2.63%	0.54%	0.04%	N/A	0.08%	3.86%
	\$50,000	0.57%	1.49%	0.54%	0.04%	N/A	0.08%	2.72%
	\$150,000	0.57%	1.38%	0.54%	0.04%	N/A	0.08%	2.61%
FY17	\$6,000	0.57%	2.63%	0.22% (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			3.42%
	\$50,000	0.57%	1.49%	0.22% (1)				2.28%
	\$150,000	0.57%	1.38%	0.22% (1)				2.17%

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

d.i. is Borrowing costs (introduced by RG97).

d.ii. is Property Operating costs (introduced by RG97).

d.iii. is Implicit Transaction costs (introduced by RG97).

MLC MasterKey Pension Five Star

FY*	Balance	a.	b.	c.	d.i.	d.ii.	d.iii.	e.
FY19	\$6,000	0.57%	2.63%	0.49%	0.05%	N/A	0.08%	3.82%
	\$50,000	0.57%	1.49%	0.49%	0.05%	N/A	0.08%	2.68%
	\$150,000	0.57%	1.38%	0.49%	0.05%	N/A	0.08%	2.57%
FY18	\$6,000	0.57%	2.63%	0.54%	0.04%	N/A	0.08%	3.86%
	\$50,000	0.57%	1.49%	0.54%	0.04%	N/A	0.08%	2.72%
	\$150,000	0.57%	1.38%	0.54%	0.04%	N/A	0.08%	2.61%
FY17	\$6,000	0.57%	3.29%	0.22% (1)	These costs were not required to be calculated and disclosed in the PDS at this time (1).			4.08%
	\$50,000	0.57%	2.15%	0.22% (1)				2.94%
	\$150,000	0.57%	2.04%	0.22% (1)				2.83%

*Financial Year (FY).

(1) – Additional fee and cost disclosure requirements implemented under ASIC Regulatory Guide 97 (RG97) changes were not in effect as at 30 June 2017.

d.i. is Borrowing costs (introduced by RG97).

d.ii. is Property Operating costs (introduced by RG97).

d.iii. is Implicit Transaction costs (introduced by RG97).

MLC Wrap Funds

MLC Wrap Funds, allow members to hold their investments via the MLC Wrap administration platform that enables each member to invest their superannuation assets in a wide range of Australian Registered Managed Investment Schemes (MISs), listed ASX securities and term deposits.

NULIS charges administration fees for these products. For transparency, other fees are charged by third parties who issue and manage the investments.

Series 2 Products

The table below provides the administration fee percentages that apply to MLC Wrap Funds Series 2 products for each of the account balance levels required by the question. The actual fee percentage for each member will depend on the product they are in and their investment choices.

NULIS notes that the average account balance for members of the MLCSF is over \$200,000.

Balance	FY*	Admin Fee %
\$6,000	FY19	6.31
	FY18	6.32
	FY17	6.32
	FY16	6.30
	FY15	12.55
\$50,000	FY19	0.81
	FY18	0.82
	FY17	0.82
	FY16	0.80
	FY15	1.55
\$150,000	FY19	0.56
	FY18	0.57
	FY17	0.57
	FY16	0.55
	FY15	0.65

*Financial Year (FY).

Other Products

The table below provides the administration fee percentages that apply to other MLC Wrap Funds products for each of the account balance levels required by the question. The actual fee percentage for each member will depend on the product they are in and their investment choices.

NULIS notes that the average account balance for members of the MLCSF is over \$200,000.

Balance	FY*	Admin Fee %
\$6,000	FY19	20.08
	FY18	20.07
	FY17	20.07
	FY16	20.05
	FY15	20.05
\$50,000	FY19	2.49
	FY18	2.47
	FY17	2.47
	FY16	2.45
	FY15	2.45
\$150,000	FY19	0.89
	FY18	0.87
	FY17	0.87
	FY16	0.85
	FY15	0.85
\$6,000	FY19	13.56
	FY18	13.55
	FY17	13.55
	FY16	13.53
	FY15	13.53
\$50,000	FY19	2.56
	FY18	2.55
	FY17	2.55
	FY16	2.53
	FY15	2.53
\$150,000	FY19	1.96
	FY18	1.95
	FY17	1.95
	FY16	1.93
	FY15	1.93
\$150,000	FY19	2.00
	FY18	1.99
	FY17	1.99
	FY16	1.97
	FY15	1.97
\$150,000	FY19	2.15
	FY18	2.14

Balance	FY*	Admin Fee %
	FY17	2.14
	FY16	2.12
	FY15	2.12
\$150,000	FY19	1.96
	FY18	1.94
	FY17	1.94
	FY16	1.93
	FY15	1.93
\$6,000	FY19	5.06
	FY18	5.05
	FY17	5.05
	FY16	5.03
	FY15	5.03
\$50,000	FY19	2.09
	FY18	2.07
	FY17	2.07
	FY16	2.05
	FY15	2.05
\$150,000	FY19	2.09
	FY18	2.07
	FY17	2.07
	FY16	2.05
	FY15	2.05

* Financial Year (FY).

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU42QW:

For the past five years:

- a. What was the total cost of all advertising and/or marketing?
- b. What was the total cost of all advertising and/or marketing per member?
- c. What was the total cost of all advertising per new (FY19) member?
- d. What was the total cost of all television advertising and/or marketing?
- e. What was the total cost of all radio advertising and/or marketing?
- f. What was the total cost of all print advertising and/or marketing?
- g. What was the total cost of all online advertising and/or marketing?
- h. How many in-house staff are employed in advertising and marketing roles?
- i. How much was spent on engaging external advertising and marketing consultants?
- j. Do you advertise and/or directly financial contribute to the New Daily?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

By way of context and background, MLC Wealth marketing expenses are shared by NULIS, other MLC Wealth businesses and in some cases the NAB group more broadly. In this model, marketing expenses attributed to NULIS are funded from fee revenue and are not additional costs to members.

All questions have been answered for the period that NULIS was the trustee of the funds.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- NULIS has been the trustee for the MLC Wrap Funds for the last five financial years.

The figures reported in the table below represent an estimate of the costs for NULIS, across the relevant period for this question. During the relevant period and notably in FY17 a number of the marketing expenses from which NULIS benefits were incurred by the NAB group and not charged to NULIS. In FY15 and for the majority of FY16 marketing expenses were also not charged to NULIS.

NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. All other functions, including marketing are provided by external service providers some of which are part of the NAB group and related parties to NULIS.

Question	FY19*	FY18*	FY17*	FY16*	FY15*
a.	\$5,846,540	\$7,974,969	\$830,835	\$198,355	N/A
b.	\$4.60	\$6.39	\$0.63	\$2.30	N/A
c.	\$26.17	N/A	N/A	N/A	N/A
d.	\$1,436,058	\$1,958,854	\$0	\$33,303	N/A
e.	\$421	\$575	\$0	\$662	N/A
f.	\$626,750	\$854,917	\$0	\$4,039	N/A
g.	\$318,220	\$434,068	\$224,240	\$5,272	N/A
h.	N/A	N/A	N/A	N/A	N/A
i.	\$1,215,424	\$1,657,898	\$114,250	\$39,304	N/A
j.	No	No	No	No	N/A

*The period reported on is the NULIS financial (FY) year 1 October to 30 September.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU43QW:

How much money have you spent on advertising on the following platforms in the past decade:

- a. Google?
- b. Facebook?
- c. Twitter?
- d. Instagram?
- e. A non-Google search engine?
- f. Any social media platform that is not mentioned in (b) – (d)?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

By way of context and background, MLC Wealth marketing expenses are shared by NULIS, other MLC Wealth businesses and in some cases the NAB group more broadly. In this model, marketing expenses attributed to NULIS are funded from fee revenue and are not additional costs to members.

All questions have been answered for the period that NULIS was the trustee of the funds.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- NULIS has been the trustee for the MLC Wrap Funds over the past decade.

The figures reported in the table below represent an estimate of the costs for NULIS, across the relevant period for this question. During the relevant period and notably in FY17 a number of the marketing expenses from which NULIS benefits were incurred by the NAB group and not charged to NULIS. In FY10 to FY15 and for the majority of FY16 marketing expenses were also not charged to NULIS.

As online usage grew over the period, so too did MLC Wealth’s investment in owned and paid online advertising and content including social media. MLC Wealth invested in Google Ad-words (Search Engine Marketing) during the period as it is a proven means of positioning MLC as a prospective wealth supplier to meet members’ retirement needs.

Question	FY19*	FY18*	FY17*	FY16*	FY15 to FY10*
a.	\$657,520	\$895,516	\$253,628	\$13,076	N/A
b.	\$0	\$0	\$0	\$0	N/A
c.	\$0	\$0	\$0	\$0	N/A
d.	\$0	\$0	\$0	\$0	N/A
e.	\$0	\$0	\$0	\$0	N/A
f.	\$19,727	\$26,907	\$0	\$0	N/A

*The period reported on is the NULIS financial year (FY) 1 October to 30 September.

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

NULIS

NU44QW:

Can you provide details if you have purchased the following over the past decade:

- a. Google advertisements
- b. Google search terms.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

By way of context and background, MLC Wealth marketing expenses are shared by NULIS, other MLC Wealth businesses and in some cases the NAB group more broadly. In this model, marketing expenses attributed to NULIS are funded from fee revenue and are not additional costs to members.

All questions have been answered for the period that NULIS was the trustee of the funds.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- NULIS has been the trustee for the MLC Wrap Funds over the past decade.

The figures reported in the table below represent an estimate of the costs for NULIS, across the relevant period for this question. During the relevant period and notably in FY17 a number of the marketing expenses from which NULIS benefits were incurred by the NAB group and not charged to NULIS. In FY10 to FY15 and for the majority of FY16 marketing expenses were also not charged to NULIS.

MLC Wealth’s investment in online advertising increased over the period reflecting increasing online usage behaviour. In this response, Google Advertising has been interpreted to mean online advertising including display and syndicated or commercial editorial content, as distinct from pure Google Ad-words (Search Engine Marketing).

Question	FY19*	FY18*	FY17*	FY16*	FY15 to FY10*
a.	\$318,220	\$434,068	\$224,240	\$5,272	N/A
b.	\$339,300	\$461,448	\$29,387	\$7,804	N/A

*The period reported on is the NULIS financial year (FY) 1 October to 30 September.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU46QW:

What percentage of the return on investment from your unlisted assets can be attributed to revaluations due to falling interest rates, and capital asset pricing model market yields used as the discount rate in discounted cash flow based valuations?

Answer:

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MSF

MSF does not hold unlisted assets directly. Unlisted asset investments are held through externally managed investment trusts. Each asset within these trusts are independently valued by the managers of these trusts. It is our understanding that the discount rate that is used in the independent valuation process is determined by consideration of a range of factors which would include among other things an assessment of interest rates.

MLC Wrap Funds

The unlisted assets consist of publicly offered registered Managed Investment Schemes (MISs) which are valued independently by the Responsible Entity (RE) of each MIS. NULIS does not value these assets.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU47QW:

How will the overall fund performance be affected if:

- a. The income return of unlisted assets declines?
- b. The fund can no longer purchase unlisted assets onshore?
- c. The fund can no longer purchase unlisted assets offshore?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

MSF

Income return makes up a large part of unlisted property and infrastructure assets' total return, which means overall fund performance could be adversely impacted if income return of unlisted assets decline. Many of our unlisted exposures are mature operational assets which can provide investors with a steady income stream. Asset-level revenue, where income is paid from, are often linked to inflationary increases by government regulation, contractual indexing or other factors that may exist due to the nature of the underlying business.

The majority of our unlisted asset investments that are in the process of deploying capital are through global diversified funds where the underlying managers are expected to assess the relative attractiveness of various regions and sectors to meet their stated return objectives. Our existing onshore funds, such as those in the property asset class, have well-established diversified portfolios of assets. The funds will raise capital when they look to purchase new assets.

MLC Wrap Funds

The funds enable members to invest across a large investment list of options, including unlisted registered Managed Investment Schemes (MISs), the majority of which are operated by entities unrelated to NULIS, listed securities and term deposits.

For the funds, the unlisted assets are all MISs which whilst not listed display similar characteristics to listed investments in that they are independently, regularly and frequently valued. NULIS notes that the context of this question does not appear to relate to the unlisted investments (Australian domiciled MISs) it holds, which are made available by Responsible Entities (REs).

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

NULIS

NU48QW:

How have you structured the fund to address the writing back of the increased investment capitalised future returns?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

MSF

While expected returns have been declining for unlisted assets, the same has also occurred for listed assets. Our investment process assesses the relative attractiveness of each asset class, including listed versus unlisted assets, by looking at factors such as valuations and fundamentals. We also maintain our preference for externally managed funds for our unlisted assets exposure rather than investing directly, where the underlying managers are expected to assess relative attractiveness of assets across regions and sectors.

MLC Wrap Funds

As the funds hold unlisted registered Managed Investment Schemes (MISs), the majority of which are operated by entities unrelated to NULIS, listed securities and term deposits, this question is not applicable.

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

NULIS

NU49QW:

What are the projected changes in income in light of the writing back of the increased investment capitalised future returns?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

MSF

For unlisted property and infrastructure assets, income is paid from portfolio company revenues which are expected to be relatively stable given the mature operational assets that we are exposed to. While income return is expected to remain stable in dollar terms, income yield or as a percentage of net asset value is expected to decline. Lower income yield is widespread across asset classes and as such, it is our view that the income yield on unlisted assets remains relatively attractive.

MLC Wrap Funds

As the funds hold unlisted registered Managed Investment Schemes (MISs), the majority of which are operated by entities unrelated to NULIS, listed securities and term deposits, this question is not applicable.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU50QW:

Valuation methodologies:

- a. Have you compared your valuation methodologies and assumptions for unlisted assets with other superannuation funds, and if so, what are the differences?
- b. Are you confident that your valuation methodologies and assumptions for unlisted assets reflect their value to the fund, and how often are they reviewed?
- c. How do you compare your valuations to listed investments, including, but not limited to, whether there is a cross check to stock prices for similar assets?
- d. Have you ever calculated whether there would be a difference between valuations if unlisted assets were listed?

Answer:

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MSF

NULIS values, holds and records its assets under the most currently available asset value, as per the NULIS Valuation and Unit Pricing Policy. This policy and the processes outlined below are consistent and compliant with the:

- Financial Services Council Standard 9.00 “Valuation of Scheme Assets and Liabilities”;
- Financial Services Council Standard No. 26 “Asset valuation and unit pricing for infrequently valued assets”;
- APRA Prudential Practice Guide SPG531 – Valuation; and
- joint ASIC and APRA guide RG94 ‘Unit Pricing Guide to Good Practice’.

Approximately 90% of MSF's assets are held at values sourced daily electronically with independent price discovery from listed markets (e.g. ASX for listed Australian equities) and other pricing sources (e.g. Bloomberg for fixed interest). The remaining unlisted assets which make up approximately 10% of the MSF's assets are invested by the MSF into external funds ('Funds') run by external specialist managers. These Funds provide the MSF with access to underlying portfolios of properties, unlisted infrastructure investments, hedge funds and private market companies. These Funds are held by NULIS at values based on independently and regularly provided valuations:

- Valuations are completed externally to NULIS by the managers of the Funds and their independent valuation agents (e.g. KPMG). Furthermore, each Fund is independently reviewed by its auditor to produce audited financials annually.
- Underlying assets within each of the Funds are valued in accordance with each manager's valuation policy, consistent with the relevant recognised (local, regional or international) standards and guidelines. Most of these unlisted assets originate from the United States and Europe, and the remainder are from Australia and Asia.
- Based on these underlying asset valuations, capital account statements for each Fund are provided at least quarterly by the respective Fund's manager. The updated valuation is reviewed by NULIS (or by its appointed service provider) to ensure significant changes are understood, that the Fund valuations are captured and recorded by the relevant custodian and ultimately reflected in the unit prices of MSF's investment options.

Records of supporting evidence upon which these valuations are based (i.e. extracts from the quarterly capital account statements) are maintained. Information at a more detailed investment specific level is commercially sensitive as it is subject to agreements with the Funds' respective managers that impose confidentiality conditions on NULIS' investments. Breaching these conditions without their prior consent would be detrimental to the interests of MSF's members by impairing future access to such Funds or forcing exit from existing Funds on unfavourable terms.

In light of the above context, NULIS provides the following answers to the specific questions:

- a. NULIS complies with FSC standard 9 "valuation of scheme assets and liabilities" along with the APRA guide to good practice. We do not directly compare our valuation methodologies with those of other providers as this is generally not disclosed information.
- b. Most of MSF's investments (in excess of 90%) would be daily priced based on a third-party market source and the price independently verified to benchmark data. Where an asset is unlisted we would receive independent valuation certificates for the asset value at least every 6 months and all unlisted investments are subject to third party audit annually.
- c. All assets are subject to verification to either a benchmark index or third-party audit review.
- d. NULIS as trustee has not compared the relative valuations of listed and unlisted investments that the fund has exposure to, noting that as outlined above all assets are subject to independent verification.

MLC Wrap Funds

The unlisted assets consist of publicly offered registered Managed Investment Schemes (MISs) which are valued independently by the Responsible Entity (RE) of each MIS. NULIS does not value these assets, however receives independent data from Morningstar and its custodian (Ausmaq) in relation to the unit prices and unit holdings in the MISs for the purpose of reflecting account values for members and fund accounts.

For the funds, the unlisted assets are all MISs which whilst not listed display similar characteristics to listed investments in that they are independently, regularly and frequently valued.

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

NULIS

NU51QW:

What is the current annual average return for your unlisted assets?

Answer:

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MSF

Performance and investment return monitoring is undertaken by NULIS at the member investment option level rather than at the total MSF level.

The MLC MySuper investment option is MSF's default investment option and its largest at around \$26 billion of assets. Data for the MLC MySuper investment option has been provided as a useful proxy for the returns achieved for members from unlisted investments. For this response unlisted investments includes private equity, unlisted property, unlisted infrastructure, alternatives assets and hedge funds.

On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF.

Information for MSF is hence reported for the last three financial years. The current average return for unlisted assets for MLC MySuper over 3 years (FY17 to FY19) is 9.6%.

MLC Wrap Funds

The investment list approved by NULIS includes over 380 unique unlisted MISs that a member may choose for their investments. The returns are published by each Responsible Entity (RE) for the MIS. As the objectives, strategies and asset mix of these MISs differ significantly, it is not meaningful to calculate an average return. For the funds, the unlisted assets are all MISs which whilst not listed display similar characteristics to listed investments in that they are independently, regularly and frequently valued.

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

NULIS

NU52QW:

Given the size of your large joint investments, why are they not listed for liquidity, valuation and public disclosure purposes?

Answer:

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MSF

MSF's unlisted asset investments are held through externally managed investment trusts. The selection and valuation of underlying assets within these trusts is managed by the managers of these trusts. The nature of the assets held by the managers is such that they are not listed on public exchanges. The managers would not be able to capture opportunities in such assets if they were limited to investing only in assets traded on listed exchanges. Furthermore, the acquisition of assets in private markets provides advantages in that managers can exercise ownership control and undertake value adding activities through their influence on the operations and active management of the assets, which would otherwise not be available in listed assets.

MLC Wrap Funds

The funds invest in publicly available registered Managed Investment Schemes (MISs), listed securities and term deposits based on the selection made by each member. All investments are generally liquid, except where the Responsible Entity has declared them illiquid (after consultation with ASIC), are independently valued and disclosure is made in accordance with the MISs Product Disclosure Statement (PDS).

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

NULIS

NU53QW:

- a. How many unlisted assets do you hold in the fund?
- b. What value share are unlisted assets of the fund's:
 - i. total value?
 - ii. total property value?

Answer:

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MSF

- a. As at 30 June 2019, the fund had exposure to 42 unlisted assets covering infrastructure, property, private equity and alternative assets.
- b. The value share as at 30 June 2019 of unlisted assets of the fund's:
 - i. total value was 11.1%

For question b.ii, as at 30 June 2019 the fund's exposure to unlisted property assets as a percentage of the fund's total exposure to unlisted assets was 29%.

MLC Wrap Funds

- a. The funds invest in approximately 380 unlisted registered Managed Investment Schemes (MISs)
- b. The value share of unlisted assets of the total fund value as at 30 June 2019 was as follows:
 - **MLCSF**: 76%
 - **DPMRS**: 51%
 - **PCRS**: 76%

Due to the nature of the funds' unlisted assets, it is not meaningful to calculate the value share to total property value.

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

NULIS

NU54QW:

Discount rates:

- a. For unlisted assets, do you use a consistent discount rate for income across all unlisted assets, or an asset-specific discount rate?
- b. What is the discount rate you apply to the income from unlisted assets, and has it changed over the past decade, and if so, when and why?

Answer:

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MSF

MSF's unlisted asset investments are held through externally managed investment trusts. Each asset within these trusts is independently valued by the manager of these trusts. As such, we are not involved in the asset's independent valuation process. The discount rate is determined in the independent valuation process by consideration of various factors. It has been our experience that the discount rate that is employed by the independent valuers will change through time.

MLC Wrap Funds

The unlisted assets consist of publicly offered registered Managed Investment Schemes (MISs) which are valued independently by the Responsible Entity (RE) of each MIS. NULIS does not value these assets.

For the funds, the unlisted assets are all MISs which whilst not listed display similar characteristics to listed investments in that they are independently, regularly and frequently valued.

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

NULIS

NU55QW:

Of the unlisted assets, how many have outperformed the average return on investments in superannuation over the past five years?

Answer:

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MSF

On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF.

Information for MSF is hence reported for the last three financial years.

Out of the 42 unlisted assets that MSF has exposure to, 30 have a three-year return, of which 21 (70%) exceeded the average return on investments in superannuation. The benchmark used as proxy for average return on investments in super is the Peer Median Balanced (60-76) net return sourced from SuperRatings. For transparency, the SuperRatings (and other industry benchmarks) returns are published net of product level fees, compared to our unlisted asset returns which are calculated gross of product level fees. Our analysis indicates that this difference does not have a material impact on the response.

MLC Wrap Funds

The investment list approved by NULIS includes over 380 MISs, which are unlisted. The returns are published by each Responsible Entity (RE) for the MIS. As the objectives, strategies and asset mix of these MISs differ significantly and a typical member may hold up to eight different MIS's, they are not individually measured against the average return for superannuation assets.

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

NULIS

NU56QW:

Have you completed any analysis about your capacity to continue to provide returns to fund members at the current, or past rate, into the future based on the valuations of your unlisted assets?

Answer:

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MSF

We have reviewed return and risk expectations across all asset classes in conjunction with our investment consultant JANA and do this analysis on a regular basis. While it is true that the forward-looking return expectations for unlisted assets are materially lower than the returns delivered by these assets over the past five years, this is not unique to unlisted assets. Falling interest rates, falling bond yields, and rising equity markets have meant that return expectations across all these asset classes is materially lower than past returns. With regard to valuations of unlisted assets, as highlighted in response to other questions, we do not hold unlisted assets directly ourselves, and valuation of these assets is undertaken by managers of the investment trusts of these assets.

MLC Wrap Funds

The unlisted assets consist of publicly offered registered Managed Investment Schemes (MISs) which are valued independently by the Responsible Entity (RE) of each MIS. NULIS does not value these assets.

For the funds, the unlisted assets are all MISs which whilst not listed display similar characteristics to listed investments in that they are independently, regularly and frequently valued.

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

NULIS

NU57QW:

Over the past decade:

- a. Have you ever devalued an unlisted asset?
- b. Have you ever devalued an unlisted asset by more than \$10 million?
- c. Have you ever devalued an unlisted asset by more than \$50 million?
- d. Have you ever devalued an unlisted asset by more than \$100 million?
- e. Please advise the companies and/or individual valuers that have valued your unlisted assets.

Answer:

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MSF

MSF's unlisted asset investments are through various externally managed investment trusts. The assets within these trusts are valued by independent valuers. The independent valuers are appointed by managers of the investment trusts, and as such, we do not have any input into the asset valuation process.

MLC Wrap Funds

The unlisted assets consist of publicly offered registered Managed Investment Schemes (MISs) which are valued independently by the Responsible Entity (RE) of each MIS. NULIS does not value these assets.

For the funds, the unlisted assets are all MISs which whilst not listed display similar characteristics to listed investments in that they are independently, regularly and frequently valued.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU58QW:

For each year of the past decade:

- How many superannuation customers do you have?
- How many financial planners do you have in total numbers, and as a superannuation customer to financial planner ratio?
- How many financial advisers do you have in total numbers, and as a superannuation customer to financial planner ratio?

Answer:

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All questions have been answered separately for each fund for the period that NULIS was the trustee.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- NULIS has been the trustee for the MLC Wrap Funds over the past decade.

Answer to Question a.

The number of superannuation customers for each fund is set out in the table below.

Fund	FY19*	FY18*	FY17*	FY16*	FY15*	FY14*	FY13*	FY12-10*
MSF	1,071,844	1,071,751	1,126,062	N/A	N/A	N/A	N/A	N/A
MLCSF	68,346	70,097	71,951	75,678	82,035	81,173	83,214	(1)
DPMRS	304	347	387	468	585	612	645	(1)
PCRS	1,828	1,988	2,199	2,396	2,498	2,502	2,552	(1)

*The period reported on is the funds' financial year (FY) 1 July to 30 June.

(1) Reporting of customers (members) has been provided for the FYs where reporting was provided in accordance with APRA Reporting Standards.

Answers to questions b. and c.

NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. All other functions including financial planning and financial advice are provided by external advice licensees, some of which are part of the NAB group and related parties to NULIS.

For transparency, NULIS:

- Engages external advice licensees, some of which are part of the NAB group and related parties to NULIS, to provide general, intra-fund/scaled advice to members. The cost of these services is paid for by NULIS out of fee revenue and are not additional costs to members.
- Deducts fees on behalf of members to allow them to pay for comprehensive advice provided by third party advice licensees, some of which are part of the NAB group and related parties to NULIS.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU59QW:

For each year of the past decade:

- a. How much is charged for financial planning annually to fund members, and what is the average per superannuation customer?
- b. How much is charged for financial planning annually to funds, and what is the average per superannuation customer?
- c. How much is charged for financial advice annually to fund members, and what is the average per superannuation customer?
- d. How much is charged for financial advice annually to funds, and what is the average per superannuation customer?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

NULIS does not charge fund members or funds for financial planning or financial advice. NULIS engages external advice licensees, some of which are part of the NAB group and related parties to NULIS, to provide general, intra-fund/scaled advice to members. The cost of these services is paid for by NULIS out of fee revenue and are not additional costs to members.

For transparency, NULIS deducts fees on behalf of members to allow them to pay for comprehensive advice provided by third party advice licensees, some of which are part of the NAB group and related parties to NULIS.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU60QW:

For each year of the past decade:

- a. What is the cost of general advice annually, and what is the average per superannuation customer?
- b. What are the aggregate value of bonuses provided for general advice, and what is the average per adviser?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

All questions have been answered for the period that NULIS was the trustee of the funds.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- The answers provided are for MSF as the general advice services are provided predominately to members of the MSF.

NULIS engages external service providers, some of which are part of the NAB group and related parties to NULIS, to provide general advice to members. The cost of these services is paid for by NULIS out of fee revenue and are not additional costs to members. NULIS does not directly employ financial advisers and hence no bonuses are paid by NULIS.

The figures reported in the table below represent an estimate of the costs for NULIS across the relevant period for this question.

Question	FY19*	FY18*	FY17*	FY16 – FY10*
a.(cost)	\$11,081,977	\$9,904,448	\$9,220,650	N/A
a.(customer)	\$10.34	\$9.24	\$8.19	N/A

*The period reported on is NULISs' financial year (FY) 1 October to 30 September

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU61QW:

For each year of the past decade:

- a. What is the cost of scaled advice annually, and what is the average per superannuation customer?
- b. What are the aggregate value of bonuses provided for scaled advice, and what is the average per adviser?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

For NULIS scaled advice is the same as intra-fund advice. Please refer to the answer for question **NU63QW**.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU62QW:

For each year of the past decade:

- a. What is the cost of comprehensive advice annually, and what is the average per superannuation customer?
- b. What are the aggregate value of bonuses provided for comprehensive advice, and what is the average per adviser?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

NULIS has not provided comprehensive advice over the past decade. For transparency, NULIS deducts fees on behalf of members to allow them to pay for comprehensive advice provided by third party advice licensees, some of which are part of the NAB group and related parties to NULIS.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU63QW:

For each year of the past decade:

- a. What is the cost of intra-fund advice annually, and what is the average per superannuation customer?
- b. What are the aggregate value of bonuses provided for intra-fund advice, and what is the average per adviser?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

All questions have been answered for the period that NULIS was the trustee of the funds.

- On 9 May 2016, the MSF was established with NULIS as its trustee. On 1 July 2016, the superannuation interests of the members of The Universal Super Scheme (TUSS), Plum Superannuation Fund (PSF), the BHP Billiton Superannuation Fund (BHP), the Worsley Alumina Superannuation Fund (Worsley) and the National Australia Bank Group Superannuation Fund A (NABGSF) were transferred by way of Successor Fund Transfer into the MSF. Information for MSF is hence reported for the last three financial years.
- The answers provided are for MSF as the intra-fund advice services are provided to members of the MSF.

NULIS engages an external advice licensee who is are part of the NAB group and a related party to NULIS to provide intra-fund advice via online digital tools to members. The cost of these services is paid for by NULIS out of fee revenue and are not additional costs to members. NULIS does not directly employ financial advisers and hence no bonuses are paid by NULIS.

The figures reported in the table below represent an estimate of the costs for NULIS across the relevant period for this question.

Question	FY19*	FY18*	FY17*	FY16 – FY10*
a.(cost)	\$2,807,914	\$1,140,605	\$1,177,845	N/A
a.(customer)	\$2.62	\$1.06	\$1.05	N/A

*The period reported on is NULISs' financial year (FY) 1 October to 30 September.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU64QW:

How many employees does the fund have?

Answer:

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NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. The answer to this question relates to the OTT. All other functions are provided by external service providers, some of which are part of the NAB group and related parties to NULIS.

As at 30 September 2019, there were 10 employees and 2 contractors.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU65QW:

How do you define employee misconduct?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

NULIS aligns to the NAB Group. At NAB, the expectation is that all employees behave in a professional manner that fosters trust, confidence and goodwill in our customers, colleagues, competitors, suppliers, shareholders, regulators and the wider community.

Employee misconduct is considered any circumstance where an employee's conduct falls short of our expected standards, which are set out in our Code of Conduct and other NAB policies and procedures.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU66QW:

Over the past five years:

- a. How many employees have been cautioned for misconduct?
- b. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct?
- c. How many employees have been terminated for misconduct?
- d. How many employees have been cautioned for misconduct, as a share of all employees over that timeframe?
- e. How many employees have had a penalty (such as, but not limited to, loss of bonus) for misconduct, as a share of all employees over that timeframe?
- f. How many employees have been terminated for misconduct, as a share of all employees over that timeframe?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. The answer to this question relates to the OTT. All other functions are provided by external service providers, some of which are part of the NAB group and related parties to NULIS.

- a. Between the period FY15-FY19, no employees were cautioned for misconduct.
- b. Between the period FY15-FY19, no employees received a financial penalty, such as loss of bonus or forfeiture of equity as a result of misconduct.
- c. Between the period FY15-FY19, no employees exited the business as a result of misconduct.
- d. Between the period FY15-FY19, no employees were cautioned for misconduct.
- e. Between the period FY15-FY19, no employees received a financial penalty as a result of misconduct.
- f. Between the period FY15-FY19, no employees exited the business as a result of misconduct.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU67QW: Of the twenty highest remunerated employees over the past decade, please provide the number whose total remuneration in a financial year (including all forms of remuneration, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. The answer to this question relates to the OTT. All other functions are provided by external service providers, some of which are part of the NAB group and related parties to NULIS.

Total remuneration package value	Number (ie 1 employee)
<\$1,000,000	20
\$1,000,001 - \$2,000,000	
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	
\$25,000,001 - \$30,000,000	

\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU68QW: Of the twenty highest incentive bonuses paid over the past decade, please provide the number that fall within these brackets?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. The answer to this question relates to the OTT. All other functions are provided by external service providers, some of which are part of the NAB group and related parties to NULIS.

NULIS considers that all bonuses have a performance element. Accordingly, NULIS has completed NU68QW, which considers all variable reward.

Total incentive bonuses value	Number (ie 1 employee)
<\$1,000,000	20
\$1,000,001 - \$2,000,000	
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	

\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU69QW: Of the twenty highest performance bonuses paid over the past decade, please provide the number that fall within these brackets?

Answer:

Please refer to response in NU68QW.

Total performance bonuses value	Number (ie 1 employee)
<\$1,000,000	
\$1,000,001 - \$2,000,000	
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	
\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU70QW: Of the twenty highest severance packages over the past decade, please provide the number whose total package (including all forms of accumulated severance package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. The answer to this question relates to the OTT. All other functions are provided by external service providers, some of which are part of the NAB group and related parties to NULIS.

NULIS considers “severance packages” and “termination payments” to be in the same category of payment types. Please refer to NU71QW; NULIS’s data on termination payments.

No severance packages were paid.

Total severance package value	Number (ie 1 employee)
<\$1,000,000	
\$1,000,001 - \$2,000,000	
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	

\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	
\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU71QW: Of the twenty highest termination payments over the past decade, please provide the number whose total package (including all forms of accumulated termination package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. The answer to this question relates to the OTT. All other functions are provided by external service providers, some of which are part of the NAB group and related parties to NULIS.

Total termination package value	Number (ie 1 employee)
<\$1,000,000	1
\$1,000,001 - \$2,000,000	
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	

\$25,000,001 - \$30,000,000	
\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU72QW: Of the twenty highest redundancy payments over the past decade, please provide the number whose total package (including all forms of accumulated redundancy package, including but not limited to, base salary, regularized and deferred bonuses and incentives including, but not limited to, shares) falls within these brackets?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (**NULIS**) as the Registrable Superannuation Entity (**RSE**) licensee for the MLC Super Fund (**MSF**). It is also the RSE licensee for the MLC Superannuation Fund (**MLCSF**), the DPM Retirement Service (**DPMRS**), and the PremiumChoice Retirement Service (**PCRS**) (collectively the **MLC Wrap Funds**).

NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. The answer to this question relates to the OTT. All other functions are provided by external service providers, some of which are part of the NAB group and related parties to NULIS.

Total redundancy package value	Number (ie 1 employee)
<\$1,000,000	2
\$1,000,001 - \$2,000,000	
\$2,000,001 - \$3,000,000	
\$3,000,001 - \$4,000,000	
\$4,000,001 - \$5,000,000	
\$5,000,001 - \$6,000,000	
\$6,000,001 - \$7,000,000	
\$7,000,001 - \$8,000,000	
\$8,000,001 - \$9,000,000	
\$9,000,001 - \$10,000,000	
\$10,000,001 - \$11,000,000	
\$11,000,001 - \$12,000,000	
\$12,000,001 - \$13,000,000	
\$13,000,001 - \$14,000,000	
\$14,000,001 - \$15,000,000	
\$15,000,001 - \$16,000,000	
\$16,000,001 - \$17,000,000	
\$17,000,001 - \$18,000,000	
\$18,000,001 - \$19,000,000	
\$19,000,001 - \$20,000,000	
\$20,000,001 - \$25,000,000	
\$25,000,001 - \$30,000,000	

\$30,000,001 - \$35,000,000	
\$35,000,001 - \$40,000,000	
\$40,000,001 - \$45,000,000	
\$45,000,001 - \$50,000,000	
>\$50,000,000	