

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU160QW:

In dollar terms, how much advertising space did your fund book (directly or indirectly through a broker or agent) in the second half of 2020 that was unused on:

- a. radio?
- b. television?
- c. print?

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), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

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

There was no unused advertising space in radio, television or print.

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

NULIS

NU161QW:

In minutes, how much advertising space did your fund book (directly or indirectly through a broker or agent) in the second half of 2020 that was unused on:

- a. radio?
- b. television?
- c. print?

Answer:

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

There was no unused advertising space in radio, television or print.

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

NULIS

NU162QW:

Please complete the table for the last five financial years outlining your financial contribution to Industry Super Australia

Financial year	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Contribution (\$)					

Answer:

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NULIS has not made financial contributions to Industry Super Australia.

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NULIS

NU163QW:

What is your current policy on whether your funds are permitted to invest in:

- a. residential property?
- b. Build-to-Rent housing?
- c. social housing?

Answer:

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MSF

The investment policy does not treat these types of housing as specific sub-asset classes and the MSF does not hold direct Australian property investments of this nature.

MLC Wrap Funds

MLC Wrap Funds offer members the ability to invest in products that may include listed and unlisted property trusts or listed investment companies, which could invest in residential, commercial or industrial properties or property development. Third party entities are responsible for managing these investments in accordance with their investment policies. In these cases NULIS does not have a direct role in making the relevant investment decisions and does not own property directly for these funds.

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

NULIS

NU164QW:

What data do you have on the home ownership rates of fund members?

Answer:

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NULIS does not have any information on the home ownership rates of members.

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

NULIS

NU165QW:

Have you ever:

- a. completed *internal* research that includes retirement outcomes for fund members who own their home in retirement, compared to those who do not?
- b. commissioned *external* research that includes retirement outcomes for fund members who own their home in retirement, compared to those who do not?

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), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

NULIS has not completed any *internal* research that includes retirement outcomes for fund members who own their home in retirement, compared to those who do not.

NULIS has not commissioned any *external* research that includes retirement outcomes for fund members who own their home in retirement, compared to those who do not.

To provide full transparency MLC Wealth Limited partnered with Milliman to research and better understand the pre-retiree/retiree segment's behaviour and the choices retirees make about home ownership, the costs of home ownership for renters vs mortgagees in retirement and the main things retirees spend their super lump sum on.

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NULIS

NU166QW:

For the last five financial years, please complete the table for the average return on all your investments.

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 and the question has been answered from inception of the MSF.
- NULIS has been the trustee for the MLC Wrap Funds for the last five financial years.

MSF

MLC Super Fund

Financial Year	2016	2017	2018	2019	2020
Average return (%)*	1.68%	10.44%	8.65%	7.43%	-2.16%

- * The average returns provided in the above table represent the average return at the Fund level and does not represent the investment return for any investment option offered to the member by the MLC Super Fund. The average return is calculated based on the percentage mix of debt and equity assets held by the MLC Super Fund which is determined by the member's investment in Default and Choice investment options offered. A higher percentage exposure to equity provides the ability to achieve higher investment returns but attracts a higher level of investment risk.

MLC Wrap Funds

MLC Superannuation Fund

Financial Year	2016	2017	2018	2019	2020
Average return (%)**	1.34%	8.38%	7.71%	6.88%	-2.84%

DPM Retirement Service

Financial Year	2016	2017	2018	2019	2020
Average return (%)**	2.01%	8.38%	7.53%	7.81%	-4.75%

PremiumChoice Retirement Service

Financial Year	2016	2017	2018	2019	2020
Average return (%)**	2.02%	8.07%	8.94%	7.31%	-1.35%

** The average returns provided in the above tables represent the average return at the Fund level and does not represent the investment return for any Managed Investment Fund or any other asset offered to the member by the MLC Wrap Funds. The average return is calculated based on the FUM weighted investment performance of member directed assets invested in Managed Investment Funds and other assets offered to members by the MLC Wrap Funds.

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NULIS

NU167QW:

For the last five financial years, please complete the table for investments across all your funds in all forms of residential property:

- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment.

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 and the question has been answered from inception of the MSF.
- NULIS has been the trustee for the MLC Wrap Funds for the last five financial years.

MSF

MSF has not held direct Australian property investments of this nature during the last five financial years.

MLC Wrap Funds

MLC Wrap Funds offer members the ability to invest in products that may include listed and unlisted property trusts or listed investment companies, which could invest in residential, commercial or industrial properties or property development. Third party entities are responsible for managing these investments in accordance with their investment policies. In these cases NULIS does not have a direct role in making the relevant investment decisions and does not own property directly for these funds.

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NULIS

NU168QW:

For the last five financial years, please complete the table for investments across all your funds in Build-to-Rent property:

- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment.

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 and the question has been answered from inception of the MSF.
- NULIS has been the trustee for the MLC Wrap Funds for the last five financial years.

MSF

MSF has not held direct Australian property investments of this nature during the last five financial years.

MLC Wrap Funds

MLC Wrap Funds offer members the ability to invest in products that may include listed and unlisted property trusts or listed investment companies, which could invest in residential, commercial or industrial properties or property development. Third party entities are responsible for managing these investments in accordance with their investment policies. In these cases NULIS does not have a direct role in making the relevant investment decisions and does not own property directly for these funds.

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NULIS

NU169QW:

For the last five financial years, please complete the table for investments across all your funds in social housing property:

- a. in nominal value
- b. as a share of your total portfolio
- c. the average return on investment.

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 and the question has been answered from inception of the MSF.
- NULIS has been the trustee for the MLC Wrap Funds for the last five financial years.

MSF

MSF has not held direct Australian property investments of this nature during the last five financial years.

MLC Wrap Funds

MLC Wrap Funds offer members the ability to invest in products that may include listed and unlisted property trusts or listed investment companies, which could invest in residential, commercial or industrial properties or property development. Third party entities are responsible for managing these investments in accordance with their investment policies. In these cases, NULIS does not have a direct role in making the relevant investment decisions and does not own property directly for these funds.

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NULIS

NU170QW:

Please outline your policy on:

- a. Fund members using their superannuation fund for a deposit to buy their first home.
- b. Retirees using their superannuation to:
 - i. renovate their home
 - ii. pay rent.

Answer:

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a.

NULIS meets its regulatory obligations to pay monies from the Fund in accordance with the conditions of release as described in Schedule 1 of the SIS Regulations. This includes transferring money to the ATO in response to a First Home Super Saver Scheme Release Authority issued to us by the Taxation Commissioner.

Current regulations do not otherwise permit members to access preserved superannuation benefits as a deposit to buy their first home

b.

NULIS does not have a policy on how retirees should use their superannuation benefits after they have been paid to them from their fund.

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NULIS

NU171QW:

Within your fund, what percentage of retirees in each of the last five financial years used their superannuation to:

- a. renovate their home?
- b. clear their remaining mortgage?

Answer:

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NULIS does not have any information about how retirees use their superannuation benefits after they are paid to them from the fund.

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NULIS

NU172QW:

Insurance premiums

- a. Have you ever deducted insurance premiums from fund members for insurance policies that they are not covered by?
- b. Have you ever completed an audit to identify if insurance premiums have been deducted from fund members for insurance policies that they are not covered by?

Answer:

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The questions have been answered from 2009 onwards.

a.

There have been circumstances identified where members were charged premiums for policies where they were not eligible to claim. When these cases have been identified, the members have been remediated, and steps taken to ensure the circumstance does not occur going forward for other members.

b.

MLC Wealth as the service provider for NULIS has completed reviews to identify if insurance premiums have been deducted from fund members for insurance policies that they are not covered by.

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NULIS

NU173QW:

Material distributed to members

- a. Have you ever distributed materials to members that state and/or suggest that:
- i. members have coverage under insurance policies that they do not have?
 - ii. members are required to keep a minimum balance in their superannuation fund?
 - iii. their employer may be unwilling to contribute to another superannuation fund?
 - iv. members require a statement of any kind from their employer to move away from your fund?
- b. Have you ever completed an **audit** of materials distributed to members that state and/or suggest that members have coverage under insurance policies that they do not have?
- c. Have you ever completed an **audit** to establish whether you have distributed materials to members that state and/or suggest that:
- i. they are required to keep a minimum balance in their superannuation fund?
 - ii. their employer may be unwilling to contribute to another superannuation fund?
 - iii. they require a statement of any kind from their employer to move away from your fund?

Answer:

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The questions have been answered from 2009 onwards.

- a.
- I. There have been circumstances identified where members were provided with inaccurate materials as related to their insurance coverage. When these cases have been identified, the members have been informed of the correct information and remediated where the inaccuracy has had the potential to cause an adverse financial impact. Steps have also been taken to ensure the circumstance does not occur going forward for other members.
 - II. There are products that have minimum balance requirements to maintain the product - these requirements have been disclosed within the applicable Product Disclosure Statement.
 - III. NULIS has not distributed materials to members advising that their Employer may be unwilling to contribute to another superannuation fund.
 - IV. NULIS has not distributed materials to members requiring a statement of any kind from their employer to move away from the fund.

b.

MLC Wealth as the service provider for NULIS has completed reviews of materials distributed to members to identify if statements have been made that state or suggest members have coverage under insurance policies that they do not have.

c.

NULIS has not undertaken an audit to validate that there are not cases where members received communications in the circumstances outlined in i, ii or iii.