

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS REVIEW
OF THE FOUR MAJOR BANKS & OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR
RESPONSES TO QUESTIONS IN WRITING**

NULIS Nominees (Australia) Limited

NU19QW

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

Answer:

NULIS benchmarks many of the services and costs of the arrangements that are included as indirect costs of investments or of the Fund.

NULIS regularly reviews the investment performance of the directly managed investment options of the MLC Super Fund, which considers net performance after the application of indirect costs. It does so against competitors, having regard to relevant differences in the products and services supplied and the pricing of those products and services in effect at the time at which the member joined the Fund.

In examining and considering the competitiveness of its products, NULIS has regard to a number of policies, frameworks and operating procedures it has established. The process involves a detailed competitor analysis and a consideration of market conditions, member outcomes, industry trends, strategic objectives of the Fund and risk appetite settings, as well as the outcome of product reviews and existing sustainability and legacy trade-up strategies that are in place for certain closed products. This process informs the future strategic direction of NULIS' product offerings.

NULIS' process for assessing the competitiveness of investment returns involves active monitoring by NULIS' investment advisers and consideration on a quarterly basis by the Fund's investment committees by reference to competitors' performance and/or benchmarks. Anomalies in investment performance may indicate variation in indirect costs and NULIS or its investment advisers may conduct further investigation.