

**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**

**NU9QW:** Details of each individual asset currently held at a value other than available listed market prices (an unlisted asset) partly owned by the fund or funds under your control, including:

- a. The asset name and location.
- b. The frequency of the revaluation of the asset.
- c. The most recent valuation.
- d. A copy of that valuation.
- e. The methodology used for its valuation.
- f. Whether the valuation was completed internally or externally.
- g. The details of any external party involved in the valuation.

**Answer:**

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

NULIS confirms it does not have control over any of the unlisted assets detailed below but does have a part-ownership interest.

**MLC Super Fund**

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 MLC Super Fund’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 MLC Super Fund’s assets are invested by the MLC Super Fund into external funds (**Funds**) run by external specialist managers. These Funds provide the MLC Super Fund 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 MLC Super Fund'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 MLC Super Fund's members by impairing future access to such Funds or forcing exit from existing Funds on unfavourable terms.

### **MLC Wrap Funds**

The MLC Wrap Funds enable members to invest across a large menu of options, including unlisted registered managed investment schemes (**MIS**) (the majority operated by unrelated entities), listed securities and term deposits.

Listed assets are held at values sourced electronically daily with independent price discovery from listed markets (e.g. ASX for listed Australian equities).

The unlisted assets are invested by the MLC Wrap Funds into external MIS which provide members with access to the underlying capabilities of a wide range of investment managers (related and unrelated). These MIS are held by NULIS at values based on independently and regularly provided valuations:

- Valuations are completed externally to NULIS by the Responsible Entity of each MIS. Furthermore, each MIS is independently reviewed by its auditor to produce audited financials annually.
- Underlying assets within each MIS are valued in accordance with each Responsible Entity's valuation policy, consistent with the relevant recognised (local, regional or international) standards and guidelines to produce unit prices.

- The MIS unit prices are captured and recorded by the relevant custodian for NULIS and are reflected in the valuation of each member's account.

Attachment NU9.1QW outlines the names of each unlisted MIS (and distinguishing APIR code as recorded by the scheme's manager) available to members of the MLC Wrap Funds. It also details of the frequency of unit pricing of each MIS, and the latest unit price can be readily sourced from Morningstar.