

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS (FOURTH REPORT)**

National Australia Bank (NAB)

NAB11QW:

In August 2018 it was reported that MLC was charging double the fees for products held in super funds relative to its direct access products. Have the trustees of MLC's super funds failed in their obligation to prioritise the interests of their members by over charging fees for external funds?

Answer:

No, the trustee of MLC's super funds (NULIS) has not failed to prioritise members' interests with respect to the charging of fees for external funds.

We understand the August report refers to the MasterKey suite of products. These products provide a range of investment options which provide an appropriate level of choice, including internally and externally managed funds.

Where a member chooses internally managed funds there is scale and value generated that benefits those members. This benefit is not available when members choose externally managed funds. Product pricing, including administration and investment fees, are set having regard to the total economics associated with offering the product, which includes the additional costs incurred with offering externally managed wholesale funds and the associated investment margin.