

MLC Wrap super and pension products

2023 Your Future Your Super – Performance Test outcomes

This flyer is to notify you of the 2023 annual performance test outcomes.

Annual Performance Test

The performance test has been introduced by the Australian Government and is intended to hold trustees accountable for performance of investment options offered to members.

For 2023, the test has compared the returns of selected investment options held within your super product (after your super fund deducts fees) with the returns of a comparable product, over a period of up to 9 years¹ to 30 June 2023.

It is important to note that the test is an assessment of an investment option over the full period and is based on a standard set of investment benchmarks, account balance (\$50,000) and fee parameters (generally the highest fee applicable for any member). As a consequence, it may not be a measure of your individual experience with the investment option or your overall portfolio if you hold multiple concurrent investment options.

The test started on 1 July 2021 for default investment options known as MySuper, and for 2023 has been extended by the Government to include “trustee-directed products” (TDPs). A limited range of the investment options available to members through MLC Wrap and Navigator Super Series 2 (and associated badges²) in the MLC Superannuation Fund are classified as TDPs and have therefore been included in the 2023 test.

What is a TDP? TDPs are investment options with allocations to more than one asset class where the trustee (or a related entity) has control over the design or implementation of the investment strategy.

In the case of MLC Wrap, MLC Navigator and associated badges, TDPs are those investment options offered and/or managed by related entities of the trustee, being MLC Investments Limited, Navigator Australia Limited, IOOF Investment Services Limited and OnePath Funds Management Limited.

If a TDP fails the performance test in one year, the trustee is required to notify members that have invested in that TDP. If the TDP fails the performance test two years in a row, in addition to notifying affected members, the trustee will not be allowed to offer the TDP to new members until a future test is passed, although members that hold those TDPs will be allowed to continue to hold and invest future monies in the option.

Note that this is the first year the performance test has applied to TDPs. The Government requires us to notify you that several TDPs have not passed the annual performance test for the first year. If you were invested in any of the TDPs, you'll receive a letter about this by 27 September 2023.

If you hold a TDP that has failed the 2023 performance test, what should you do?

If you hold a TDP that has failed the performance test, you could potentially benefit from switching into a better performing product. Your money will stay in the TDP unless you move it.

However, as mentioned above it is important to understand that the outcome of the test may not be a measure of your individual experience with the investment option or your overall portfolio if you hold multiple concurrent investment options. It is also important to understand that:

- There may be costs in moving your monies held to another investment option or super product, including tax on capital gains or transaction costs (including buy/sell margins);
- The outcome of the performance test is based on standard fee parameters, which may be higher than the actual fees you pay. The administration fee applicable to you may be lower if your account balance is higher than \$50,000 or you access the investment option via the Core Investment List;
- You may lose benefits that cannot be replaced if you move to another super product, such as loss of insurance or fee discounts that apply to a family group that you're part of; and
- Investments can go up and down. Past performance is not necessarily indicative of future performance.

¹ The performance assessment period will be less than 9 years if the TDP hasn't been available through the super fund for that long. If the TDP has been available for less than 6 years, it will generally not be tested.

² The badges include all super products mentioned in the table below titled “Super products included in the test”, excluding MLC Wrap Super and MLC Navigator Retirement Plan.

Before acting on the performance test result, you should consider your personal situation, objectives and needs. We suggest you speak to your financial adviser who can assist you in determining any action you should or could take. You can also call us on 132 652 between 8am to 6pm (AEST/AEDT) Monday to Friday for information about your account.

What are the outcomes of the 2023 performance test?

Super products included in the test	
Products	Super and pension ³ services for: <ul style="list-style-type: none"> • MLC Wrap Super Series 2 • MLC Navigator Retirement Plan Series 2 • blueprint Retirement Plan Series 2 • Enevida Platinum Retirement Management Solution Series 2 • FC ONE Retirement Builder Series 2 • Portfoliofocus - Premium Retirement Service Series 2 • St Andrew's Retirement Plan Series 2
Trustee	<ul style="list-style-type: none"> • NULIS Nominees (Australia) Limited ABN 80 008 515 633 AFSL 236465
Superannuation fund	<ul style="list-style-type: none"> • MLC Superannuation Fund ABN 40 022 701 955

Investment options held by members	
Total investment options held by members ⁴	536
TDPs included in the 2023 performance test	32
- TDPs that passed the 2023 performance test	15
- TDPs that failed the 2023 performance test (refer to list below)	17

TDPs that have failed the performance test		
NUN0033AU	Access Pre Select Growth	Option closed to new members
MLC0023AU	MLC MasterKey Unit Trust Horizon 4 - Balanced	Option closed to new members
MLC0024AU	MLC MasterKey Unit Trust Horizon 5 - Growth	Option closed to new members
MLC0839AU	MLC Wholesale Diversified Debt Fund	
MLC0670AU	MLC Wholesale Horizon 2 Income Portfolio	
MLC0398AU	MLC Wholesale Horizon 3 Conservative Growth Portfolio	
MLC0667AU	MLC Wholesale Inflation Plus - Assertive Portfolio	
AJF0003AU	OnePath Multi Asset Income Trust	Option closed to new members
AJF0802AU	OnePath Wholesale Balanced Trust	Option closed to new members
MMF0342AU	OnePath Wholesale High Growth Trust	Option closed to new members
MMF0115AU	OnePath Wholesale Managed Growth Trust	Option closed to new members
MLC0775AU	PIC Wholesale 30/70 Portfolio	Option not available to all members
MLC0776AU	PIC Wholesale 50/50 Portfolio	Option not available to all members
MLC0777AU	PIC Wholesale 70/30 Portfolio	Option not available to all members
MLC0840AU	PIC Wholesale Diversified Debt Fund	Option not available to all members
MLC0782AU	PIC Wholesale Inflation Plus - Assertive Portfolio	Option not available to all members
MLC0923AU	PIC Wholesale Inflation Plus - Moderate Portfolio	Option not available to all members

³ Only TDPs within transition to retirement (TTR) pensions are in scope. Retirement pensions are excluded.

⁴ Across all super and pension products under the MLC Superannuation Fund, DPM Retirement Service and PremiumChoice Retirement Service as of 30 June 2023.

This information has been prepared by NULIS Nominees (Australia) Limited ABN 80 008 515 633, AFSL 236465 (NULIS), as trustee of the MLC Superannuation Fund ABN 40 022 701 955. NULIS is part of the Insignia Financial Group of companies comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group). This information is general in nature and does not take into account your objectives, financial situation and needs. Before acting on any of this information you should consider its appropriateness, having regard to your objectives, financial situation and needs. You should consider obtaining financial advice before making any financial decisions based on this information. It is recommended that you consider the relevant Product Disclosure Statement (PDS) before you make any decisions about your superannuation. You can obtain the latest copy of the PDS (or other disclosure documents) and Target Market Determination by calling us on 132 652 or by searching for the applicable product at mlc.com.au.