



# **MLC Super fund**

**ABN 70 732 426 024**

**Annual Financial Report  
For the year ended 30 June 2024**

# MLC Super Fund Annual Financial Report

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## Directors' report

The Directors of NULIS Nominees (Australia) Limited (NULIS) ABN 80 008 515 633 (the 'Trustee'), as Trustee for the MLC Super Fund (the 'Fund'), submit here with the annual financial report of the Fund for the financial year ended 30 June 2024. In order to comply with the provisions of the *Corporations Act 2001*, the Directors of the Trustee report as follows:

### Principal activities

The MLC Super Fund is a superannuation fund that provides both defined contribution and defined benefit accounts to members. The Fund is closed to new defined benefit entrants. The Fund is operated for the purpose of providing superannuation services to members. The Fund was constituted by a Trust Deed dated 9 May 2016, as amended. It is domiciled in Australia and the address of the registered office is 30 The Bond, Level 3, 30 Hickson Road, Millers Point, NSW 2000.

In accordance with the amendments to the Superannuation Industry (Supervision) Act 1993, the Fund is registered with the Australian Prudential Regulation Authority (APRA) as a Registrable Superannuation Entity (RSE) (registration number R1077223).

### Directors

The Directors during the period were:

Directors	Date Appointed / Retired	Position
Lindsay Smartt	08 September 2021	Independent Non-Executive Director, Chair
Beth McConnell	04 December 2019	Independent Non-Executive Director
Steven Schubert	04 December 2019	Independent Non-Executive Director
Karen Gibson	17 March 2022	Independent Non-Executive Director
Mario Pirone	03 October 2023	Independent Non-Executive Director
Marianne Perkovic	03 October 2023	Independent Non-Executive Director
Jane Harvey	Appointed 17 March 2022 Retired 15 December 2023	Independent Non-Executive Director

### Review of operations

During the financial year, the net assets available for member benefits of the Fund was \$86,726m (2023: \$81,547m) with the increase being driven by positive market movements throughout the year. The Fund recorded total revenue of \$8,900m (2023: \$6,933m) and total expenses of \$506m (2023: \$471m).

### Significant events

- Licence conditions

In November 2022, APRA imposed additional licence conditions on NULIS. These conditions included:

- Enhancement of the Trustee's governance in relation to member outcomes, oversight of service providers, risk, compliance and managing conflicts of interest;
- Appointment of an independent expert to examine the operational effectiveness of the Trustee's governance, accountability and risk management frameworks and practices; and
- Rectification of areas of concern with input from the independent expert.

## Directors' report (continued)

The Trustee is working with Insignia Financial Ltd and its subsidiaries (collectively referred to as the IFL Group) to satisfactorily address all the Licence Conditions and to rectify any and all areas of concern identified by the independent expert. A Rectification Action Plan to address these additional licence conditions was formally approved by APRA on 22 November 2023.

Aside from the above there are no other matters to note.

### Significant changes in state of affairs

In the opinion of the Trustee, there was no other significant change in the state of affairs of the Fund during the financial year.

### Events subsequent to balance date

In August 2024, Chair Lindsay Smartt announced that he will be stepping down from the RSEL Board. Danielle Press will be appointed as a Non-Executive Director on 19 September 2024 and will officially take on the position of Chair in November 2024.

Aside from the above there are no other matters to note.

### Likely developments

There are no likely developments to report except as may be stated elsewhere in this report or in the financial statements. Further information has not been included in this report to avoid the disclosure of information that may result in unreasonable prejudice to the Fund.

### Environmental regulations

The operations of the Fund are not subject to any significant environmental regulation under Commonwealth, State or Territory law.

Environmental, social and governance ("ESG") risks can have a material impact on the Fund's ability to deliver sustainable long-term outcomes for the members and the community. To ensure the Fund fulfils its purpose the IFL Group considers a broad range of ESG considerations. To help guide its responsible investment practice, the IFL Group has become a member of the Investor Group on Climate Change (IGCC). The IFL Group's ESG activities are discussed in the ESG section of its annual report.

### Rounding

The MLC Super Fund is an entity of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest million dollars, unless otherwise indicated.

### Indemnification and insurance of officers and auditors

The Fund has not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an officer of the Trustee or an auditor of the Fund during the year. Subject to the relevant Trust Deed and relevant law, the Trustee is entitled to be indemnified out of the assets of the Fund for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. The auditor of the Fund is in no way indemnified out of the assets of the Fund.

The ultimate parent company of the Trustee, Insignia Financial Ltd, has paid or agreed to pay insurance premiums in respect of the Trustee's officers for liability, legal expenses, insurance contracts, and premiums in respect of such insurance contracts, for the financial year ended 30 June 2024. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the officers of the Trustee. Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

## Directors' report (continued)

### Non-audit services

The Directors are satisfied that there were no non-audit services provided by the auditor. This complies with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Any non-audit services are managed as follows:

- Fees earned from non-audit work undertaken by KPMG are capped at 0.1 times the total audit fee;
- Services are reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- Services are provided in accordance with the general principles relating to auditor independence as set out in the Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

Further information regarding remuneration of auditors is included in Note 11 Auditor's remuneration.

### Lead auditor's independence declaration

The lead auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* is set out on page 28 and forms part of the Directors' Report for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors of NULIS Nominees (Australia) Limited, pursuant to Section 298(2) of the *Corporations Act 2001*.



SIGNATURE

Mr Lindsay Smartt

Chair

18 September 2024

# Remuneration report

## Remuneration report

### Letter from the Group People & Remuneration Committee Chair

Dear Members,

On behalf of NULIS Nominees (Australia) Limited (NULIS), I am pleased to present our 2024 Remuneration report to members. NULIS is the Registrable Superannuation Entity Licensee (RSEL) of the MLC Super Fund (Fund) and is one of the RSEL Boards under Insignia Financial. As a Group, Insignia Financial Limited (IFL) is made up of a number of businesses and products, that provide a number of services to NULIS including administrative services, through outsourced arrangements, which supports NULIS to operate this Fund.

I present this report to you as the Chair of the IFL Group People and Remuneration Committee, which is also the Remuneration Committee for this Fund. In this capacity, the Committee is responsible for overseeing remuneration for employees who provide services to NULIS. This report aims to provide clarity and transparency on our remuneration practices and governance as well as insight on remuneration arrangements for the most critical employees providing services to NULIS, referred to as Key Management Personnel (KMP) in this report.

This is the first Remuneration report published for this Fund, which is in response to new financial reporting obligations. I hope it is well received by our members.

#### Changes to Key Management Personnel

This year saw the departure of Renato Mota as Chief Executive Officer (CEO) of IFL at the end of February and the commencement of Scott Hartley into the role on 1 March 2024. In addition, Chris Weldon (Chief Client Officer) was appointed as a KMP in November 2023. With the announcement of a new Executive structure in July and changes to the Executive Team, there will be changes to our KMP in next year's Remuneration report.

#### Board renewal

In 2024, we welcomed two new directors to the NULIS Board. Mario Pirone and Marianne Perkovic both joined the RSEL Boards on 3 October 2023. It was announced in September 2024 that Danielle Press has been appointed as Chair elect and Non-Executive Director of the RSEL Board. Danielle will begin her role as Non-Executive Director on 19 September 2024 and will officially take on the position of Chair in November 2024 from Lindsay Smartt who recently announced he would be stepping down from the RSEL Boards.

#### Financial Year 2024

Over the past few years, IFL has been on a pathway of simplifying and uplifting the company. IFL (then IOOF Holdings Ltd) acquired MLC Wealth from National Australia Bank in 2021, and the Australian & New Zealand Pensions and Investments business (P&I from ANZ) in 2020, making it one of the largest super Fund providers in Australia. The greater scale, capability and efficiency of these combined businesses will flow through to members in the form of value, choice and accessibility. I am pleased to say that through the 2024 financial year, we have continued taking steps forward to better integrate and simplify these legacy businesses, to support this Fund in a more efficient way.

In addition, focus has continued around uplifting governance standards to reflect the larger organisation we have become. In particular, good progress continues to be made in relation to the licence conditions APRA imposed in November 2022, aimed at enhancing NULIS' governance in relation to member outcomes, oversight of service providers, risk, compliance and managing conflicts of interest. NULIS is working with IFL to satisfactorily address these licence conditions.

With regard to investment performance, all three of IFL's default Funds were placed in the top 10 for FY24 in the SuperRatings SR50 MySuper Survey – a great achievement and outcome for members.

Equally, we also recognise that there have been challenges in 2024, largely related to remediation for legacy product compliance issues. In response, the relevant RSEL has paid a fine, increased its remediation provision to address legacy issues and agreed to additional commitments with APRA on this matter.

# Remuneration report

Performance & remuneration outcomes for Financial Year 2024

The average short-term variable reward (STVR) outcome for KMP as a percentage of target is 70% as compared with the maximum of 125%.

In the 2024 financial year, a 2.1% average Total Fixed Remuneration (TFR) increase was applied across the KMP, effective 1 July 2024.

Non-Executive Director Fees

For financial year 2024, the Non-Executive Directors fees received a 2.5% increase across their fee structure to ensure alignment to market benchmarks. In addition to the 2.5% increase, an additional fee was introduced for the financial year 2024 to compensate the directors for additional workload.

On behalf of the People and Remuneration Committee, I would like to thank you for your support as a member and invite you to read this Remuneration report.

Yours sincerely



John Selak

Group People & Remuneration Committee Chair

18 September 2024

# Remuneration report

## Contents

The Remuneration report for the MLC Super Fund outlines our remuneration approach and outcomes for the KMP. This report has been prepared, and audited, as required by the *Corporations Act 2001*. It forms part of the Directors' Report.

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# Remuneration report

## 1. Remuneration objectives, principles & governance

IFL believes remuneration plays an important role in supporting a strong culture and delivering business outcomes. We have a comprehensive remuneration framework which ensures the design and oversight of our practices support the delivery of strategic objectives, whilst meeting regulatory standards and stakeholder expectations. This is achieved by rewarding collective and individual performance, in addition to constructive behaviours that drive strong risk outcomes.

### Promoting member best financial interests

Our remuneration framework practices support behaviours that protect the best financial interests of members. This is achieved by encouraging prudent risk management behaviours that underpin a foundation of member and employee trust and ensure clear accountability and appropriate consequences for management where there are adverse outcomes for members.

### Role of RSELs in governing remuneration

The RSEL Boards within IFL are responsible for the relevant RSEL's Remuneration Framework and its effective application. The RSEL Boards consider, approve and adopt IFL's Remuneration Policy and oversee the remuneration practices of IFL to support behaviours that protect the best financial interests of members for RSELs. The RSEL Boards are responsible for providing feedback, input and decision making on the performance and remuneration outcomes for employees who provide services that have been outsourced to IFL by the RSEL Boards. This is facilitated by the People and Culture function who ensure appropriate and timely information is provided to the Boards regarding goals, performance and remuneration. The RSEL Boards receive relevant reporting and information from their respective Risk & Compliance Committees, the Risk and Conduct Forum (on serious risk matters) and the Chief Risk Officer to ensure that the risk outcomes are appropriately reflected in remuneration outcomes.

RSEL Board representatives also took part in a joint meeting with the IFL Group People & Remuneration, Group Risk and Compliance and Group Audit Committees, as part of IFL's end of year performance and remuneration review process. The joint Committee meeting was extended to include the Chairs of the RSEL Boards, Risk and Compliance and Audit Committees to provide the perspective of the RSELs to the discussion. The joint meeting reviewed the material risk matters and considered potential consequences on performance and remuneration outcomes for senior leaders. For the financial year 2024, two Executive KMP incurred a reduction to their Short Term Variable Reward (STVR) via the Risk & Conduct modifier due to significant risk matters.

In addition, the IFL Group People and Remuneration Committee, were recommended by the IFL Board to exercise discretion for 2024 by applying a 20% reduction to STVR outcomes for all current executives in relation to the fines, increased provisions and additional commitments with APRA on remediation matters. This reduction was approved by the RSEL Boards.

# Remuneration report

## 2. Meeting Regulatory Requirements

The Financial Accountability Regime (FAR) will apply to superannuation RSEs and insurance entities commencing 15 March 2025. We welcome this legislation which is aimed at strengthening our responsibility and accountability frameworks and improving the risk and governance cultures of Australia's financial institutions. IFL has made solid progress over FY2024 in readiness for this legislation. We have established our Office of the FAR and defined the operationalisation of the uplifted Risk Governance Frameworks and systems to ensure adherence with the regime. We are also in the final stages of defining our Accountable Persons, who will have additional obligations to ensure compliance with the regime.

An amended CPS 511 commenced in FY2024 for superannuation and insurance Significant Financial Institutions. This standard aims to ensure remuneration practices manage risk and conflicts, that appropriate consequences exist for risk and conduct and that RSEL Boards have oversight and accountability for remuneration outcomes for key employees. This represented an opportunity to strengthen the existing practices within the industry and in the twelve months since this standard commenced, we have continued to embed and uplift practices.

This includes:

- Further enhancing the application of our consequence management framework, including launching a new policy and practices to support more consistent and rigorous application of consequences where there are adverse risk matters;
- Updating our performance and goal setting framework to ensure the right balance of financial and non-financial goals;
- Putting appropriate deferrals in place for at risk incentive payments for key senior managers, to manage any risk matters that may emerge over time;
- Completing another rigorous review of the remuneration framework and policy and continued to develop robust processes around conflicted remuneration scenarios;
- Defining a materiality threshold and definition for the engagement of Third-Party Service Providers (TPSP), approved by the Boards, which is used to identify the scale and nature of services that could present a material conflict to the remuneration framework; and
- Our Boards continuing to demonstrate active governance and oversight to these significant matters and ongoing regulatory change.

# Remuneration report

## 3. Key components of remuneration for Key Management Personnel

The Key Management Personnel are employed by IOOF Service Co Pty Ltd or MLC Wealth Ltd. Whilst this cohort are employed by IOOF Service Co Pty Ltd and MLC Wealth Ltd, the amounts paid to KMP are in relation to services provided to the Fund. The Directors and the Chief Member Officer costs are recharged 100% to the RSEL. A portion of their fees are then recharged, where possible, to the Fund's general reserve.

Each KMP is aligned to one of the three incentive plans outlined in the table. However, this excludes NEDs who are not eligible to participate in IFL incentive plans:

KMP Incentive Plans	Executive Incentive Plan (EIP)	Asset Management Incentive Plan (AMIP)	Insignia Financial Incentive Plan (IFIP)															
TFR	Total fixed remuneration (TFR) comprises base remuneration (i.e. cash salary) and superannuation. TFR is delivered in accordance with contractual terms and conditions of employment and is reviewed annually against relevant comparator Group remuneration benchmarks.																	
STVR	<p>The EIP is the incentive plan covering the CEO and Executive KMP. It is divided into short-term variable reward (STVR) which is delivered in cash, and long-term variable reward (LTVR) which is delivered in equity. The total EIP opportunity is 170% of fixed remuneration for the CEO and 60% -90% for Executive KMP.</p> <p>The Table below represents the total STVR opportunity of each role's total variable reward:</p> <table><tr><td></td><td>% STVR of EIP Target</td><td>Maximum STVR (125%)</td></tr><tr><td>CEO</td><td>35%</td><td>43.75%</td></tr><tr><td>Executive KMP</td><td>50%</td><td>62.5%</td></tr></table> <p>Individual STVR outcomes are determined with reference to IFL performance and individual performance, through a balanced scorecard. The performance measures comprise a mix of financial and non-financial metrics linked to IFL and business unit targets, aligned to IFL's strategy, with the weightings varied by role. For the CEO and Executive KMP, the financial weighting was 30% for financial year 2024. STVR</p>		% STVR of EIP Target	Maximum STVR (125%)	CEO	35%	43.75%	Executive KMP	50%	62.5%	<p>The AMIP is a specialist incentive plan which is designed to reward participants for delivery of annual goals that drive long-term sustainable performance.</p> <p>The plan provides an appropriate level of remuneration that varies based on the RSEL Board's determination of the KMP performance for the year which is measured against agreed targets for financial and non-financial measures that deliver strategic objectives.</p> <p>All participants for consideration for an AMIP award, will be subject to minimum performance requirements.</p> <p>The AMIP Pool is allocated to participants on a discretionary basis, taking into account individual performance, contribution to Asset Management outcomes, risk outcomes and the values and</p>	<p>The IFIP is the general plan for the IFL. The plan is designed to deliver remuneration outcomes in line with annual performance achievement, with material weighting to financial and non-financial outcomes across customer, leadership, strategy execution and member and shareholder measures, incorporating both risk and behavioural assessments. The plan recognises both the “what” and the “how” of performance. STVR amounts are paid in cash.</p> <p>The Table below represents the total STVR opportunity of each role's total variable reward:</p> <table><tr><td></td><td>% STVR of IFIP Target</td><td>Maximum STVR (125%)</td></tr><tr><td>KMP, CMO, Senior Manager and Material Risk Takers</td><td>0% - 100%</td><td>0% - 125%</td></tr></table> <p>Individual STVR outcomes are determined with reference to IFL performance and individual</p>		% STVR of IFIP Target	Maximum STVR (125%)	KMP, CMO, Senior Manager and Material Risk Takers	0% - 100%	0% - 125%
	% STVR of EIP Target	Maximum STVR (125%)																
CEO	35%	43.75%																
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## Remuneration report

	<p>outcomes are subject to Board Discretion.</p> <table><tr><td></td><td>Financial</td><td>Non-financial</td></tr><tr><td>CEO</td><td>30%</td><td>70%</td></tr><tr><td>Executive KMP</td><td>30%</td><td>70%</td></tr></table>		Financial	Non-financial	CEO	30%	70%	Executive KMP	30%	70%	<p>behaviours demonstrated by participants.</p>	<p>performance through a balanced scorecard. The performance measures comprise a mix of financial and non-financial metrics linked to IFL and business unit targets, aligned to IFL's strategy with the weightings varied by role.</p> <p>For the KMP and APRA Specified Roles, the financial weighting was 30% - 50% for financial year 2024. STVR outcomes are subject to IFL and RSEL Boards' Discretion.</p> <table><tr><td></td><td>Financial</td><td>Non-financial</td></tr><tr><td>KMP, CMO and APRA Specified Roles</td><td>30% - 50%</td><td>50% - 70%</td></tr></table> <p>To reward eligible participants for delivery of annual goals that drive long-term sustainable performance.</p> <p>The plan is not formulaic; judgement is applied through qualitative assessment of risk, reputation, sustainability and environment, conduct and values, the quality of IFL's and individual performance and any other matters determined by either the IFL Board or the NULIS Board.</p>		Financial	Non-financial	KMP, CMO and APRA Specified Roles	30% - 50%	50% - 70%
	Financial	Non-financial																
CEO	30%	70%																
Executive KMP	30%	70%																
	Financial	Non-financial																
KMP, CMO and APRA Specified Roles	30% - 50%	50% - 70%																
LTVR	<p>Under the LTVR, performance rights are performance tested after four years and are vested subject to the relevant restriction period.</p> <p>TSR (70% of LTVR target) Based on the percentile ranking against the peer group of the ASX 200 (excluding resources).</p> <p>Reputational (30% of LTVR target) IFL is using RepTrak to track its reputation from a 2024 baseline score of 73.4%. The outcome is derived at the end of the four-year performance period, using the average of the quarterly scores of the last 12 months of the performance period.</p>	n/a	n/a															

## Remuneration report

Risk and Conduct and Principles	<p>Performance outcomes are subject to the following gateways and modifiers:</p> <ul style="list-style-type: none"><li>• Compliance gateways: all KMP must meet core compliance expectations to be eligible for a STVR, including adherence to the Code of Conduct and completion of mandatory training requirements.</li><li>• Principles: the Boards have the discretion to adjust the CEO, Executive KMP and APRA Specified Roles STVR outcomes on the basis of an assessment of behaviours aligned with IFL principles, where appropriate.</li><li>• Risk and Conduct: the Boards have discretion, where appropriate, to adjust the CEO, Executive KMP and/or other APRA Specified Roles STVR outcomes, including where informed by recommendations from the Risk &amp; Conduct Forum in relation to risk and conduct matters. The Risk and Conduct modifier also includes consideration of the risk matter outcomes that may warrant an adjustment to the Risk and Conduct assessment.</li></ul>												
Deferral	<p>The EIP, AMIP &amp; IFIP are designed to meet CPS 511 and Financial Accountability Regime (FAR) deferral requirements with at least 40% of the total reward deferred for 5 years for KMP and APRA Specified Roles &amp; at least 60% of the total reward deferred for 6 years for the Chief Executive Officer.</p> <p>STVR is delivered as a combination of cash and deferred cash/or performance rights*</p> <table><tr><td></td><td>Cash</td><td>Deferred Cash /or Performance Rights</td><td>Minimum deferral period</td></tr><tr><td>KMP and APRA Specified Roles</td><td>60%</td><td>40%</td><td>5 years</td></tr><tr><td>CEO</td><td>40%</td><td>60%</td><td>6 years</td></tr></table> <p><i>*Deferral only applies if the total VR outcome is \$125,000 or more.</i></p> <p>These deferrals enable the Board to have effective forfeiture powers for a period of time if malus or other equivalent events subsequently come to light post grant/vesting.</p>		Cash	Deferred Cash /or Performance Rights	Minimum deferral period	KMP and APRA Specified Roles	60%	40%	5 years	CEO	40%	60%	6 years
	Cash	Deferred Cash /or Performance Rights	Minimum deferral period										
KMP and APRA Specified Roles	60%	40%	5 years										
CEO	40%	60%	6 years										
Board discretion and adjustments	<p>The Boards may apply its absolute discretion to adjust remuneration, subject to clawback and malus provisions in the relevant variable reward plans.</p>												

# Remuneration report

## 4. Key Management Personnel remuneration outcomes for the 2024 financial year

Snapshot of FY24 remuneration outcomes

KMP (excluding NEDs)

Gateway Compliance	<ul style="list-style-type: none"> <li>- KMP have all met the behavioural and compliance gateway requirements.</li> </ul>
Total Fixed Remuneration (TFR)	<ul style="list-style-type: none"> <li>- Average fixed remuneration increases for KMP were 2.1%, effective 1 July 2024.</li> </ul>
Short-term variable reward (STVR)	<ul style="list-style-type: none"> <li>- The key financial and non-financial goals that determine STVR outcomes are outlined on page 18.</li> <li>- Against a possible STVR range of 0% - 125%, the average Executive KMP STVR target outcome was 70%.</li> <li>- Discretion was exercised by the Board in relation to the 2024 STVR outcome for the current CEO and Executive KMP, with a 20% reduction applied in relation to an increase in provisions related to remediation.</li> <li>- A reduction of 30% under the risk and conduct modifier was also applied to two executive KMP, totalling a 50% reduction overall for those individuals.</li> <li>- 50% of Executive KMP STVR is deferred for 12 months.</li> </ul>
Long-term variable reward (LTVR)	<p><u>CEO &amp; Executive KMP only</u></p> <ul style="list-style-type: none"> <li>- The first tranche of the prior equity-based Executive incentive scheme (the Executive Equity Plan) reached the end of its four-year performance period on 30 June 2024.</li> <li>- The 40% of rights tested against a relative Total Shareholder Return hurdle, failed and will lapse.</li> <li>- The 60% that was tested against annualised business performance vested at the maximum opportunity of 100%.</li> <li>- LTVR is now issued under the EIP with a 4-year vesting period, released after 5 or 6 years in line with relevant regulatory requirements.</li> </ul>

Non-Executive Director (NED)

NED fees	<ul style="list-style-type: none"> <li>- NED fees were increased by 2.5% effective 1 July 2023.</li> <li>- An additional RSEL workload fee was also introduced in FY2024 to compensate the NEDs for increase in additional workload and time commitment to RSEL activities.</li> </ul>
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# Remuneration report

## 4. Key Management Personnel remuneration outcomes for the 2024 financial year (continued)

### 2024 performance outcomes

The following table provides the 2024 financial year STVR outcomes for the current KMP (excluding NEDs). The 50% weighting of shared goals for the CEO is due to his tenure of 4 months and balance with other priorities for this time.

	IFL Performance Measures	Rationale	CEO weighting	Exec KMP weighting	CMO Weighting	Scorecard result	CEO outcome	Exec KMP outcome <sup>(2)</sup>	CMO <sup>(2)</sup>
Financial	Net Funds flow	Aggregate Funds flow from platforms and asset management. Assessed against financial ranges set at the commencement of the financial year	7.5%	10.0%	10.0%	Not Achieved	0.0%	0.0%	0.0%
	OPEX	Operating expenditure across the enterprise assessed against financial ranges set at the commencement of the financial year	7.5%	10.0%	0%	Achieved	7.5%	10.0%	0.0%
	UNPAT	Underlying net profit after tax. Assessed against financial ranges set at the commencement of the financial year	7.5%	10.0%	0%	Exceeds	9.4%	12.5%	0.0%
Non-Financial	Rectification Action Plan	Embedding sustainable enterprise governance to meet APRA Licence conditions. Assessed against delivery of program milestones	10.0%	15.0%	25.0%	Achieved	10.0%	15.0%	25%
	MasterTrust Separation Critical Pathways	Separation of legacy MasterTrust products - Plum and MasterKey from NAB and P&I from ANZ. Assessed against delivery of program milestones	7.5%	10.0%	10.0%	Exceeds	9.4%	12.5%	12.5%
	MLC Wrap transition to Expand	Transition of MLC Wrap members to Expand platform. Assessed against delivery of program milestones	7.5%	10.0%	10.0%	Exceeds	9.4%	12.5%	12.5%
	Cultural alignment	Assessment of engagement factors measured through CultureAmp, externally benchmarked across organisations. Assessed against targets set at the commencement of the financial year	2.5%	5.0%	5.0%	Not Achieved	0.0%	0.0%	0.0%
Total outcome	Total shared goals outcome		50.0%	70.0%	60.0%	Partially Achieved	45.6%	62.5%	50%
	Total individual goals outcome		50.0%	30.0%	40.0%	Varied	50.0%	27.5% - 35.0%	40%
	Total scorecard outcome <sup>(1)</sup>		100.0%	100.0%	100.0%	Varied	95.6%	90.0%-121.9%	90%

<sup>(1)</sup> The total scorecard outcome includes any individuals who may have role modelled behavioural principles where the total scorecard outcome is multiplied by 125%.

<sup>(2)</sup> The CMO and Chief Investment Officer are part of discretionary plans where STVR outcomes are not driven from a performance scorecard. The Chief Investment Officer has the same shared goals and weightings as the Exec KMP.

# Remuneration report

## 5. Key Management Personnel

All KMP (including NEDs) are employed by IOOF Service Co Pty Ltd or MLC Wealth Ltd. KMP are defined as persons having authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity.

They are all remunerated in accordance with IFL's Remuneration policy and practices by the employing entities. KMP (excluding NEDs) remuneration arrangements are reflective of the role they perform for IFL and are reviewed at least annually. In setting an individual's remuneration IFL considers:

- o role complexity and responsibilities;
- o individual capabilities, experience and knowledge;
- o business and individual performance;
- o internal and external market role relativities;
- o management on the target remuneration for individuals; and
- o general remuneration market environment and trends.

More information on the remuneration arrangements for NEDs, can be found in Section 6 of this report.

### Remuneration Methodology

NEDs perform work for the RSEL and other RSELs within IFL. Therefore, the proportion of remuneration is based on Funds Under Management (FUM) for the relevant RSE as a percentage of the total FUM across all the RSEs within IFL.

For all other KMP, they perform work for the RSEL and other IFL entities. The amounts disclosed for remuneration in this document reflect an apportionment methodology considering the following:

- o time committed to the RSELs, and
- o the FUM of the relevant RSE, as a percentage of the total FUM of all the RSEs within IFL.

The amounts paid to all KMP (including NEDs) in relation to services provided to the Fund amounted to \$3,472,643. The NEDs and the Chief Member Officer costs are recharged 100% to the RSEL. A portion of their fees are then recharged, where possible, to the Fund's general reserve.



# Remuneration report

## 5. Key Management Personnel (continued)

### Key Management Personnel

The table below outlines the KMP for the year ended 30 June 2024.

Name	Role	Term as KMP
<b>Chair<sup>(1)</sup></b>		
L Smartt	Independent Non-Executive Director & Chair	Full year
<b>Non-Executive Directors<sup>(1)</sup></b>		
K Gibson	Independent Non-Executive Director	Full year
B McConnell	Independent Non-Executive Director	Full year
M Perkovic	Independent Non-Executive Director	Appointed 3 October 2023
M Pirone	Independent Non-Executive Director	Appointed 3 October 2023
S Schubert	Independent Non-Executive Director	Full year
<b>Chief Executive Officer and Executive Director</b>		
S Hartley	Chief Executive Officer (CEO) and Executive Director	Appointed 1 March 2024
<b>Current KMP</b>		
D Chalmers	Chief Financial Officer	Full year
F Lombardo	Chief Operating and Technology Officer	Full year Ceased KMP duties effective 26 July 2024
D Farmer	Chief Investment Officer	Full year
S Hopwood	Acting Chief Member Officer	Appointed 26 February 2024 Ceased KMP duties effective 26 July 2024
M Oliver	Chief Distribution Officer	Full year. Ceased KMP duties effective 26 July 2024
A Saxena	Chief Risk Officer	Full year
M Walls	Chief People Officer	Full year
C Weldon	Chief Client Officer	Appointed 13 November 2023 Ceased KMP duties effective 26 July 2024
<b>Former Non-Executive Directors</b>		
J Harvey	Independent Non-Executive Director	Ceased KMP duties effective 15 December 2023
<b>Former KMP</b>		
A Coyne	Chief Member Officer	Ceased KMP duties effective 23 February 2024
R Mota	Chief Executive Officer (CEO) and Managing Director	Ceased KMP duties effective 29 February 2024

<sup>(1)</sup> NEDs serve an initial term of 4 years from the date of appointment, a decision to reappoint of RSEL Board NEDs can serve as a Board member for maximum 9 years and Board Chair for a maximum of 12 years.

NULIS Nominees (Australia) Limited is the RSEL for the following RSE's:

- MLC Super Fund
- PremiumChoice Retirement Service
- MLC Superannuation Fund
- MLC Pooled Superannuation Trust
- DPM Retirement Service

# Remuneration report

## 5. Key Management Personnel (continued)

### KMP STVR performance outcomes

The following table provides the 2024 financial year STVR outcomes for KMP (excluding NEDs), for the period. The minimum potential outcome is zero:

Name	STVR Target 2024 \$	STVR Maximum 2024 \$	STVR Outcome (2,3,4) 2024 \$	STVR Cash <sup>(5)</sup> 2024 \$	STVR Deferred <sup>(6)</sup> 2024 \$	STVR actual as a % of STVR target 2024 %	STVR actual as a % of STVR maximum 2024 %
<b>Chief Executive Officer and Executive Director</b>							
S Hartley <sup>(1)</sup>	27,505	34,381	21,041	8,416	12,625	76	61
<b>Current KMP</b>							
D Chalmers	31,541	39,426	24,286	12,143	12,143	77	62
D Farmer <sup>(8,10)</sup>	-	-	220,935	132,561	88,374	-	-
S Hopwood <sup>(8)</sup>	-	-	10,921	10,921	-	-	-
F Lombardo	65,895	82,369	33,211	16,606	16,606	50	40
M Oliver	94,933	118,667	47,846	23,923	23,923	50	40
A Saxena	43,857	54,821	42,760	21,380	21,380	97	78
M Walls	24,836	31,045	22,968	11,484	11,484	92	74
C Weldon	35,486	44,357	26,969	13,485	13,485	76	61
<b>Former KMP</b>							
A Coyne <sup>(8,9)</sup>	-	-	-	-	-	-	-
R Mota <sup>(7)</sup>	59,350	74,188	74,188	37,094	37,094	125	100

<sup>(1)</sup>S Hartley commenced KMP duties 1 March 2024. STVR amounts are prorated for the period they were KMP.

<sup>(2)</sup>Includes 20% discretionary Board reduction.

<sup>(3)</sup>Includes 30% risk and conduct modifier reduction for F Lombardo and M Oliver.

<sup>(4)</sup>Approval date of STVR for S Hartley is 21 August 2024 and 20 August 2024 for other Executive KMP.

<sup>(5)</sup>STVR Cash will be paid on 20 September 2024.

<sup>(6)</sup>STVR Deferred will be paid September 2025 (excluding S Hartley), subject to malus and clawback provisions. S Hartley will have 60% of their STVR outcome deferred as follows: 50% payment due September 2025, 10% payment in November 2024, subject to shareholder approval of LTVR offer at 2024 AGM.

<sup>(7)</sup>R Mota ceased KMP duties 29 February 2024 and STVR amounts are prorated for the period they were KMP, 50% of STVR outcome is paid upfront and remaining 50% STVR deferred will be paid September 2025.

<sup>(8)</sup>D Farmer, S Hopwood and A Coyne are not participants of the EIP STVR plan. Their plans are discretionary plans and do not have target and maximum amounts.

<sup>(9)</sup>A Coyne ceased KMP duties 23 February 2024.

<sup>(10)</sup>D Farmer STVR deferral equates to 40%, deferred for 5 years.

# Remuneration report

## 5. Key Management Personnel (continued)

Remuneration received by KMP

The remuneration outcomes table below provides a summary of the remuneration that was received by KMP (excluding NEDs). We believe that presenting this information provides members with greater clarity and transparency of remuneration. This voluntary non-statutory disclosure differs from the statutory remuneration table in section 7.

	Total fixed remuneration <sup>(1)</sup>	STVR <sup>(2)</sup>	EEP/EIP <sup>(4,5)</sup>	Total value of remuneration
Name	2024 \$	2024 \$	2024 \$	2024 \$
<b>Chief Executive Officer and Executive Director</b>				
S Hartley <sup>(8)</sup>	46,354	21,041	51,080	118,475
<b>Current KMP</b>				
D Chalmers	70,333	24,286	18,790	113,409
D Farmer	221,671	220,935	-	442,606
S Hopwood	59,295	10,921	-	70,216
F Lombardo <sup>(6)</sup>	147,002	33,211	16,931	197,144
M Oliver <sup>(5)</sup>	212,854	47,846	78,974	339,674
A Saxena <sup>(3)</sup>	146,849	91,366	43,857	282,072
M Walls	55,488	22,968	15,305	93,761
C Weldon	75,529	26,969	22,558	125,056
<b>Former KMP</b>				
A Coyne	117,607	-	-	117,607
R Mota <sup>(7)</sup>	100,814	74,188	(24,047)	150,955
<b>Total</b>	<b>1,253,796</b>	<b>573,731</b>	<b>223,448</b>	<b>2,050,975</b>

<sup>(1)</sup>Includes base salary, non-monetary and superannuation.

<sup>(2)</sup>Refer to table on prior page 'KMP STVR performance outcomes' for specific STVR arrangements.

<sup>(3)</sup>A Saxena total STVR represents a commencement incentive and performance based STVR for the FY24 period. The commencement incentive was paid 11 October 2023.

<sup>(4)</sup>On review of the 2023 EEP annual assessment of the Financial and Non-Financial hurdles, a portion of the Performance Rights granted were forfeited/cancelled. The impact of this cancellation has been reflected in 2024. Those with negative figures are due to not being part of the 2024 EIP offer, however did have cancellation of rights that were in relation to 2023 EEP.

<sup>(5)</sup>EIP/EEP value for M Oliver includes an additional grant of performance rights for the 2023 EEP plan granted in October 2023 due to a remuneration increase associated with a role expansion.

<sup>(6)</sup>F Lombardo 2024 EEP/EIP amount includes an additional 40% reduction to his 2023 EEP annualised outcome via a Risk & Conduct modifier which was determined in 2024.

<sup>(7)</sup>R Mota ceased KMP duties 29 February 2024 and STVR amounts are prorated for the period they were KMP for FY24, as per prior table 'KMP STVR performance outcomes'.

<sup>(8)</sup>S Hartley has been offered an LTVR (EIP) for 2024. Approval of this grant will be sought at the 2024 IFL AGM.

# Remuneration report

## 5. Key Management Personnel (continued)

### Deferred performance rights for CEO and Executive KMP

Performance rights for the CEO and Executive KMP currently operate under the Executive Incentive Plan (EIP). The vesting of performance rights is subject to two hurdles over a four-year vesting period. The IFL performance rights are equity-settled share-based payment plans as per below:

- 70% of the grant is subject to a Total Shareholder Return (TSR) progressive vesting scale over four years which is known as the financial measure. TSR represents the change in the value of a share plus the value of dividends paid.
- The remaining 30% of the grant is subject to reputation which will be determined based on the Company's reputation score as at 1 July 2023, relative to a subset of peer organisations positions similar to the company over the same four year performance period. 2024 is the first year that IFL will use reputation as a performance measure, and it has been included in recognition of its critical importance in enhancing long-term financial performance.

Year	Performance period	Grant date	IFL TSR for the period %	Ranking relative to ASX200	Vesting status at 30 June 2024	Performance period end date
2024 EIP	2024-2027	13-Dec-23	(12.98%)	125th	0% vested	30 Jun 27

For performance rights plans pre-dating the EIP, the vesting of 60% of performance rights under the EEP is subject to annualised assessment for the grant date performance period and subject to a four-year vesting period. 40% of the grant is subject to a TSR progressive vesting scale over four years.

Year	Performance period	Grant date	IFL TSR for the period %	Ranking relative to ASX200	Vesting status at	Performance period end date
2023 EEP	2023-2026	14-Dec-22	(8.44%)	116th	0% vested	30 Jun 26
2022 EEP	2022-2025	04-Mar-22	(34.02%)	128th	0% vested	30 Jun 25
2021 EEP	2021-2024	18-Dec-20	(37.08%)	122nd	0% vested	30 Jun 24

Accordingly, the following IFL performance rights were vested and forfeited for KMP as issued under the 2021 Executive Equity Plan. This plan refers to the previous executive incentive scheme which was in place for financial years 2021 – 2023.

Name	Performance period end	Type of instrument	TSR (40%) <sup>(2)</sup>	Financial (10%) <sup>(1)</sup>	Non-Financial (50%) <sup>(1)</sup>	% vested	% forfeited
<b>Executive KMP</b>			<b>Number of rights vested</b>				
D Chalmers	30-Jun-24	2021 Executive Equity Plan	-	977	4,886	60%	40%
D Farmer	30-Jun-24	2021 Executive Equity Plan	-	1,442	7,211	60%	40%
F Lombardo	30-Jun-24	2021 Executive Equity Plan	-	1,528	7,643	60%	40%
M Oliver	30-Jun-24	2021 Executive Equity Plan	-	1,471	7,352	60%	40%
M Walls	30-Jun-24	2021 Executive Equity Plan	-	423	2,115	60%	40%
C Weldon	30-Jun-24	2021 Executive Equity Plan	-	459	2,296	60%	40%
<b>Former KMP</b>			<b>Number of rights vested</b>				
R Mota	30-Jun-24	2021 Executive Equity Plan	-	2,606	13,030	60%	40%

<sup>(1)</sup>The financial and non-financial hurdles were annualised hurdles that were assessed on a one-year performance period between 1 July 2020 and 30 June 2021.

<sup>(2)</sup>The TSR performance condition had a four-year performance period (1 July 2020 - 30 June 2024) and was performance tested on 30 June 2024. The TSR hurdle did not pass its performance conditions and performance rights were forfeited.

# Remuneration report

## 5. Key Management Personnel (continued)

### CEO, Executive KMP and other KMP employment arrangements

Contract Term	CEO	Executive KMP	Other KMP <sup>(2)</sup>
Contract Type <sup>(1)</sup>	Permanent	Permanent	Permanent
Notice Period	6 months	6 months	3 months
Severance	n/a	n/a	n/a
STVR treatment on termination	<p>In general, unless otherwise determined by the IFL Board and subject to law:</p> <ul style="list-style-type: none"> <li>• In the case of a KMP resignation or termination for cause before the end of the performance period, the KMP will not be eligible to be considered for an STVR award for that year.</li> <li>• Where a KMP's exit is related to any other reason (i.e. retrenchment, retirement, ill health separation, mutual agreement or death), the KMP remains eligible (unless the IFL Board determines otherwise) to be considered for an STVR award with regard to actual performance against performance measures (as determined by the IFL Board in the ordinary course following the end of the performance period).</li> </ul>		
LTVR treatment on termination	<p>In general, unless otherwise determined by the IFL Board:</p> <ul style="list-style-type: none"> <li>• Any performance rights will lapse if a KMP resigns or is terminated for cause before the vesting date of the 2024 LTVR (EIP), and the end of the performance period for awards granted of the 2021 LTVR (EEP).</li> <li>• Where a KMP's exit is related to any other reason (i.e. retrenchment, retirement, ill health separation, mutual agreement or death), any unvested LTVR awards continue on-foot with performance measured at the end of the performance period related to each award (and with the award otherwise remaining subject to all terms and conditions other than those relating to continuity of employment). For LTVR awards granted from the 2024 financial year, KMPs who are dismissed during the restricted period will forfeit all performance rights subject to the restricted period.</li> <li>• Where a KMP exits for any other reason during the restricted period, outstanding performance rights will continue to remain on foot for the original restricted period(s).</li> </ul>		

<sup>(1)</sup> Contracts for permanent employment continue until notice is given by either party.

<sup>(2)</sup> Excludes RSEL Non-Executive Directors.

# Remuneration report

## 6. Non-Executive Director remuneration

Director and Committee fees are set by the IFL Board for each NED across IFL including the RSELs. Whilst this cohort are employed by IOOF Service Co Pty Ltd or MLC Wealth Ltd, the fee paid to perform the role undertaken for the RSEL is funded by the RSEL. Fees include compulsory contributions to superannuation. This fee is based on market data provided by external market remuneration from the Financial Institutions Remuneration Group (FIRG) and IFL's Group People & Remuneration Committee's recommendations to the IFL Board, where the following is considered.

- The ability to attract, retain and motivate directors.
- General industry practise and fees paid to non-executive directors of comparable companies, and principles of corporate governance.
- The responsibilities and risks attached to the role.
- The time commitment expected of NEDs on all matters.

To ensure independence and impartiality, fees are not linked to performance. NEDs are not eligible to participate in any of the IFL incentive arrangements.

NEDs are remunerated for their work, having regard to their specific responsibilities and the nature and objectives of the Fund. The fees are reviewed annually, effective 1 July each year.

# Remuneration report

## 6. Non-Executive Director remuneration

### 2024 statutory remuneration – Non-Executive Directors

The following table has been prepared in accordance with the Act and Regulations. It shows details of the nature and amount of each element of remuneration paid or awarded for services provided for the year based on a FUM apportionment methodology. The figures below relate to the total remuneration apportionment paid to each NED for services provided to the Fund.

NED		Short-term benefits <sup>(1)</sup>		Post-employment	Total
		Directors' fees <sup>(2)</sup>	Non-monetary <sup>(3)</sup>	Superannuation	
		\$	\$	\$	
Chair					
L Smartt	2024	177,660	-	12,439	190,099
Non-Executive Directors					
K Gibson <sup>(6)</sup>	2024	133,038	428	11,796	145,262
B McConnell	2024	132,384	-	12,439	144,823
M Perkovic <sup>(5)</sup>	2024	98,923	-	9,260	108,183
M Pirone <sup>(5)</sup>	2024	99,184	-	8,999	108,183
S Schubert	2024	132,384	-	12,439	144,823
Former Non-Executive Directors					
J Harvey <sup>(4,7)</sup>	2024	61,002	-	6,594	67,596
Total	2024	834,575	428	73,966	908,969

<sup>(1)</sup>Short-term benefits include mandated superannuation guarantee contributions in line with the superannuation opt out rules.

<sup>(2)</sup>Directors' fees include RSEL Board and committee fees received in cash.

<sup>(3)</sup>Non-monetary benefits include Company Funded benefits and fringe benefits tax payable on those benefits.

<sup>(4)</sup>J Harvey ceased KMP duties on 15 December 2023.

<sup>(5)</sup>M Perkovic and M Pirone commenced KMP duties on 3 October 2023.

<sup>(6)</sup>Amounts for K Gibson include delayed payments in relation to financial year 2024 for Fees and Superannuation of \$13,403. Payments have been processed in financial year 2025.

<sup>(7)</sup>Amounts for J Harvey include delayed payments in relation to financial year 2024 for Fees and Superannuation of \$3,178. Payments have been processed in financial year 2025.

### Terms of appointment

All NEDs and KMP have letters of appointment detailing the terms under which they are engaged. The term of appointment for each is open-ended, subject to the provisions of the Corporations Act and the Company's Constitution.

# Remuneration report

## 7. Key Management Personnel remuneration – additional statutory disclosure

The following table sets out the remuneration received by KMP (excluding NEDs) for the year ended 30 June 2024 reflecting the apportionment methodology that constitutes time committed to the RSEs and the FUM of the relevant RSE as a percentage of the total FUM of all the RSEs within IFL. The share-based payments shown below are not amounts received by the KMP during the year, as they include accounting values for unvested share awards in accordance with accounting standards.

Element of remuneration	Short-term benefits				Post-employment	Long-term benefits	Termination benefits	Total	Component as a % of total remuneration	
	Salary	Bonus - cash		Non-monetary <sup>(1)</sup>	Superannuation	Share based payments <sup>(2)</sup>				
Component of remuneration	Fixed \$	Fixed <sup>(4)</sup> \$	Variable <sup>(3)</sup> \$	Fixed \$	Fixed \$	Variable \$	Fixed \$	\$	Fixed <sup>(5)</sup> %	Var <sup>(5)</sup> %
<b>Chief Executive Officer and Executive Director</b>										
S Hartley 2024	44,893	-	21,041	-	1,461	1,774	-	69,169	67	33
<b>Current KMP</b>										
D Chalmers 2024	67,855	-	24,286	243	2,235	22,907	-	117,526	60	40
D Farmer 2024	212,342	-	220,935	-	9,329	8,285	-	450,891	49	51
S Hopwood <sup>(7)</sup> 2024	55,082	-	10,921	90	4,123	-	-	70,216	84	16
F Lombardo 2024	141,348	-	33,211	554	5,100	32,242	-	212,455	69	31
M Oliver 2024	203,311	-	47,846	1,457	8,085	57,925	-	318,624	67	33
A Saxena 2024	141,352	48,606	42,760	646	4,851	3,807	-	242,022	81	19
M Walls 2024	52,459	-	22,968	297	2,732	15,915	-	94,371	59	41
C Weldon 2024	71,735	-	26,969	187	3,607	18,076	-	120,574	63	37
<b>Former KMP</b>										
A Coyne <sup>(8)</sup> 2024	108,772	-	-	-	8,835	801	207,458	325,866	100	0
R Mota <sup>(6)</sup> 2024	98,132	-	74,188	744	1,937	34,872	332,087	541,960	80	20
<b>Total 2024</b>	<b>1,197,281</b>	<b>48,606</b>	<b>525,125</b>	<b>4,218</b>	<b>52,295</b>	<b>196,604</b>	<b>539,545</b>	<b>2,563,674</b>		

<sup>(1)</sup>Non-monetary benefits include Company funded benefits and fringe benefits tax payable on those benefits, typically car parking.

<sup>(2)</sup>Share-based payments include accruals in relation to the Executive Performance Share Plans (EEP/EIP) and accruals in relation to other grants of performance rights over IFL Shares. The value of the number of shares and options expected to vest has been apportioned over the term from grant date to vesting date, in accordance with the accounting standards.

<sup>(3)</sup>Incentive amounts represent cash accruals in current year. As payment of the variable component is at the discretion of the IFL Board, the minimum value is nil and the maximum is the total amount paid. The variable bonus paid in cash refers to the total STVR outcome and includes an upfront amount paid in September 2024 and the deferred amount due in 2025.

<sup>(4)</sup>Amounts represent retention and commencement incentives, which are non-performance based. For A Saxena, this is a commencement incentive that was paid 11 October 2023.

<sup>(5)</sup>Fixed amounts are non-performance based, and variable amounts are performance based.

<sup>(6)</sup>R Mota ceased KMP duties on 29 February 2024 and STVR amounts are prorated for the period they were a KMP.

<sup>(7)</sup>S Hopwood commenced KMP duties on 26 February 2024 and STVR amounts are prorated for the period they were a KMP.

<sup>(8)</sup>A Coyne ceased KMP duties on 23 February 2024.



# Remuneration report

## 8. Other information

### Equity holdings

The table below sets out details of deferred Insignia Financial performance rights that were granted to KMP (excluding NEDs) during 2024, or in prior years and that then vested, were exercised/sold or which lapsed/were forfeited during 2024. When each performance right is exercised, it is converted into one IFL ordinary share. Amounts reflect the apportionment methodology aforementioned, comprising time committed to the RSEs and the FUM of the relevant RSE as a percentage of the total FUM of all RSEs within IFL.

Name	Type of instrument	Grant date	Fair value per right at grant date	Number granted <sup>(1)</sup>	Opening balance	Granted as compensation	Exercised/Vested <sup>(2)</sup>	Forfeited/Lapsed <sup>(3,4)</sup>	Closing balance	Financial year of performance period end
Chief Executive Officer and Executive Director										
S Hartley <sup>(6)</sup>	2024 EIP	-	\$0.99	17,901	-	17,901	-	-	17,901	2027
Total S Hartley				17,901	-	17,901	-	-	17,901	
Current KMP										
D Chalmers	2024 EIP	13-Dec-23	\$0.99	11,062	-	11,062	-	-	11,062	2027
	2023 EEP	14-Dec-22	\$2.45	20,272	20,272	-	-	(4,363)	15,909	2026
	2022 EEP	4-Mar-22	\$2.72	13,501	11,949	-	-	-	11,949	2025
	2021 EEP	18-Dec-20	\$2.29	9,773	9,773	-	(5,864)	(3,909)	-	2024
Total D Chalmers				54,608	41,994	11,062	(5,864)	(8,272)	38,920	
D Farmer	2021 EEP	18-Dec-20	\$2.29	14,422	14,422	-	(8,653)	(5,769)	-	2024
Total D Farmer				14,422	14,422	-	(8,653)	(5,769)	-	
F Lombardo	2024 EIP	13-Dec-23	\$0.99	23,111	-	23,111	-	-	23,111	2027
	2023 EEP	14-Dec-22	\$2.45	42,255	42,255	-	-	(16,755)	25,500	2026
	2022 EEP	4-Mar-22	\$2.72	24,384	21,581	-	-	-	21,581	2025
	2021 EEP	18-Dec-20	\$2.29	15,285	15,285	-	(9,171)	(6,114)	-	2024
Total F Lombardo				105,035	79,121	23,111	(9,171)	(22,869)	70,192	
M Oliver <sup>(5)</sup>	2024 EIP	13-Dec-23	\$0.99	33,295	-	33,295	-	-	33,295	2027
	2023 EEP	14-Dec-22	\$2.45	60,858	50,576	10,283	-	(15,744)	45,115	2026
	2022 EEP	4-Mar-22	\$2.72	30,497	27,991	-	-	-	27,991	2025
	2021 EEP	18-Dec-20	\$2.29	14,704	14,704	-	(8,823)	(5,882)	-	2024
Total M Oliver				139,354	93,271	43,578	(8,823)	(21,626)	106,401	
A Saxena	2024 EIP	13-Dec-23	\$0.99	15,381	-	15,381	-	-	15,381	2027
Total A Saxena				15,381	-	15,381	-	-	15,381	

# Remuneration report

## 8. Other information (continued)

Name	Type of instrument	Grant date	Fair value per right at grant date	Number granted <sup>(1)</sup>	Opening balance	Granted as compensation	Exercised/Vested <sup>(2)</sup>	Forfeited/Lapsed <sup>(3,4)</sup>	Closing balance	Financial year of performance period end
Current KMP (continued)										
M Walls	2024 EIP	13-Dec-23	\$0.99	8,710	-	8,710	-	-	8,710	2027
	2023 EEP	14-Dec-22	\$2.45	15,959	15,959	-	-	(3,261)	12,698	2026
	2022 EEP	4-Mar-22	\$2.72	10,616	8,934	-	-	-	8,934	2025
	2021 EEP	18-Dec-20	\$2.29	4,230	4,230	-	(2,538)	(1,692)	-	2024
Total M Walls				39,515	29,123	8,710	(2,538)	(4,953)	30,342	
C Weldon	2024 EIP	13-Dec-23	\$0.99	12,445	-	12,445	-	-	12,445	2027
	2023 EEP	14-Dec-22	\$2.45	19,567	19,567	-	-	(4,424)	15,143	2026
	2022 EEP	4-Mar-22	\$2.72	10,662	9,437	-	-	-	9,437	2025
	2021 EEP	18-Dec-20	\$2.29	4,592	4,592	-	(2,755)	(1,837)	-	2024
Total C Weldon				47,266	33,596	12,445	(2,755)	(6,261)	37,025	
Former KMP										
A Coyne <sup>(7)</sup>	2022 EPR	4-Mar-22	\$2.29	1,551	1,551	-	-	-	1,551	2025
Total A Coyne				1,551	1,551	-	-	-	1,551	
R Mota	2023 EEP	14-Dec-22	\$2.45	57,349	57,349	-	-	(12,343)	45,007	2026
	2022 EEP	4-Mar-22	\$2.72	38,224	28,844	-	-	-	28,844	2025
	2021 EEP	18-Dec-20	\$2.29	26,060	26,060	-	(15,636)	(10,424)	-	2024
Total R Mota				121,633	112,253	-	(15,636)	(22,767)	73,851	
Total KMP				556,666	405,331	132,188	(53,440)	(92,517)	391,564	

<sup>(1)</sup>Exercise price at grant date is \$nil.

<sup>(2)</sup>Vested rights were approved and vested 30 June 2024 for EEP 2021. These were exercised in financial year 2025.

<sup>(3)</sup>Forfeited/lapsed performance rights for EEP 2023 refer to annualised assessment at the end of each financial year.

<sup>(4)</sup>Forfeited/lapsed performance rights for EEP 2021 refer to the non-achievement of the TSR hurdle assessed at the end of the performance period.

<sup>(5)</sup>Additional rights were granted to M Oliver in 2024 in respect of the 2023 EEP plan based on a review of his remuneration in December 2022.

<sup>(6)</sup>S Hartley equity holdings relate to the offer provided for 2024. Official grant is subject to shareholder approval at the 2024 IFL AGM.

<sup>(7)</sup>A Coyne amounts represent performance rights that were granted through the Employee Performance Rights (EPR).

# Remuneration report

## 8. Other information (continued)

This report is signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

The *Remuneration Report* is prepared, and audited, in accordance with the requirements of the *Corporations Act 2001*. It forms part of the *Directors' Report*.



John Selak

Group People & Remuneration Committee Chair

18 September 2024



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To The directors of NULIS Nominees (Australia) Limited, as trustee for the MLC Super Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of MLC Super Fund for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Dean Waters  
Partner  
Melbourne  
18 September 2024

KPMG

**MLC Super Fund**  
**Statement of financial position**  
**As at 30 June 2024**

	Note	2024 \$m	2023 \$m
<b>Assets</b>			
Cash and cash equivalents	13(a)	774	496
Outstanding settlements receivable		11	18
Receivables	6	49	4
Investment assets:			
Interest bearing securities	14	148	138
Term deposits		225	184
Unlisted unit trusts	14	86,542	81,121
Life insurance policies	14	132	138
Derivative assets	14	7	5
Current tax assets		-	48
<b>Total assets</b>		<b>87,888</b>	<b>82,152</b>
<b>Liabilities</b>			
Payables and accruals	7	112	137
Investment liabilities:			
Derivative liabilities	14	1	12
Current tax liabilities		215	-
Deferred tax liabilities	12(c)	834	456
<b>Total liabilities excluding member benefits</b>		<b>1,162</b>	<b>605</b>
<b>Net assets available for member benefits</b>		<b>86,726</b>	<b>81,547</b>
<b>Member benefits</b>			
Defined contribution member liabilities	5	82,885	77,799
Defined benefit member liabilities	5	3,323	3,316
Unallocated contributions	4	6	12
<b>Total member liabilities</b>		<b>86,214</b>	<b>81,127</b>
<b>Total net assets</b>		<b>512</b>	<b>420</b>
<b>Equity</b>			
Defined benefit that are over/(under) funded	5	383	320
Administration reserve	8	5	8
Self-insurance reserve	8	12	11
General reserve	8	83	54
Other reserves	8	29	27
<b>Total equity</b>		<b>512</b>	<b>420</b>

The above statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

**MLC Super Fund**  
**Income statement**  
**For the year ended 30 June 2024**

	Note	2024 \$m	2023 \$m
<b>Superannuation activities</b>			
Interest income		33	21
Distribution income		1,671	1,651
Net changes in fair value of investments	9	7,172	5,226
Other income		24	35
<b>Total revenue</b>		<b>8,900</b>	<b>6,933</b>
<b>Expenses</b>			
Administration expenses	10	295	293
Investment expenses		192	156
Other operating expenses	10	19	22
<b>Total expenses</b>		<b>506</b>	<b>471</b>
<b>Profit from operating activities</b>		<b>8,394</b>	<b>6,462</b>
Add/(less): Net benefits allocated to defined contribution member accounts		(7,681)	(5,960)
Add: Net change in defined benefit member liabilities		(186)	(125)
<b>Profit before income tax</b>		<b>527</b>	<b>377</b>
Income tax expense/(benefit)	12(a)	529	376
<b>Profit/(loss) after income tax</b>		<b>(2)</b>	<b>1</b>

The above income statement should be read in conjunction with the accompanying notes to the financial statements.

**MLC Super Fund**  
**Statement of changes in member benefits**  
**For the year ended 30 June 2024**

	Defined Contribution Members \$m	Defined Benefit Members \$m	Total \$m
<b>Opening balance of member benefits as at 1 July 2023</b>	77,799	3,316	81,115
Contributions:			
Employer	4,318	94	4,412
Member	852	5	857
Transfer from other superannuation plans	1,202	7	1,209
Transfer to other superannuation plans	(5,135)	(64)	(5,199)
Income tax on contributions	(551)	(10)	(561)
<b>Net after tax contributions</b>	686	32	718
Benefits to members/beneficiaries	(2,965)	(148)	(3,113)
Insurance premiums charged to members' accounts	(698)	(1)	(699)
Death and disability benefits credited to members' accounts	412	1	413
<b>Reserves transferred to/(from) members' accounts</b>			
Defined benefit that are over/ (under) funded	-	(63)	(63)
Administration reserve	3	-	3
General reserve	(29)	-	(29)
Other reserves	(4)	-	(4)
<b>Benefits allocated to members' accounts comprising:</b>			
Net investment income	7,972	-	7,972
Administration fees	(291)	(4)	(295)
Net change in defined benefit member benefits	-	190	190
<b>Closing balance of member benefits as at 30 June 2024</b>	<b>82,885</b>	<b>3,323</b>	<b>86,208</b>
<b>Opening balance of member benefits as at 1 July 2022</b>	73,681	3,554	77,235
Contributions:			
Employer	4,059	196	4,255
Member	893	4	897
Transfer from other superannuation plans	1,464	4	1,468
Successor fund transfer out	(2)	(26)	(28)
Transfer to other superannuation plans	(4,609)	(43)	(4,652)
Income tax on contributions	(517)	(21)	(538)
<b>Net after tax contributions</b>	1,288	114	1,402
Benefits to members/beneficiaries	(2,790)	(190)	(2,980)
Insurance premiums charged to members' accounts	(710)	(4)	(714)
Death and disability benefits credited to members' accounts	390	3	393
<b>Reserves transferred to/(from) members' accounts</b>			
Defined benefit that are over/ (under) funded	-	(286)	(286)
Administration reserve	(1)	-	(1)
General reserve	(7)	-	(7)
Other reserves	(12)	-	(12)
<b>Benefits allocated to members' accounts comprising:</b>			
Net investment income	6,249	-	6,249
Administration fees	(289)	(4)	(293)
Net change in defined benefit member benefits	-	129	129
<b>Closing balance of member benefits as at 30 June 2023</b>	<b>77,799</b>	<b>3,316</b>	<b>81,115</b>

The above statement of changes in member benefits should be read in conjunction with the accompanying notes to the financial statements.

**MLC Super Fund**  
**Statement of changes in reserves**  
**For the year ended 30 June 2024**

	Defined benefit that are over/ (under) funded	Administration reserve	Self-insurance reserve	General reserve	Other reserves	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Opening balance as at 1 July 2023</b>	320	8	11	54	27	420
Net transfers to/(from) members' accounts	63	(3)	-	30	4	94
Profit/(loss)	-	-	1	(1)	(2)	(2)
<b>Closing balance as at 30 June 2024</b>	<b>383</b>	<b>5</b>	<b>12</b>	<b>83</b>	<b>29</b>	<b>512</b>

	Defined benefit that are over/ (under) funded	Administration reserve	Self-insurance reserve	General reserve	Other reserves	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Opening balance as at 1 July 2022</b>	34	7	10	44	18	113
Net transfers to/(from) members' accounts	286	1	-	7	12	306
Profit/(loss)	-	-	1	3	(3)	1
<b>Closing balance as at 30 June 2023</b>	<b>320</b>	<b>8</b>	<b>11</b>	<b>54</b>	<b>27</b>	<b>420</b>

The above statement of changes in reserves should be read in conjunction with the accompanying notes to the financial statements.



**MLC Super Fund**  
**Statement of cash flows**  
**For the year ended 30 June 2024**

	Note	2024 \$m	2023 \$m
<b>Cash flows from operating activities</b>			
Interest received		33	21
Distribution received		60	270
Other income received		24	61
Administration expenses paid		(305)	(278)
Insurance premiums paid		(705)	(716)
Investment expenses paid		(192)	(156)
Other expenses paid		(19)	(21)
Income tax received		112	19
<b>Net cash flows from operating activities</b>	13(b)	<b>(992)</b>	<b>(800)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		24,349	33,744
Purchases of investments		(21,087)	(32,027)
<b>Net cash flows from investing activities</b>		<b>3,262</b>	<b>1,717</b>
<b>Cash flows from financing activities</b>			
Employers' contributions		4,412	4,255
Members' contributions		857	896
Transfer from other superannuation plans		1,209	1,441
Successor fund transfer out		-	(28)
Transfer to other superannuation plans		(5,199)	(4,625)
Benefits to members/beneficiaries		(3,123)	(2,979)
Death and disability benefits credited to members' accounts		413	392
Income tax on contributions		(561)	(538)
<b>Net cash flows from financing activities</b>		<b>(1,992)</b>	<b>(1,186)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>278</b>	<b>(269)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>496</b>	<b>765</b>
<b>Cash and cash equivalents at the end of the year</b>	13(a)	<b>774</b>	<b>496</b>

The above statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**1. Reporting entity**

The MLC Super Fund (the "Fund") is a superannuation fund that provides both defined contribution and defined benefit accounts to members. The Fund is closed to new defined benefit entrants. The Fund is operated for the purpose of providing superannuation services to members. The Fund was constituted by a Trust Deed dated 9 May 2016, as amended. It is domiciled in Australia and the address of the registered office is 30 The Bond, Level 3, 30 Hickson Road, Millers Point, NSW 2000.

The Trustee of the Fund at reporting date is NULIS Nominees (Australia) Limited (NULIS) ABN 80 008 515 633. The Trustee is incorporated and domiciled in Australia and holds RSE Licence number L0000741. The ultimate parent entity is Insignia Financial Limited.

In accordance with the amendments to the *Superannuation Industry (Supervision) Act 1993*, the Fund is registered with the Australian Prudential Regulation Authority (APRA) as a Registrable Superannuation Entity (RSE) (registration number R1077223).

**(a) Significant events**

In November 2022, APRA imposed additional licence conditions on NULIS. These conditions included:

- (i) Enhancement of the Trustee's governance in relation to member outcomes, oversight of service providers, risk, compliance and managing conflicts of interest;
- (ii) Appointment of an independent expert to examine the operational effectiveness of the Trustee's governance, accountability and risk management frameworks and practices; and
- (iii) Rectification of areas of concern with input from the independent expert.

The Trustee is working with Insignia Financial Limited and its subsidiaries (collectively referred to as the IFL Group) to satisfactorily address all the Licence Conditions and to rectify any and all areas of concern identified by the independent expert. A Rectification Action Plan to address these additional licence conditions was formally approved by APRA on 22 November 2023.

Aside from the above there are no other matters to note.

**2. Basis of preparation**

The principal accounting policies that have been adopted in the preparation of the financial statements are as follows:

**(a) Statement of compliance**

**General purpose financial statements**

These general purpose financial statements have been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. They contain disclosures that are mandatory under the Accounting Standards and those considered necessary by the Directors to meet the needs of members.

The financial statements were authorised for issue by the Board of Directors of the Trustee, NULIS, on 18 September 2024.

**(b) Basis of measurement**

The financial statements and notes accompanying the financial statements have been prepared on the historical cost basis except for:

- i) financial instruments held at fair value through profit or loss, which are measured at fair value; and
- ii) financial liabilities and term deposits, other than those held at fair value through profit or loss, are measured at amortised cost.

**(c) Functional and presentation currency**

The financial statements are presented in Australian dollars. Amounts are shown rounded to the nearest million (\$m) under the option available under ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 and ASIC Corporations (Amendment) Instrument 2022/519, unless otherwise stated.

**(d) Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**2. Basis of preparation (continued)**

**(d) Foreign currency translation (continued)**

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the income statement within changes in investments measured at fair value.

**(e) Material accounting judgements, estimates and assumptions**

The preparation of the Fund's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Assumptions made at each reporting date are based on best estimates at that date. Although the Fund has internal control systems in place to ensure that estimates are reliably measured, actual amounts may differ from those estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

The additional accounting policies sensitive to the use of judgement, estimates and assumptions are outlined below:

***(i) Fair value of financial instruments***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management applies judgement in selecting valuation techniques where there is no market price available for an instrument. Further details on the determination of fair values of financial instruments are set out in Note 14.

***(ii) Assessment of the interest in unlisted unit trusts as structured entities***

The Fund has assessed whether its investments in unlisted unit trusts should be classified as structured entities. A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. The Fund has concluded that its investments in unlisted unit trusts meet the definition of structured entities as the voting rights of these unlisted unit trusts are not substantive in nature as set out in Note 17 Interests in unconsolidated structured entities.

As such, the Fund does not consolidate any entities.

***(iii) Valuation of defined benefit member liabilities***

The amount of member liabilities in relation to defined benefits has been determined using actuarial valuation techniques and assumptions. An actuarial valuation involves making various assumptions about the future. Actual developments in the future may differ from these assumptions. The assumptions include rates of leaving service, future investment returns, pension indexation rates, mortality rates and future salary increases. These liabilities are determined in part by the salaries earned by members at the time they retire. Due to the complexities involved in the valuation and its long term nature, defined benefit member liabilities are sensitive to changes in these assumptions.

In determining the appropriate investment return rate, the actuary considers the long term best estimate return that reflects the Fund's actual investments and investment strategy in respect of defined benefit member liabilities. Future salary increases are set in consultation with the employer-sponsors and take into account general market wage growth expectations.

**3. Changes in material accounting standards and interpretations**

The Fund has adopted Disclosure of Accounting Policies (Amendments to AASB 101 and IFRS Practice Statement 2) from 1 July 2023. The amendments did not result in changes to the accounting policy information disclosed in the financial statements.

There are no other material new standards or amendments to standards that are mandatory for the first time in the financial year beginning 1 July 2023 that affect the Fund's financial statements and are not likely to affect future periods. The Fund has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2023.

**New accounting standards and amendments to accounting standards issued but not yet effective**

AASB 18 Presentation and Disclosure in Financial Statements will be applicable to the Fund for the 30 June 2029 financial year. The standard will replace AASB 101 Presentation of Financial Statements. The standard establishes key presentation and disclosure requirements including newly defined subtotals in the statement of profit or loss, the disclosure of management-defined performance measures and enhanced requirements for grouping information.

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**4. Material accounting policies**

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

**(a) Financial assets**

**(i) Cash and cash equivalents**

Cash comprises cash at bank. Cash and cash equivalents include cash at bank, deposits held at call with financial institutions and other short term, highly liquid investments including term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(ii) Outstanding settlements**

Outstanding settlements include net amounts outstanding for redemptions of investments and purchases of investments, which remain unsettled at the reporting date and are normally settled within 30 days. These amounts are measured at fair value.

**(iii) Other receivables**

Receivables are carried at nominal amounts due and are measured at fair value. Receivables are normally settled within 30 days.

**(iv) Investments**

Investments of the Fund are initially recognised at cost, being the fair value of the consideration given. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments are included in the statement of financial position at fair value as at reporting date and movements in the fair value of investments are recognised in the income statement in the financial year in which they occur. Further details on how fair value is determined at each reporting date are set out in Note 14.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, i.e. the date that the Fund commits to purchase the asset.

The Fund's maximum exposure to loss from their investments in unlisted unit trusts, which have been assessed to be structured entities, is restricted to their fair value, refer to Note 17.

The prices used to value investments include:

**(i) Interest bearing securities**

Interest bearing securities, for which there is a readily available market quotation, are valued at the last quoted sale price as at the close of business on reporting date.

**(ii) Term deposits and annuities**

Term deposits and annuities, other than those held at fair value through profit or loss, which approximates fair value.

**(iii) Units in unlisted unit trusts**

Units in unlisted unit trusts are valued at the sale price at reporting date quoted by the investment managers which equates to the fair value.

For investments in suspended unlisted unit trusts, the prices used to value investments are the last available sale prices published by the relevant Fund Manager.

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**4. Material accounting policies (continued)**

**(a) Financial assets (continued)**

**(iv) Investments (continued)**

**(iv) Life insurance policies**

Investments in life insurance policies are included in the statement of financial position at fair value as at the reporting date and the net change in the fair value are recognised in the income statement in the period in which they occur. The Fund recognises investments in life insurance policies on the date it becomes a party to the contractual provisions of the investment. Investments are recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value are recorded in the income statement. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market to which the Fund has access at that date. The fair value of investments in life insurance policies is the sale price of the investment options held at the reporting date.

**(v) Derivatives**

Derivatives are valued at the last quoted sale price relevant to close out the contract as at the close of business on reporting date.

**(b) Financial liabilities**

The Fund recognises financial liabilities on the day it becomes a party to the contractual provisions of the instrument. Liabilities are carried at fair value and may include amounts for unsettled investment purchases and accrued fees payable. Unsettled purchases are amounts due to brokers for securities purchased that have not been paid at reporting date. Trades are recorded on trade date and normally settle within two business days.

Benefits payable are measured at fair value which comprises the entitlements of members who ceased employment prior to the year-end but had not been paid at that time. Benefits payable are normally settled within 30 days.

**(c) Offsetting**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to offset the amounts and it intends either to settle on a net basis or realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under Australian Accounting Standards. For example, for gains and losses arising from a group of similar transactions, such as gains and losses from investments held at fair value.

**(d) Member liabilities**

Member liabilities are measured as the amount of accrued benefits as set out in the paragraphs below.

*Allocated to members*

Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date.

Defined benefit member liabilities are measured as the amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at that date when they are expected to fall due.

*Unallocated contributions*

As at reporting date, the Fund had received net contributions of 2024 : \$6m (2023 : \$12m) yet to be allocated to members' accounts. Amounts will be cleared once allocated to members during the next financial year.

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**4. Material accounting policies (continued)**

**(e) Revenue and expense recognition**

*(i) Interest income*

Interest income is recognised in the income statement as it accrues, using the effective interest rate of the instrument calculated at the acquisition date.

*(ii) Distribution income*

Distributions from unlisted unit trusts are recognised as at the date the unit value is quoted ex-distribution.

*(iii) Changes in investments measured at fair value*

Changes in investments measured at fair value are calculated as the difference between the fair value at sale, or at reporting date, and the fair value at the previous valuation point. All changes are recognised in the income statement.

*(iv) Other income*

Other income consists mainly of fee rebate income which is recognised when the Fund has established the right to receive the income.

*(v) Expenses*

Expenses are recognised on an accruals basis and if not paid at reporting date, are reflected in the statement of financial position as a liability.

*(vi) Contributions revenue and transfers in the statement of changes in member benefits*

Contributions revenue and transfers in are recognised when the control and the benefits from the revenue have transferred to the Fund and are recognised gross of any taxes.

**(f) Income tax**

The Fund is a complying superannuation fund for the purposes of the provisions of the *Income Tax Assessment Act 1997*. Accordingly, the concessional tax rate of 15% has been applied to the Fund's taxable income. The Fund has both accumulation and pension members. Where assets are held to support pension liabilities, the income earned on those assets does not form part of the Fund's assessable income, thus incurring an effective tax rate of 0%.

Income tax in the income statement for the year includes current and deferred tax.

Current tax expense is the expected tax payable on the taxable income for the year using the tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years. Taxable income includes gains and losses on disposals of investments and these are calculated using the first-in-first-out method.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**(g) Goods and services tax**

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO) as a Reduced Input Tax Credit (RITC). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of other receivables or payables, in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**4. Material accounting policies (continued)**

**(h) No-TFN contributions tax**

Where a member does not provide their tax file number (TFN), the Fund may be required to pay no-TFN contributions tax at a rate of 32% which is in addition to the concessional tax rate of 15% which applies to the Fund's taxable income.

The no-TFN contributions tax liability recognised by the Fund will be charged to the relevant member's account. Where a tax offset is obtained by the Fund in relation to members' no-TFN contributions tax, the tax offset will be included in the relevant members' accounts.

**(i) Excess contributions tax**

The ATO may issue release authorities to members of the Fund relating to the relevant member's excess contributions tax that is payable in respect of the member's concessional and/or non-concessional contributions for a particular year and the concessional and/or non-concessional contributions received in the prior year. The liability for the excess contributions tax will be recognised when the relevant release authorities are received from the members, as the Trustee considers this is when it can be reliably measured.

**5. Member liabilities and funding arrangements**

**(a) Defined contribution member liabilities and funding arrangements:**

Defined contribution member account balances are determined by unit prices that are based on the underlying investment assets or the surrender value of policies at the end of the financial year. As at reporting date, the Fund had a net total of \$82,885m (2023: \$77,799m) defined contribution member liabilities.

Defined contribution members bear the investment risk relating to the underlying assets and unit prices used to measure the member liabilities. Unit prices are updated on a daily basis for movements in investment markets. The Fund's management of the investment market risks is disclosed within note 15.

For defined contribution members, employers are expected to contribute at a minimum rate as determined by the Industrial Awards or Superannuation Guarantee Legislation together with any additional salary sacrifice contributions. The Superannuation Guarantee for the year ending 30 June 2024 was 11% (2023: 10.5%) of salary for superannuation purposes. Members' contributions were made in accordance with the requirements of the Trust Deed pursuant to applications contained in the Product Disclosure Statements and Supplements on issue by the Trustee during the year.

**(b) Defined benefit member liabilities and funding arrangements:**

The Fund engages qualified actuaries to measure the defined benefit members' liabilities in each of its defined benefit sub-plans as required by superannuation regulations. The actuaries also conduct regular (at least every three years, or more frequently as required) actuarial investigations of the defined benefit sub-plans as required by the regulations and at the Trustee's request. Taking into account the Trustee's Defined Benefit Funding Policy on funding objectives and the sub-plan's circumstances, the actuaries advise the employers' required contribution levels. The Fund has no information that would lead to adjustments to the actuaries' assumptions in addition to what has already been discussed above.

The actuarial valuation of member liabilities reflects the actuarial assessment of the benefits accrued up to the most recent valuation date. This value is then rolled up to the current reporting date using an approach based on the estimated growth in vested benefits over the period since the last actuarial calculation. The assets of each of the defined benefit employer sub-plans are quarantined from the other assets of the Fund. In an event that the assets of a particular sub-plan are not adequate to provide for member liabilities, or if the employer contributions are insufficient, the member liabilities are limited to the assets of the particular sub-plan.

The key assumptions used to determine the actuarial value of the accrued benefits for each defined benefit sub-plans were:

The future rate of investment return of investments forecasted at a range of 0% - 7% per annum (2023: 0% - 7%)

The future rate of salary increase forecasted at a range of 0% - 5% per annum (2023: 0% - 5%)

**MLC Super Fund**  
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**5. Member liabilities and funding arrangements (continued)**

**(c) Sensitivity analysis of defined benefit member liability**

The following are sensitivity calculations of a reasonably possible change in the investment return and salary adjustment rate assumptions for defined benefit member liabilities.

	Key assumptions at reporting date	Reasonably possible change		Amount of change in member benefit liability	
		% +	% -	\$m +	\$m -
Year ended 30 June 2024					
Investment return	0% - 4%	1	1	(7)	7
	4% - 6%	1	1	(146)	161
	6% - 7.1%	1	1	(138)	153
Salary adjustment rate	0% - 2%	1	1	-	-
	2% - 4%	1	1	141	(127)
	4% - 5%	1	1	13	(12)
Year ended 30 June 2023					
Investment return	0% - 4%	1	1	(25)	27
	4% - 6%	1	1	(150)	166
	6% - 7%	1	1	(122)	136
Salary adjustment rate	0% - 2%	1	1	-	-
	2% - 4%	1	1	155	(139)
	4% - 5%	1	1	12	(11)

The Trustee is provided with quarterly updates on the funding position of the defined benefit sub-plans. Where a defined benefit sub-plan is in, or is likely to enter into, an unsatisfactory financial position, the sub-plan's actuary will advise the Trustee and APRA, and remedial action will be proposed to the Trustee.

The Trustee has a number of steps in place to manage the risks associated with the defined benefit sub-plans. The Trustee has appointed external actuaries to address the risks for each defined benefit sub-plan, including establishing suitable funding objectives.

Funding requirements for the sub-plans are impacted by various financial and demographic factors including investment earnings, salary inflation, benefit claims experience and pensioner mortality rates. The funding arrangements are primarily dependent upon investment performance relative to salary growth and, in some cases pension growth. Each defined benefit sub-plan has its own actuary and has a current actuarial Funding and Solvency Certificate.



**MLC Super Fund**  
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**5. Member liabilities and funding arrangements (continued)**

**Summary of actuarial investigations reports**

Contribution levels are consistent with actuarial recommendations for all plans. The table below reports the actuarial investigations of the individual sub-plans as at 30 June 2024:

Sub-plan	Last Actuarial Review <sup>^</sup>	Net assets as at reporting date <sup>*</sup>	Estimated accrued benefits at reporting date <sup>*</sup>	Over / (under) funded	Vested benefits at reporting date	Net assets less vested benefits	Investment return rate <sup>^^</sup>	Salary adjustment rate <sup>^^</sup>
		\$m	\$m	\$m	\$m	\$m		
ABB Superannuation Plan <sup>^^^</sup>	30/04/2021	5	2	3	2	3	7%	5%
Agilent Superannuation Plan	31/12/2022	6	5	1	5	1	6%	4%
Air Liquide Superannuation Plan	30/06/2022	1	1	-	1	-	7%	4%
APA Group Superannuation Plan	31/12/2022	145	141	4	141	4	6%	3%
ASP Ship Management Superannuation Plan <sup>**</sup>	30/06/2023	45	46	(1)	42	3	6%	5%
Opal and Australian Paper Superannuation Plan	30/06/2022	21	18	3	19	2	4%	3%
Bayer Employees' Superannuation Trust	30/06/2022	3	-	3	1	2	7%	3%
BHP No. 2 Superannuation Plan	31/12/2023	22	22	-	21	1	4%	4%
BHP Superannuation Fund <sup>^</sup>	30/06/2023	152	149	3	144	8	4%	4%
BNP Paribas Australian Superannuation Plan <sup>^^</sup>	1/07/2023	43	38	5	38	5	5%	4%
BP Superannuation Plan	31/12/2022	256	200	56	210	46	7%	3%
British American Tobacco Superannuation Plan	30/06/2022	11	8	3	8	3	6%	4%
Camberwell Grammar School Superannuation Plan <sup>^</sup>	30/06/2021	3	1	2	2	1	6%	4%
The Arnott's Group Superannuation Plan <sup>^</sup>	30/06/2023	118	113	5	114	4	7%	3%
Carlton & United Breweries Superannuation Plan	30/06/2023	16	16	-	16	-	5%	4%
ExxonMobil Super <sup>** ^</sup>	30/06/2023	1,108	1,121	(13)	1,108	-	4%	4%
GlencoreSuper <sup>^^^^</sup>	31/12/2021	7	4	3	4	3	6%	2%
HanesBrands Superannuation Plan	30/06/2022	5	5	-	5	-	6%	4%
HP Super	30/06/2022	61	46	15	54	7	4%	3%
ITW Superannuation Plan <sup>^^</sup>	1/07/2021	4	3	1	3	1	4%	3%
Liberty Bell Bay Superannuation Plan <sup>^^</sup>	1/07/2021	4	1	3	2	2	3%	3%
Mars Australia Retirement Plan <sup>^^^^</sup>	31/12/2023	901	776	125	761	140	7%	3%
MSD Australia Superannuation Plan <sup>^^</sup>	1/07/2023	109	92	17	93	16	7%	4%
National Australia Bank Group Superannuation Fund A	30/06/2022	50	13	37	11	39	6%	4%
National Wealth Management Superannuation Plan	30/06/2023	44	25	19	25	19	6%	3%
Visy Glass Australia Superannuation Plan <sup>^</sup>	30/06/2021	85	76	9	79	6	4%	4%
PepsiCo Australia Superannuation Plan	30/06/2022	15	11	4	11	4	6%	3%
Philip Morris Superannuation Plan	30/06/2022	49	46	3	43	6	6%	4%
Sealed Air Superannuation Plan	31/12/2022	29	10	19	10	19	6%	3%
Shell Australia Superannuation Plan <sup>^</sup>	30/06/2023	176	148	28	148	28	5%	3%
South32 Superannuation Plan <sup>^^^^</sup>	31/12/2021	35	28	7	28	7	4%	3%
Sydney Grammar School Superannuation Plan <sup>^^^^</sup>	31/12/2021	55	52	3	51	4	6%	4%
Tabcorp Group Superannuation Plan	30/06/2022	10	6	4	7	3	6%	3%
TWE Superannuation Plan <sup>^</sup>	30/06/2023	1	1	-	1	-	5%	0%
The Hempel (Watty) Superannuation Plan	30/06/2023	10	9	1	9	1	6%	4%
Viridian Superannuation Plan	30/06/2023	28	25	3	25	3	6%	3%
Viva Energy Superannuation Plan <sup>^</sup>	30/06/2021	73	65	8	68	5	3%	3%
<b>Total</b>		<b>3,706</b>	<b>3,323</b>	<b>383</b>	<b>3,310</b>	<b>396</b>		

<sup>\*</sup> This includes defined contribution benefits for defined benefit members

<sup>\*\*</sup> These plans are in remediation, refer to the explanation of over/(under) funded plans on page 16

<sup>\*\*\*</sup> These are based on the key assumptions

<sup>^</sup> Sub plans with the last actuarial review date of 30/06/2021 and 30/06/2023 are currently under review & are to be completed by 31 December 2024

<sup>^^</sup> Sub plans with the last actuarial review date of 01/07/2021 and 01/07/2023 are currently under review & are to be completed by 1 January 2025

<sup>^^^</sup> Sub plans with the last actuarial review date of 30/04/2021 and 01/07/2023 are currently under review & are to be completed by 31 October 2024

<sup>^^^^</sup> Sub plans with the last actuarial review date of 31/12/2021 and 31/12/2023 are currently under review & are to be completed by 31 June 2025

**MLC Super Fund**  
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**5. Member liabilities and funding arrangements (continued)**

**Summary of actuarial investigations reports (continued)**

Contribution levels are consistent with actuarial recommendations. The table below reports the actuarial investigations of the individual sub-plans as at 30 June 2023:

Sub-plan	Last Actuarial Review	Net assets as at reporting date*	Estimated accrued benefits at reporting date*	Over / (under) funded	Vested benefits at reporting date	Net assets less vested benefits	Investment return rate^^	Salary adjustment rate^^
		\$m	\$m	\$m	\$m	\$m		
ABB Superannuation Plan	30/04/2021	6	4	2	4	2	7%	5%
Agilent Super	31/12/2022	5	4	1	5	-	6%	4%
Air Liquide Superannuation Plan	30/06/2022	1	1	0	1	-	7%	4%
APA Group Superannuation Plan **	31/12/2022	140	145	(5)	145	(5)	6%	3%
ASP Ship Management Superannuation Plan	30/06/2022	41	40	1	40	1	6%	4%
Opal and Australian Paper Superannuation Plan	30/06/2022	33	24	9	25	8	4%	3%
Bayer Employees' Superannuation Trust	30/06/2022	2	0	2	1	1	7%	3%
BHP No. 2 Superannuation Plan	31/12/2020	25	25	(0)	24	1	4%	4%
BHP Superannuation Fund	30/06/2022	156	155	1	151	5	4%	4%
BNP Paribas Australian Superannuation Plan	30/06/2022	41	40	1	39	2	5%	3%
BP Superannuation Plan	31/12/2022	254	203	51	214	40	7%	3%
British American Tobacco Superannuation Plan	30/06/2022	17	11	6	12	5	6%	4%
Camberwell Grammar School Superannuation Plan	30/06/2021	3	1	2	1	2	6%	4%
The Arnott's Group Superannuation Plan	30/06/2022	118	108	10	109	9	6%	3%
Carey Baptist Grammar School Superannuation Plan	31/12/2021	1	1	0	1	-	6%	5%
Carlton & United Breweries Superannuation Plan **	30/06/2020	15	16	(1)	15	-	2%	4%
ExxonMobil Super **	30/06/2022	1,078	1,113	(35)	1,099	(21)	4%	4%
GlencoreSuper	31/12/2021	7	4	3	4	3	6%	2%
HanesBrands Superannuation Plan	30/06/2022	5	4	1	4	1	6%	4%
HP Super	30/06/2022	58	53	5	53	5	4%	3%
ITW Superannuation Plan	1/07/2021	6	5	1	5	1	4%	3%
Liberty Bell Bay Superannuation Plan	1/07/2021	4	2	2	2	2	3%	3%
Mars Australia Retirement Plan	31/12/2022	858	708	150	701	157	7%	3%
MSD Australia Superannuation Plan	1/07/2022	104	94	10	93	11	6%	4%
National Australia Bank Group Superannuation Fund A	30/06/2022	37	6	31	5	32	6%	4%
National Wealth Management Superannuation Plan	30/06/2020	50	29	21	30	20	6%	3%
Visy Glass Australia Superannuation Plan	30/06/2021	89	85	4	82	7	4%	4%
PepsiCo Australia Superannuation Plan	30/06/2022	14	12	2	12	2	6%	3%
Philip Morris Superannuation Plan	30/06/2022	43	43	0	41	2	6%	4%
Sealed Air Superannuation Plan	31/12/2022	29	12	17	12	17	6%	3%
Shell Australia Superannuation Plan	30/06/2022	169	158	11	157	12	4%	3%
South32 Superannuation Plan	31/12/2021	39	35	4	35	4	4%	3%
Spicers Superannuation Plan	30/06/2022	6	6	0	5	1	4%	3%
Sydney Grammar School Superannuation Plan	31/12/2021	51	48	3	47	4	6%	4%
Tabcorp Group Superannuation Plan	30/06/2022	11	7	4	7	4	6%	3%
TWE Superannuation Plan	30/06/2022	1	1	0	1	-	5%	0%
The Hempel (Wattyl) Superannuation Plan	30/06/2020	12	11	1	11	1	6%	3%
Viridian Superannuation Plan	30/06/2020	30	27	3	28	2	3%	3%
Viva Energy Superannuation Plan	30/06/2021	77	75	2	74	3	3%	3%
<b>Total</b>		<b>3,636</b>	<b>3,316</b>	<b>320</b>	<b>3,295</b>	<b>341</b>		

\* This includes defined contribution benefits for defined benefit members

\*\* This plan is in remediation, refer to the explanation of over/(under) funded plans on page 16

\*\*\* These are based on the key assumptions

^ Sub plans with the last actuarial review date of 30/06/2020 are currently under review & are to be completed by 31 December 2023

**MLC Super Fund**  
**Notes to the financial statements**  
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**5. Member liabilities and funding arrangements (continued)**

**(d) Explanations of over/(under) funded from Note 5 table:**

In accordance with Superannuation Prudential Standard 160 Defined Benefit Matters, the Trustee aims to maintain the financial position of each sub-plan so that the ratio of net assets to vested benefits is above 100%. These sub-plans, with the exception of those disclosed below under plans in remediation, all have net assets greater than 100% of vested benefits. This is generally attributable to better than expected investment returns. As a result of any particular sub-plan's surplus, employers of that sub-plan may be on a contribution holiday.

**(e) Plan in remediation**

Exxon and APA sub-plans have a shortfall of net assets to vested benefits at 30 June 2024. They already have approved remediation plans in place. Although the funding level is now 100% of vested benefits, the remediation plans will continue for the approved duration. In general, the sub-plans fell below full funding due largely to lower than expected investment returns or higher salary increases than expected.

In all instances, where a shortfall is identified or imminent, the sub-plan actuary would have reported the financial position to APRA as part of its prudential oversight; and worked with the sub-plan's actuary to determine a suitable remedial action for the employer sponsor of the sub-plan. Once the remediation plan has been approved by the Trustee, the Trustee will notify APRA.

**(f) Calculation of accrued benefits**

Formal actuarial reviews of the sub-plans were undertaken at various dates according to the individual arrangements of the sub-plans (at least triennial). In accordance with AASB 1056, accrued benefits are to be calculated at each reporting period as opposed to at each actuarial investigation.

As a result, the Fund has utilised estimation techniques to calculate accrued benefits. Due to the individual arrangements of each sub-plan, not every sub-plan completed a formal actuarial review at reporting date. However, the actuaries of each sub-plan were engaged to confirm the use of the estimation technique employed by the Fund.

**(g) Funding arrangements**

There are two main sources of funding: employer contributions and member contributions.

For defined contribution members, employers are expected to contribute at a minimum rate as determined by the Industrial Awards or Superannuation Guarantee Legislation together with any additional salary sacrifice contributions. The Superannuation Guarantee for the year ending 30 June 2024 was 11% (2023: 10.5%) of salary for superannuation purposes.

For defined benefit members, employers are expected to contribute at a rate determined by the Trustee acting on the advice of the appointed actuaries.

Members are also able to make voluntary member contributions.

Members contributing to the Fund must meet eligibility requirements under the superannuation law. Given eligibility, contributions to the Fund can be in the form of lump sum contributions, regular contributions, spouse contributions and/or amounts rolled over from other superannuation funds or rollover funds. Allocated pension account contributions are restricted to members who have an eligible termination payment or who transfer eligible amounts from other complying superannuation funds.

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**6. Receivables**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Investment income receivable	-	1
GST receivable	3	3
Other receivables	46	-
	<b>49</b>	<b>4</b>

**7. Payables and accruals**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Benefits payable	22	30
Insurance premiums payable	22	28
Administration expenses payable	1	1
Other payables	67	78
	<b>112</b>	<b>137</b>

**8. Reserves**

**Operational risk reserve (ORFR)**

In accordance with Superannuation Prudential Standard 114: Operational Risk Financial Requirement, financial resources to meet the ORFR target amount is held by the Trustee, on behalf of the fund. The standard requires the ORFR to be separately identifiable from member accounts and provide an unrestricted commitment of financial resource to address losses arising from operational risk in a timely manner.

The Trustee has assessed a Target Amount of 0.25% of funds under management for the Fund. These reserve monies are invested in liquid, defensive assets and cash in line with the NULIS ORFR Strategy. As part of the ORFR governance processes, the Trustee monitors the ORFR reserve on a quarterly basis as set out in the ORFR Strategy. The strategy also states that if the ORFR reserve falls below the lower Tolerance Limit of 90%, the Trustee will approve and implement a plan to replenish financial resources to bring the ORFR reserve back to Target Amount. The ORFR balance attributable to the Fund as at 30 June 2024 was \$224,315,900 and 103% of the Target Amount (2023: \$207,601,605 and 102%) and was held by the Trustee on behalf of the Fund.

**Administration reserve**

The administration reserve includes contributions and operational expenses for corporate plans. The administration reserve is segregated for specific employer sub-plans and the benefits are limited to those members.

**Self-insurance reserve**

The Fund has an element of self-insurance and has an obligation to meet current and future insurance claims out of its assets. The self-insurance reserve is used to meet the potential liability arising from any self-insured risks of defined benefit sub-plans. The reserve is set up and segregated for specific defined benefit sub-plans within the Fund, and as such, the obligations are limited to the reserves of those individual sub-plans.

The actuary of each individual sub-plan completes a detailed assessment of the self-insurance reserve at least every three years as part of the actuarial investigation. The level of insurance cover, the risk profile of the insured group, possible catastrophe scenarios and past claims experience are included as part of the assessment. In addition, the Trustee seeks confirmation from the actuaries annually that self-insurance remains in the best interests of members. The Trustee also provides details of the self-insurance reserve to APRA as part of its prudential reporting requirements.

As the self-insurance reserve is immaterial relative to the size of the Fund, the Fund does not act in the capacity of an insurer as defined by AASB 17 and hence covered under AASB 1056.

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**8. Reserves (continued)**

**General reserve**

The general reserve is for the benefit of the members and is used to recover costs such as the Member Office operating expenses, directors' fees, project costs, annual members' meeting, audit fees, APRA levy, Australian Financial Complaints Authority ('AFCA') levy and other expenses approved by the Board.

The general reserve is primarily funded by the Trustee levy, tax credits and interest on certain bank accounts.

**Other reserves**

Other reserves are made up of two primary components. The first component relates to any amounts that have not yet been allocated to members' accounts. The second component relates to unvested derivative assets held by the Fund. The Trustee has entered into arrangements to provide certain guaranteed investment options for members. These derivatives are treated in the same manner as other derivatives held in the Fund.

**9. Net change in fair values of investments**

**Investments held at the end of the financial year**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Interest bearing securities	(2)	5
Unlisted unit trusts	5,583	3,225
Life insurance policies	1	2
Derivative assets/liabilities	6	2
<b>Total unrealised gains/(losses)</b>	<b>5,588</b>	<b>3,234</b>

**Investments realised during the financial year**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Interest bearing securities	6	13
Unlisted unit trusts	1,492	1,776
Derivative assets/liabilities	86	203
<b>Total realised gains/(losses)</b>	<b>1,584</b>	<b>1,992</b>

**Net change in fair value of investments**

	<b>7,172</b>	<b>5,226</b>
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**10. Expenses**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
<u>Administration expenses</u>		
Actuarial fees	2	2
Administration fees	293	291
	<b>295</b>	<b>293</b>
<u>Other operating expenses</u>		
Other operating expenses	19	22
	<b>19</b>	<b>22</b>

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**11. Auditor's remuneration**

The principal auditor of the Fund is KPMG. The following fees were incurred by the Fund for services provided by the auditor.

	2024	2023
	\$'000	\$'000
<b>Audit services</b>		
KPMG		
Audit and review of financial statements and APRA returns	300	412
Audit and review of regulatory compliance	36	37
Total remuneration for audit services	336	449

The fees disclosed above are exclusive of GST.

**12. Income tax benefit/(expense)**

Reconciliation of accounting profit to income tax expense

A reconciliation of accounting profit to tax expense, and to income tax paid/payable with identification of material temporary and non-temporary differences is included within the financial statements.

**(a) Recognised in the income statement:**

	2024	2023
	\$m	\$m
<b>Current income tax</b>		
Current income tax (expense)/benefit	149	(55)
(Over)/under provision in the previous year	2	(13)
<b>Deferred tax expense</b>		
Relating to origination and reversal of unrealised gains	378	444
<b>Total tax expense/(benefit) as reported in the income statement</b>	<b>529</b>	<b>376</b>

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**12. Income tax benefit/(expense) (continued)**

**(b) Reconciliation between income tax expenses and the accounting profit/(loss) before income tax:**

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Profit/(loss) from operating activities	8,394	6,462
Income tax benefit/(expense) at 15% (2023:15%)	1,259	969
Adjustments in respect of current income tax:		
Non-assessable income *	(746)	(582)
Non-deductible expenses	3	1
Exempt pension income	(62)	(89)
Tax benefit on administration fees reported on the statement of changes in member benefits	47	47
(Over)/under provision for income tax in the previous year	2	(13)
Increase/(decrease) in deferred tax provision	378	444
Net imputation and foreign tax credits	(352)	(401)
<b>Income tax benefit/(expense) reported in the income statement</b>	<b>529</b>	<b>376</b>

*\*Non-assessable income consists of accounting gains and losses and non-assessable components from distributions from unit trust investments*

**(c) Deferred income tax at 30 June relates to the following:**

The balance comprises temporary differences attributable to:

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
<b>Amounts recognised in changes in net assets:</b>		
Net realised losses & unrealised gains/losses on investments subject to CGT	837	457
Fund expenses accrued but not incurred	(3)	(1)
<b>Gross deferred tax liability</b>	<b>834</b>	<b>456</b>
<b>Movements:</b>		
Opening balance at 1 Jul	456	12
Charged / (credited) to the changes in net assets	378	444
<b>Closing balance</b>	<b>834</b>	<b>456</b>

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**13. Cash flow statement reconciliation**

**(a) Reconciliation of cash and cash equivalents**

Cash at the end of the financial year in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Cash and cash equivalents	774	496

**(b) Reconciliation of net cash from operating activities to net profit/(loss) after income tax:**

(Loss)/profit after income tax	(2)	1
<b>Adjustments for non-cash items and movements in the statement of financial position:</b>		
(Increase)/decrease in assets measured at fair value	(7,172)	(5,226)
(Increase)/decrease in receivables	(45)	(47)
(Increase)/decrease in receivables not related to operating activities	45	(20)
Increase/(decrease) in payables	(26)	27
Increase/(decrease) in payables not related to operating activities	10	(15)
(Increase)/decrease in tax receivable	48	48
Increase/(decrease) in deferred tax liabilities	378	444
Increase/(decrease) in current tax liabilities	215	-
<b>Adjustment for items included in profit/(loss) after tax, that are not included in net cash from operating activities:</b>		
Reinvestment of distribution income	(1,611)	(1,383)
<b>Adjustments for items not included in profit/(loss) after tax, but included in net cash from operating activities:</b>		
Benefits allocation to Members' accounts	7,867	6,085
Insurance premiums charged to members	(699)	(714)
<b>Net cash outflows from operating activities</b>	<b>(992)</b>	<b>(800)</b>

**14. Fair value of financial instruments**

**Investments**

Investments of the Fund, other than cash held for liquidity purposes, comprise units in investment vehicles such as interest bearing securities, term deposits, unlisted unit trusts, private equities and life insurance policies. The Trustee has determined that these types of investments are appropriate for the Fund and are in accordance with the Fund's published investment strategy.

The investment managers of the investment vehicles will have invested in a variety of financial instruments, including derivatives, which expose the Fund's investments to a variety of investment risk, including credit risk, liquidity risk, market risk which includes interest rate risk and currency risk. The investment manager provides a regular report on the Fund's investments to the Trustee.

The Trustee seeks information from the managers of each proposed investment vehicle so as to determine the nature and extent of any risks, and the expected returns, associated with each investment prior to determining its suitability as an investment for the Fund.



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**14. Fair value of financial instruments (continued)**

**Investments held in suspended unlisted unit trusts and stale price or thinly traded securities**

As at 30 June 2024, the Fund held approximately \$1m (2023: \$2m) of its investments in suspended unlisted unit trusts (unlisted unit trusts suspended to applications and redemptions) and stale price or thinly traded securities. For the suspended unlisted unit trusts, the prices used to value investments are the last available sale prices published by the relevant Fund Manager. For stale price or thinly traded securities, the last price available is used to value these investments. Below is a list of stale price or thinly traded securities and unlisted unit trusts suspended at 30 June 2024 and held by the Fund.

Investment name	2024	2023
	\$m	\$m
Russell Global Property Fund 1	1	2
	1	2

The Trustee is continuing to monitor distressed unit trusts where it has been notified by the Responsible Entity that the unlisted unit trust is closed to applications and redemptions.

**Estimation of fair value**

The Fund's financial assets and liabilities included in the statement of financial position are carried at fair value. The major methods and assumptions used in determining fair value of financial instruments are disclosed in Note 4(a) Financial assets.

The Fund measures fair value using the following fair value hierarchy that reflect the significance of the inputs used in making the measurements:

Level 1 - Quoted prices (unadjusted) in active markets for financial assets or liabilities;

Level 2 - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all material inputs are directly or indirectly observable from market data.

Level 3 - Valuation techniques using material unobservable inputs. This category includes all instruments that use a valuation technique which includes inputs not based on observable data and the unobservable inputs have a material effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which material unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table details how the fair values of the Fund's financial instruments have been determined, and the valuation techniques applied, including any material unobservable inputs in Level 3 financial instruments.

Financial Instruments	Fair Value Hierarchy	Valuation Techniques and Inputs
Interest bearing securities	1	Valued based on quoted bid prices in an active market.
Life insurance policies	2	Valued at the surrender value as quoted by the insurer.
Unlisted unit trusts	2	Valued using prices as quoted by the investment managers.
Derivatives (excluding over the counter put options)	2	Value based on observable market data i.e. broker quoted.
Over the counter put options	3	Actuarial calculations using market standard actuarial valuation models and valuation assumptions, including future investment returns on the underlying investments and risk-free interest rate assumptions.

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**14. Fair value of financial instruments (continued)**

**Estimation of fair value (continued)**

Financial Instruments	Fair Value Hierarchy	Valuation Techniques and Inputs
Unlisted unit trusts	3	Valued using prices as quoted by the investment managers.
Unlisted unit trusts (suspended/stale price)	3	Valued based on last available sale price. The investment is transferred to Level 3 where the stale price/suspension has remained for one year or longer, with positions reviewed periodically for material events that might impact upon fair value.

The Trustee has implemented a Valuation Policy to ensure that management proactively manages valuation risks and ensures an effective governance structures is in place to produce equitable distribution of investment earnings to members. The valuation policy outlines the guiding principles in managing valuation risks and includes valuation methodologies and frequencies for superannuation investments.

To assist the Trustee in its fiduciary duties, a Trustee Valuation Forum (VF) is in place to review, oversee and monitor valuations. Key observations and outcomes of the forum are reported to the Superannuation Trustee Investment Committee (STIC) in line with APRA's prudential requirements. The VF reviews key valuation metrics and information to monitor the appropriateness, effectiveness and adequacy of valuations of investments and considers whether valuations are equitable and align with the required valuation methods and frequency as set out in the Trustee Valuation Policy. Additionally, the Insignia Financial Limited group has established a Unit Pricing Forum (UPF) to promote good unit pricing practices, and manage unit pricing risks and controls. The Unit Pricing Forum oversees unit pricing operations including policies and standards, outsourced arrangements, incident and remediation methodologies, identifying systematic issues, tax related matters and unit pricing principles and practices.

When third party information, such as custodian valuations, broker quotes or pricing services, is used to measure fair value, the UPF and VF assess the evidence from these third parties to support the conclusion that these valuations meet the fair value requirements. This may include: information and inputs from the Fund, verifying that the custodian valuation, broker or pricing service, is appropriate to use in pricing the relevant type of financial instruments, understanding how the fair value has been arrived and the extent at which it represents actual market transactions, and whether it represents a quoted price in an active market for an identical asset.

**Recurring fair value measurements**

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

**2024**

Interest bearing securities  
Unlisted unit trusts  
Life insurance policies  
Derivative assets  
Derivative liabilities

Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
-	148	-	148
-	78,372	8,170	86,542
-	132	-	132
-	6	1	7
-	(1)	-	(1)
-	78,657	8,171	86,828

**2023**

Interest bearing securities  
Unlisted unit trusts  
Life insurance policies  
Derivative assets  
Derivative liabilities

Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
-	138	-	138
-	69,278	11,843	81,121
-	138	-	138
-	4	1	5
-	(12)	-	(12)
-	69,546	11,844	81,390

**Non-recurring fair value measurements**

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

**MLC Super Fund**  
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**14. Fair value of financial instruments (continued)**

**Level 3 financial instruments**

***Movements of Level 3 securities***

The disclosure in the following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 at the beginning and the end of the reporting year for the investments held directly by the Fund.

	Unlisted Unit Trusts		Derivatives		Total	
	2024	2023	2024	2023	2024	2023
	\$m	\$m	\$m	\$m	\$m	\$m
<b><i>Financial assets</i></b>						
Opening balance	11,843	10,335	1	6	11,844	10,341
Change in fair value	331	(727)	-	(5)	331	(732)
Purchases / applications	836	3,511	-	-	836	3,511
(Sales) / redemptions	(5,157)	(2,983)	-	-	(5,157)	(2,983)
Transfers to Level 2	(46)	(825)	-	-	(46)	(825)
Transfers to Level 3	363	2,532	-	-	363	2,532
<b>Closing balance</b>	<b>8,170</b>	<b>11,843</b>	<b>1</b>	<b>1</b>	<b>8,171</b>	<b>11,844</b>

As at reporting date, the majority of the Fund's Level 3 investments consist of holdings in private equity unlisted unit trusts and suspended and stale price investments, with insignificant amounts held in derivatives. Due to the nature and the range of significant unobservable inputs in determining the fair value of the underlying private equity investments, these are classified as Level 3 investments.

During the year there was no reclassification of any securities from Level 3 to Level 1 and there was no transfers from Level 1 to Level 2. However, there were transfers from Level 2 to Level 3 and Level 3 to Level 2 of the fair value hierarchy.

***Level 3 fair value measurement of unobservable inputs and sensitivity analysis***

These Level 3 assets are often infrequently traded and the valuation can be subjective. As observable prices are not available for these assets, the Fund has used valuation techniques to derive fair value. These unobservable inputs may include discounts for the lack of marketability or restrictions on redemptions, liquidity market adjustments using comparable trading, and benchmarking to similar assets. Changes in assumptions about these factors could affect the reported fair value.

Type	Valuation approach	Key unobservable input	Range	2024 Fair value \$m	2023 Fair value \$m
Private Equity Unit Trusts	Unadjusted unit price provided by the investment manager	Unit price change	0-100%	8,133	7,623
Other unlisted property and infrastructure trusts	Latest available trade price	Valuation of underlying assets, liquidity & suspension of redemption	0-100%	37	4,220
Over the counter put options	Investment growth rate	Investments' growth rate assumption change	0-100%	1	1
	Australian 1-30 year interest rate	Risk free interest rate change			

**MLC Super Fund**  
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**14. Fair value of financial instruments (continued)**

**Level 3 sensitivity analysis of unobservable inputs**

Although the Trustee of the Fund believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used as reasonably possible alternative assumptions upwards or downwards (% are disclosed in the table) would have the following effects on profit or loss:

	Favourable \$m		Unfavourable \$m	
	2024 10%	2023 10%	2024 10%	2023 10%
Private Equity Unit Trusts	813	762	(813)	(762)
Other unlisted property and infrastructure trusts	4	422	(4)	(422)
	817	1,184	(817)	(1,184)

**15. Financial management framework**

**Risk management**

The Fund's assets principally consist of financial instruments which include cash and cash equivalents, interest bearing securities, units in unlisted unit trusts, life insurance policies and derivative financial instruments. The Trustee has determined that these types of investments are appropriate for the Fund and are in accordance with the Fund's published investment strategy.

Investment activities undertaken in accordance with members' instructions are limited to approved investments included in the investment list.

**Overview**

The Trustee seeks to ensure the appropriateness of investments offered through an approval process before making them available to members and also through ongoing monitoring. The allocation of assets between the various types of investments described above is either determined by members of the Fund as they or their financial adviser instruct the Trustee to invest into financial instruments on their behalf, or if the investment decision is not determined by members, the assets will be defaulted to invest in the MySuper Lifestage investment option.

The Trustee has a Superannuation Trustee Investment Committee (STIC), which is delegated with certain responsibilities through its Trustee approved Charter. The STIC monitors and approves all investment options of the Fund on a regular basis to ensure they still meet the investment guidelines of the Fund. This monitoring is done on a regular basis and any investment option that no longer meets the investment guidelines is tabled with the STIC.

The Fund is exposed to a variety of financial risks: credit risk, liquidity risk, market risk (including price risk, foreign exchange risk and interest rate risk) arising from the financial instruments it holds. The Fund's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The financial risks are discussed in more detail in the sections below and are disclosed on a direct basis only.

**Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The controls around this risk are assessed at the approval stage of a new investment option being made available to members of the Fund.

The Fund's financial assets that are exposed to credit risk include cash and cash equivalents, term deposits and receivables as reported in the Statement of Financial Position. The carrying amounts of financial assets that are exposed to credit risk best represent the maximum credit risk exposure at the reporting date. No collateral is held as security nor do other credit enhancements exist for all financial assets held. No financial assets are considered past due as all payments are considered recoverable when contractually due.

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**15. Financial management framework (continued)**

**Credit risk (continued)**

***Credit quality***

The following table details the credit risk for the Fund in relation to cash and cash equivalents, term deposits and fixed interest securities held. The rating table excludes any rating categories applicable to the underlying assets of the unlisted unit trusts. The source of the ratings are Standards and Poors (S&P).

<b><i>Institution</i></b>	<b>Rating</b>	
	<b>2024</b>	<b>2023</b>
National Australia Bank Limited	AA-	AA-
Commonwealth Bank of Australia	AA-	AA-
Westpac Banking Corporation	AA-	AA-
Australia and New Zealand Banking Group Limited	AA-	AA-
Suncorp Group Limited	A+	A+
JPMorgan Chase & Co	A+	A+
UBS Group AG	A+	A+
Macquarie Bank Limited	A+	A+

**2024**

Cash and cash equivalents
Interest bearing securities
Term deposit
<b>Total</b>

<b>AAA to AA-</b>	<b>A+ to A-</b>	<b>Total</b>
<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
699	75	774
148	-	148
225	-	225
<b>1,072</b>	<b>75</b>	<b>1,147</b>

**2023**

Cash and cash equivalents
Interest bearing securities
Term deposit
<b>Total</b>

<b>AAA to AA-</b>	<b>A+ to A-</b>	<b>Total</b>
<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
367	129	496
138	-	138
184	-	184
<b>689</b>	<b>129</b>	<b>818</b>

***Derivative financial instruments***

Forward foreign currency contracts are subject to the creditworthiness of counterparties. Futures have minimal credit risk, as such risk is backed by clearing houses associated with recognised Stock or Futures Exchanges. Options held by the Fund are over the counter (OTC) options not available to general public. The Fund enters into forward foreign currency contracts with highly rated financial institutions, and the associated credit risk is reduced by holding master netting arrangements. Master netting arrangements do not result in an offset of assets and liabilities in the statement of financial position as the Fund does not presently have a legally enforceable right of set-off. However, the credit risk associated with unfavourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on a net basis.

	<b>Gross amount presented in the</b>				
	<b>Notional Derivatives</b>	<b>statement of financial position</b>	<b>Related amounts not offset</b>	<b>Cash collateral</b>	<b>Net amount</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>2024</b>					
Derivative assets	1,244	7	(7)	(59)	(58)
Derivative liabilities	(62)	(1)	1	-	-
<b>2023</b>					
Derivative assets	2,215	5	(4)	(10)	(8)
Derivative liabilities	(1,387)	(12)	12	-	-

**MLC Super Fund**  
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**15. Financial Management Framework (continued)**

**Liquidity risk**

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations to members or counterparties in full as they fall due or can only do so on terms that are disadvantageous. The Fund's liquidity policy is designed to ensure it will meet its obligations as and when they fall due by ensuring it has sufficient cash and liquid assets to sell without adversely affecting the Fund's net asset value. The Fund's liquidity policy is designed to ensure it maintains sufficient cash and liquid investments to meet its obligations to members and counterparties in both orderly markets and in periods of stress.

The Fund's cash and cash equivalents and term deposits are held by the financial institutions disclosed in the credit risk note above. Bankruptcy or insolvency of these Australian Authorised Deposit Taking Institutions may cause the Fund's rights, with respect to the cash held, to be delayed or limited. Fund liquidity risk is mitigated because liquidity is a consideration of management prior to approving any new investment option.

The minimum liquidity requirements of the Fund enable the Fund to meet day-to-day operational expenses. The unlisted unit trusts of the Fund may suspend or impose restrictions on redemptions from time to time. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time in order to meet its liquidity requirements. If the Fund is unable to meet liquidity requirements this may impact on member withdrawals. The Fund's liquidity risk is monitored at portfolio level and the investment managers' approaches is in accordance with its investment mandates.

The Fund's liabilities of the Fund comprise liabilities for accrued benefits, income tax payable, as well as payables and accruals. The Fund's liabilities are generally due within one month except for income taxes which are typically settled within statutory deadlines which is greater than one month. The liability for accrued benefits are payable on demand under normal circumstances.

	Carrying amount		Less than one month		Greater than one month	
	2024 \$m	2023 \$m	2024 \$m	2023 \$m	2024 \$m	2023 \$m
<b>Financial liabilities</b>						
Payables	112	137	88	137	24	-
Derivative liabilities	1	12	-	-	1	12
Current tax liabilities	215	-	-	-	215	-
Deferred tax liabilities	834	456	-	-	834	456
Total member liabilities	86,214	81,127	86,214	81,127	-	-
<b>Total financial liabilities</b>	<b>87,376</b>	<b>81,732</b>	<b>86,302</b>	<b>81,264</b>	<b>1,074</b>	<b>468</b>

**Market Price risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, currencies and prices. These changes might be caused by factors specific to the individual asset or its issuer or factors affecting all assets in the market. Market risk is managed by providing diversified portfolios for members to choose from the investment list. Diversification helps reduce the exposure to market risk. There has been no material change to the type of market risk to which the Fund is exposed or the manner in which it manages and measures the risk.

**1. Currency risk**

Currency risk is the risk that the fair value of future cash flows of a monetary financial instrument will fluctuate due to changes in foreign exchange rates.

The Fund holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar (AUD). Foreign exchange risk arises as the value of monetary assets denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk.

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**15. Financial Management Framework (continued)**

**Market Price risk (continued)**

*1a. Currency sensitivity analysis*

The analysis below demonstrates the impact of a reasonably possible 10% movement in currency rate (2023: 10%), as at the end of each reporting period for non-hedged foreign currency denominated monetary assets. For 2024 the amount was nil, and we included the comparative table for prior year.

	Carrying amount	Change in currency rate %		Effect on net assets / investment returns	
	\$m	+	-	\$m	\$m
<b>2023</b>					
Change in foreign currency exchange rate					
USD	4	10	(10)	0.4	(0.4)
Others	2	10	(10)	0.2	(0.2)

*1. Currency risk (continued)*

The analysis above calculates the effect of a reasonably possible movement in the USD against the AUD on the statement of financial position and income statement, based on management best estimate of reasonable possible movements in foreign exchange rates, with all other variables held constant. The types of risks faced and methods used for the sensitivity analysis are consistent for both periods. movements in foreign exchange rates, with all other variables held constant. The types of risks faced and methods used for the sensitivity analysis are consistent for both periods.

*2. Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in interest rates. The Fund is directly exposed to interest rate risk through its: cash and cash equivalents; fixed interest securities, term deposits and life insurance policies.

The Fund addresses exposure to interest rate risk through its diverse investment list. Some of the underlying investments held by the Fund in unlisted unit trusts use derivative financial instruments to provide flexibility to manage the risks arising from interest rate movements.

At the reporting date the interest rate risk exposure of the Fund's interest-bearing financial instruments was:

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Cash and cash equivalents	774	496
Interest bearing securities	148	138
Term deposits	225	184
Life insurance policies	132	138
	<b>1,279</b>	<b>956</b>

**MLC Super Fund**  
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**15. Financial Management Framework (continued)**

**Market Price risk (continued)**

*2. Interest rate risk (continued)*

*2a. Interest rate sensitivity analysis*

The sensitivity analysis shows the effect on change in net assets and the income statement to a reasonably possible change in interest rates with all other variables held constant is indicated in the tables below:

	+ Change in basis points		- Change in basis points		Sensitivity of interest income and changes on net assets	
	2024 +25bps	2023 +50bps	2024 -50bps	2023 -25bps	2024 \$m	2023 \$m
Cash and cash equivalents	2	2	(4)	(1)	(2)	1
Interest bearing securities	1	1	(2)	-	(1)	1
Term deposits	1	1	(2)	-	(1)	1
Life insurance policies	-	1	-	-	-	1
	4	5	(8)	(1)	(4)	4

*3. Other market price risk*

Other market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As investments in units in unlisted unit trusts are carried at fair value with changes recognised in the income statement, all changes in market conditions affecting fair value will be recognised under the investment income section disclosed in the income statement.

The Fund's investments in units in unlisted unit trusts indirectly expose it to other market price risk.

Other market price risk is mitigated by constructing a diversified portfolio of investments. This is in accordance with the investment objective of the Fund, to provide a diversified range of investments including listed securities (comprising equities, derivatives and interest bearing securities) and units in unlisted unit trusts.

The Trustee seeks information from the Trustee and/or manager of each proposed unlisted unit trusts (and may also seek independent advice from other qualified persons) so as to determine the nature and extent of any risks, and the expected returns, associated with each investment prior to determining its suitability as an investment for the Fund.

Risk is measured through the careful assessment of assets offered and through measures to facilitate appropriate diversification. The measures include:



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**15. Financial Management Framework (continued)**

**Market Price risk (continued)**

**3. Other market price risk (continued)**

- a) The provision of multiple asset classes and investment strategies from which a member can choose; and  
b) The appointment of multiple investment managers with multiple investment strategies.

At the reporting date the other market price risk exposure of the Fund's investments is as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$m</b>	<b>\$m</b>
Interest bearing securities	148	138
Term deposits	225	184
Unlisted unit trusts	86,542	81,121
Life insurance policies	132	138
Derivative assets	7	5
Derivative liabilities	(1)	(12)
	<b>87,053</b>	<b>81,575</b>

**3a. Other market price risk sensitivity**

Management have considered the movements for each investment asset type in the below table to be reasonable given the Fund's economic environment. The increase/(decrease) in the market price against the investments of the Fund at 30 June 2024 would have increased/(decreased) the profit from operating activities and net assets available for member benefits by the amounts shown below. This analysis assumes that all other variables, including interest rates, remain constant. The analysis was performed on the same basis in 2023.

	% Applied*		Change in profit/(loss) from operating activities & change on net assets	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
			<b>\$m</b>	<b>\$m</b>
Interest bearing securities	10%	10%	15	14
Term deposits	10%	10%	22	18
Unlisted unit trusts	10%	10%	8,654	8,112
Life insurance policies	10%	10%	13	14
Derivative assets	10%	10%	1	1
Derivative liabilities	10%	10%	-	(1)
<b>Total</b>			<b>8,705</b>	<b>8,158</b>

\* A corresponding decrease in the market price would provide an equal and opposite effect on the profit from operating activities and net assets available for member benefits.

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**16. Related parties**

The Trustee of the Fund is NULIS Nominees (Australia) Limited (NULIS) (ABN 80 008 515 633) (RSE L0000741) which is a wholly owned subsidiary of MLC Wealth Limited (MLCW) (ABN 97 071 514 264), whose ultimate parent entity is Insignia Financial Limited (ABN 49 100 103 722).

**Key management personnel**

The names of the Directors of the Trustee who held office at any time during or since the end of the financial year are:

Directors	Date Appointed	Date Retired
Lindsay Smartt (Chair)	08/09/2021	
Steven Schubert	04/12/2019	
Beth McConnell	04/12/2019	
Jane Harvey	17/03/2022	15/12/2023
Karen Gibson	17/03/2022	
Marianne Perkovic	03/10/2023	
Mario Pirone	03/10/2023	

The following persons had the authority and responsibility for planning, directing and controlling the major activities of the Fund, directly or indirectly, during the financial year:

Other key management	Position held	Date Appointed	Date Retired
Scott Hartley	Chief Executive Officer	01/03/2024	
David Chalmers	Chief Financial Officer	31/05/2021	
Daniel Farmer	Chief Investment Officer	19/08/2022	
Frank Lombardo	Chief Operating and Technology Officer	31/05/2021	
Mark Oliver	Chief Distribution Officer	31/05/2021	
Anvij Saxena	Chief Risk Officer	27/03/2023	
Mel Walls	Chief People Officer	01/07/2023	
Chris Weldon	Chief Transformation Officer/Chief Client Officer	01/07/2023	
Sally Hopwood	Acting Chief Member Officer	26/02/2024	
Renato Mota	Chief Executive Officer	31/05/2021	29/02/2024
Anne Coyne	Chief Member Officer	09/01/2023	23/02/2024

**Changes to other key management personnel post year end**

Since the end of the financial year, the following KMPs have been retired from the Fund, Frank Lombardo, Mark Oliver, Chris Weldon and Sally Hopwood.

**Key management personnel remuneration, loan disclosures and holdings**

The KMPs are employed by IOOF Service Co Pty Limited or MLC Wealth Limited, related parties of the Fund. The remuneration paid by IOOF Service Co Pty Ltd and MLC Wealth Ltd to the KMPs in relation to services to the Fund amounted to \$3,472,643, refer to Note 6 Non-executive director remuneration and Note 7 Key management personnel in the Remuneration Report.

A portion of the Non-Executive Director Fees and the Chief Member Officer's remuneration is recharged to the Fund's general reserve.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the financial year. The Directors may become members of and hold investments in the Fund. These transactions are on normal commercial, arm's length basis.

**Related parties transactions**

The Trustee has appointed various related party service providers with all arrangements managed in accordance with the Insignia Financial Limited's Conflicts Management Framework.

The duties and obligations of each service provider are documented in contractual arrangements with each service provider required to report on their performance, including any material breaches of obligations and details of how these breaches were, or will be, resolved.

Transactions between the related entities and the Fund result from normal dealings in the ordinary course of business and all transactions are conducted on normal arm's length commercial terms and conditions.

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**16. Related parties (continued)**

**Related parties transactions (continued)**

The below relationships were in place with related parties throughout the reporting period :

Related Party	Service Provided
Insignia Financial Limited	Ultimate parent entity of the Trustee
NULIS Nominees (Australia) Limited	Trustee of the Fund
MLC Wealth Limited	Service provider (management and administration of the Fund)
MLC Asset Management Services Limited	Portfolio manager (for directly managed options in the Fund)
MLC Investments Limited	Responsible Entity for certain unlisted unit trusts in which the Fund invests. The fees associated with these investments are reflected in the unit prices of the unit trusts.
Godfrey Pembroke Group Pty Limited	Financial adviser to certain members up until 22 March 2024
Consultum Financial Advisers Pty Limited	Financial adviser to certain members
Bridges Financial Services Pty Limited	Financial adviser to certain members
RI Advice Group Pty Ltd	Financial adviser to certain members. RI Advice ceased to be a related party on 1 July 2024, after the parent entity divested a significant portion of its holdings.
Lonsdale Financial Group	Financial adviser to certain members
Millennium 3 Financial	Financial adviser to certain members up until 8 December 2024
Shadforth Financial Group	Financial adviser to certain members
TenFifty	Financial adviser to certain members
MLC Direct - Orphan Adviser Code	Financial adviser to certain members

Related parties fees

The following table sets out transactions with related parties during the year and balances held at reporting date:

2024	NULIS	MLC Wealth Limited	Related party investments	Related party financial advisers	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Transactions during the reporting period</b>					
<b>Income</b>					
Distribution income and gains <sup>1</sup>	-	-	2,645,497	-	2,645,497
Other income	2,418	-	-	-	2,418
Compensation <sup>2</sup>	-	10,023	-	-	10,023
<b>Expenses</b>					
Administration fees (includes adviser fees) <sup>3</sup>	231,965	-	-	14,599	246,564
Investment expenses	190,710	-	-	-	190,710
Operating expenses	14,053	-	-	-	14,053
<b>Total income/(expenses)</b>	<b>(434,310)</b>	<b>10,023</b>	<b>2,645,497</b>	<b>(14,599)</b>	<b>2,206,611</b>
<b>Balances outstanding as at end of reporting period</b>					
Receivable / (payable)	(44,539)	234	-	-	(44,305)
Fair value of derivatives	-	-	522	-	522
Fair value of unlisted unit trusts	-	-	84,474,260	-	84,474,260
<b>Total assets/(liabilities)</b>	<b>(44,539)</b>	<b>234</b>	<b>84,474,782</b>	<b>-</b>	<b>84,430,477</b>

<sup>1</sup> Income includes distributed realised gains from underlying trusts, which are allocated to changes in investments measured at fair value.

<sup>2</sup> Compensation for members is funded by MLCW and is included under contributions within the Statement of Member Benefits.

<sup>3</sup> Administration fees include adviser fees collected from members and paid to financial advisers through NULIS.

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**16. Related parties (continued)**

**Related parties transactions (continued)**

Related parties fees (continued)

2023	NULIS	MLC Wealth Limited	Related party investments	Related party financial advisers	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Transactions during the reporting period</b>					
<b>Income</b>					
Distribution income and gains <sup>1</sup>	-	-	4,222,723	-	4,222,723
Other income	1,409	-	-	-	1,409
Compensation <sup>2</sup>		14,670			14,670
<b>Expenses</b>					
Administration fees (includes adviser fees) <sup>3</sup>	228,047	-	-	17,220	245,267
Investment expenses	152,021	-	-	-	152,021
Operating expenses	17,292	-	-	-	17,292
<b>Total income/(expenses)</b>	<b>(395,951)</b>	<b>14,670</b>	<b>4,222,723</b>	<b>(17,220)</b>	<b>3,824,222</b>
<b>Balances outstanding as at end of reporting period</b>					
Receivable / (payable)	(49,929)	92	-	-	(49,837)
Fair value of derivatives	-	-	1,479	-	1,479
Fair value of unlisted unit trusts	-	-	73,318,967	-	73,318,967
<b>Total assets/(liabilities)</b>	<b>(49,929)</b>	<b>92</b>	<b>73,320,446</b>	<b>-</b>	<b>73,270,609</b>

<sup>1</sup> Income includes distributed realised gains from underlying trusts, which are allocated to changes in investments measured at fair value.

<sup>2</sup> Compensation for members is funded by MLCW and is included under contributions within the Statement of Member Benefits.

<sup>3</sup> Administration fees include adviser fees collected from members and paid to financial advisers through NULIS.

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**16. Related parties (continued)**

**Related party investments**

The Fund held investments in unlisted unit trusts managed by MLC Investments Limited and Antares Capital Partners Limited. The following table sets out transactions with related party unlisted unit trusts during the year and balances held at reporting date.

<b>2024</b>	<b>Fair value at 30 June \$'000</b>	<b>Interest held %</b>	<b>Distribution income* \$'000</b>	<b>Number of Units held 000</b>
<b>MLC Investment Limited</b>				
Altrinsic Global Equities Trust ***	71,359	36.2%	7,026	46,119
Antares Elite Opportunities Fund ***	76,053	45.9%	5,273	57,315
Antares High Growth Shares Fund ***	58,927	18.3%	4,667	54,393
Antares Income Fund ***	-	0.0%	774	-
Antares Inflation Linked Bond Fund Class A ***	26,196	87.2%	1,038	24,579
Fairview Equity Partners Emerging Companies Fund ***	82,836	14.3%	2,163	37,064
JANA Diversified Australian Share Trust	9,133,626	95.9%	284,025	127,316
JANA Diversified Global Share Trust	8,447,117	76.3%	406,240	76,532
JANA Diversified Global Share Trust with Currency Hedged	2,600,713	100.0%	6	20,192
JANA Passive Australian Share Trust	1,707,983	100.0%	50,915	1,088,103
JANA Passive Global Share Trust	1,362,383	74.6%	31,773	602,920
JANA Passive Global Share Trust with Currency Hedged	469,190	100.0%	-	260,758
LCS Trust Class A	3,273	100.0%	-	2,929
MLC Horizon 7 Trust	1,278,291	86.0%	109,863	858,704
MLC MasterKey Unit Trust - IncomeBuilder	755,553	53.9%	59,274	338,699
MLC PE Evergreen Trust	2,604,860	99.5%	32,152	74,839
MLC Wholesale Index Plus Growth Portfolio	-	0.0%	2	-
Platinum Global Fund	232,992	38.5%	12,736	125,181
WM Pool - Australian Equities No.2	10,957,217	91.8%	414,880	140,906
WM Pool - Equities Trust No. 28	101	100.0%	24,243	4
WM Pool - Equities Trust No. 30	132	0.1%	9	105
WM Pool - Equities Trust No. 34	102,269	3.4%	678	60,544
WM Pool - Equities Trust No. 37	446	0.2%	54	4
WM Pool - Equities Trust No. 40	197	100.0%	16	12
WM Pool - Equities Trust No. 42	1,058,541	100.0%	31,735	11,013
WM Pool - Equities Trust No. 60 - Simple Real Return	-	0.0%	589	-
WM Pool - Equities Trust No. 73 - DOT	363,348	100.0%	16,905	3,781
WM Pool - Equities Trust No.16	6,615	2.4%	2,280	211
WM Pool - Equities Trust No.48 - IP Conservative (Super)	1,083	100.0%	2,746	28
WM Pool - Equities Trust No.65 -Passive GE Hedged (Redpoint)	759,990	69.9%	7	3,758
WM Pool - Equities Trust No.67	3,678,230	100.0%	56	24,150
WM Pool - Equities Trust No.74	1,066,377	42.3%	40,843	4,820
WM Pool - Equities Trust No.75	6,121,220	62.7%	249,106	37,132
WM Pool - Fixed Interest Trust No.12	149,030	100.0%	-	1,315
WM Pool - Fixed Interest No.11	-	0.0%	712	-
WM Pool - Fixed Interest Trust No. 18	1,793,665	63.7%	94,362	12,494
WM Pool - Fixed Interest Trust No. 22	2,762,176	100.0%	25,415	33,475
WM Pool - Fixed Interest Trust No. 24	-	0.0%	13,580	-
WM Pool - Fixed Interest Trust No.14- Global Credit (Short)	774,190	100.0%	-	4,508
WM Pool - Fixed Interest Trust No.15 - Global Credit (All)	3,316,183	88.7%	12,158	3,424,391
WM Pool - Fixed Interest Trust No.16	25,904	100.0%	-	260
WM Pool - Global Equities Trust No. 1- IP Moderate (Super)	339,729	100.0%	22,972	3,115
WM Pool - Global Equities Trust No. 4	316,845	100.0%	-	17,457
WM Pool - Global Properties Trust	641,919	73.6%	337	6,178
WM Pool - High Yield Fixed Interest Trust	1,745,015	98.2%	-	15,675
WM Pool - Inflation Linked Securities Trust	438,409	96.0%	18,875	380,082
WM Pool - LTAR Part 1 Trust - IP Assertive (Super)	211,913	100.0%	17,179	2,513
WM Pool - NSIM Australian Fixed Interest (S) Trust	81,433	100.0%	27	676
WM Pool - NSIM Cash Trust	2,728,079	100.0%	126,185	2,699,910
WM Pool - Resolution Capital Property Securities Trust	12,447	10.0%	3,415	11,931
WM Pool - UBS Australian Fixed Interest (A) Trust	333,297	100.0%	-	630,723
WM Pool - UBS Australian Fixed Interest (S) Trust	181,457	100.0%	5,119	3,733

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**16. Related parties (continued)**

**Related party investments (continued)**

<b>2024</b>	<b>Fair value at 30 June \$'000</b>	<b>Interest held %</b>	<b>Distribution income* \$'000</b>	<b>Number of Units held 000</b>
WM Pool Equities Trust No 66	1,347,408	99.5%	38,365	4,458
WM Pool Equities Trust No 70	4,452	100.0%	57,820	48
WM Pool Equities Trust No 78	2,478,846	86.2%	89,021	1,722,660
WM Pool Equities Trust No 85	542,080	100.0%	11,909	438,143
WM Pool Equities Trust No. 77	173,951	68.0%	36	187,727
WM Pool Equities Trust No. 79	249,997	100.0%	-	1,660
WM Pool Equities Trust No. 81	56	100.0%	-	85,591
WM Pool Fixed Interest No 29	624,594	100.0%	-	1,901,654
WM Pool Fixed Interest Trust No 25	3,484,288	79.5%	156,890	3,426,790
WM Pool Fixed Interest Trust No.5 - Extended Credit	-	0.0%	7,838	-
WM Sector - Diversified Debt (All) Trust	5,174,087	81.3%	47,410	58,171
WM Sector - Diversified Debt (Short) Trust	1,430,137	93.9%	84,551	14,749
WM Sector - Global Equities (Hedged) Trust	84,982	7.1%	-	447
WM Sector - Global Equities (Unhedged) Trust	573	3.1%	15,551	856
WM Sector - Property Securities Trust	-	0.0%	3,697	-
<b>Total</b>	<b>84,474,260</b>		<b>2,645,498</b>	<b>19,173,502</b>

\* Income includes distributed realised gains from underlying trusts, which are allocated to changes in investments measured at fair value.

\*\* Holdings less than 1% are reported as zero

\*\*\* On 3 October 2023, MCLI replaced Antares as Responsible Entity of the unlisted unit trusts.

<b>2023</b>	<b>Fair value at 30 June \$'000</b>	<b>Interest held %</b>	<b>Distribution income* \$'000</b>	<b>Number of Units held 000</b>
<b>MLC Investment Limited</b>				
Altrinsic Global Equities Trust	73,273	34.4%	6,529	46,154
Antares Elite Opportunities Fund	77,825	38.3%	5,737	58,546
Antares High Growth Shares Fund	56,487	17.3%	6,865	52,274
Antares Income Fund	32,000	17.9%	1,870	32,658
Antares Inflation Linked Bond Fund Class A	33,909	83.3%	382	32,074
Fairview Equity Partners Emerging Companies Fund	75,879	14.2%	2,706	37,092
Jana Diversified Australian Share Trust	8,312,547	100.0%	710,548	124,259
Jana Diversified Global Share Trust	7,312,126	78.3%	540,469	75,320
Jana Diversified Global Share Trust with Currency Hedged	2,030,576	100.0%	211	18,981
Jana Emerging Markets Share Trust	-	0.0%	77	-
Jana Passive Australian Share Trust	1,583,467	100.0%	67,420	1,091,887
Jana Passive Global Share Trust	436,356	73.4%	56,624	217,626
Jana Passive Global Share Trust with Currency Hedged	159,111	100.0%	16,223	107,575
LCS Trust Class A	12,455	54.5%	43,743	11,268
MLC Horizon 7 Trust	998,543	85.9%	67,860	730,858
MLC MasterKey Unit Trust - IncomeBuilder	729,175	53.1%	45,344	337,080
MLC PE Evergreen Trust	3,038,363	99.5%	683,929	89,811
MLC Wholesale Index Plus Growth Portfolio	139	0.0%	141	115
NCIT - Global Equities Trust No.2	-	0.0%	1,764	-
MLC MasterKey Unit Trust - MLC - Platinum Global Fund	240,023	38.2%	12,740	130,085
WM Pool - Australian Equities No.2	9,771,559	90.6%	937,305	135,257
WM Pool - Equities Trust No 41	-	0.0%	25,396	-
WM Pool - Equities Trust No. 22	52	100.0%	-	258,184
WM Pool - Equities Trust No. 28	160,764	100.0%	11,544	1,392
WM Pool - Equities Trust No. 30	376	0.2%	56,996	317
WM Pool - Equities Trust No. 37	2,565	1.1%	15	26
WM Pool - Equities Trust No. 40	216	100.0%	7	11
WM Pool - Equities Trust No. 42	853,525	97.4%	37,191	8,934
WM Pool - Equities Trust No. 47 - GEOT	-	0.0%	94,854	-
WM Pool - Equities Trust No. 52	-	0.0%	1	-
WM Pool - Equities Trust No. 60 - Simple Real Return	122,329	62.0%	6,157	1,223

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**16. Related parties (continued)**

**Related party investments (continued)**

**2023**

	Fair value at 30 June \$'000	Interest held %	Distribution income* \$'000	Number of Units held 000
<b>MLC Investment Limited</b>				
WM Pool - Equities Trust No. 73 - DOT	307,193	100.0%	2,165	3,124
WM Pool - Equities Trust No.16	13,109	4.9%	1,160	324
WM Pool - Equities Trust No.48 - IP Conservative (Super)	120,704	100.0%	3,836	1,125
WM Pool - Equities Trust No.65 -Passive GE Hedged (Redpoint)	660,243	74.4%	4	3,935
WM Pool - Equities Trust No.67	3,370,328	100.0%	41	27,139
WM Pool - Equities Trust No.74	803,761	41.0%	36,597	4,205
WM Pool - Equities Trust No.75	4,493,366	57.2%	167,186	31,956
WM Pool - Fixed Interest Trust No.12	92,024	100.0%	-	1,001
WM Pool - Fixed Interest Trust No.11	47,040	71.0%	1,001	47,580
WM Pool - Fixed Interest Trust No. 18	1,619,951	77.1%	58,961	12,341
WM Pool - Fixed Interest Trust No. 22	36	100.0%	-	-
WM Pool - Fixed Interest Trust No. 24	806,097	64.6%	15,836	7,784
WM Pool - Fixed Interest Trust No.13	17,599	0.6%	3	203
WM Pool - Fixed Interest Trust No.14- Global Credit (Short)	300	100.0%	-	2
WM Pool - Fixed Interest Trust No.15 - Global Credit (All)	3,023,439	100.0%	2,679	3,376,941
WM Pool - Fixed Interest Trust No.16	17,850	100.0%	-	188
WM Pool - Global Equities Trust No. 1- IP Moderate (Super)	266,607	100.0%	15,342	2,437
WM Pool - Global Equities Trust No.5	-	0.0%	3,929	-
WM Pool - Global Properties Trust	859,538	78.6%	365	8,681
WM Pool - Inflation Linked Securities Trust	107,892	46.0%	1,374	91,185
WM Pool - LTAR Part 1 Trust - IP Assertive (Super)	298,139	100.0%	21,503	3,485
WM Pool - NSIM Australian Fixed Interest (A) Trust	46,004	1.5%	679	520
WM Pool - NSIM Australian Fixed Interest (S) Trust	49,838	100.0%	-	461
WM Pool - NSIM Cash Trust	2,570,407	100.0%	80,393	2,544,446
WM Pool - Resolution Capital Property Securities Trust	74,961	17.3%	3,863	81,320
WM Pool - UBS Australian Fixed Interest (A) Trust	301	100.0%	-	488
WM Pool Equities Trust No 66	1,390,151	99.5%	22,442	4,688
WM Pool Equities Trust No 70	1,052,939	100.0%	27,812	10,822
WM Pool Equities Trust No 78	2,334,417	97.3%	-	1,707,093
WM Pool Equities Trust No. 77	134,763	71.1%	46	152,210
WM Pool Equities Trust No. 79	249,179	100.0%	-	1,597
WM Pool Equities Trust No. 81	2,928	100.0%	6	994,225
WM Pool Fixed Interest No 29	369,413	98.6%	-	410,739
WM Pool Fixed Interest Trust No 25	3,251,511	64.4%	48,865	3,210,120
WM Pool Fixed Interest Trust No.5 - Extended Credit	1,775,268	84.6%	1,449	17,770
WM Sector - Australian Equities Trust	-	0.0%	95,032	-
WM Sector - Diversified Debt (All) Trust	5,237,885	85.8%	38,036	60,650
WM Sector - Diversified Debt (Short) Trust	1,326,823	91.9%	235	13,796
WM Sector - Global Equities (Hedged) Trust	15,326	1.7%	-	97
WM Sector - Global Equities (Unhedged) Trust	81,130	3.0%	122,201	800
WM Sector - Property Securities Trust	316,870	69.9%	9,036	3,511
	<b>73,318,967</b>		<b>4,222,723</b>	<b>16,437,995</b>

\* Income includes distributed realised gains from underlying trusts, which are allocated to changes in investments measured at fair value.

\*\* Holdings less than 1% are reported as zero

**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**17. Investment assets of unconsolidated structured entities**

Investments in unlisted unit trusts, which are considered unconsolidated structured entities, are disclosed in the Statement of Financial Position. The maximum exposure to loss in the unconsolidated structured entities is the fair value disclosed in the note. The fair value of the exposure will change on a daily basis throughout the period and in subsequent periods and will cease once the investments are disposed of.

The investments of the Fund are managed in accordance with the investment mandates with the respective underlying investment managers. The investment decisions of the Fund are based on the analysis conducted by the investment manager. The return of the Fund is exposed to the variability of the performance of the underlying investment strategies. The underlying investment managers receive a management fee for undertaking the management of these investments.

The table below describes the types of the investments of the underlying assets of the unconsolidated structured entities that the Fund invests into:

	Fair value of investment		Ownership interest	
	2024	2023	2024	2023
	\$m	\$m	%	%
Cash	5,388	8,287	6%	10%
Equity	53,287	47,473	62%	59%
Fixed income	14,702	12,503	17%	15%
Infrastructure	4,266	4,157	5%	5%
Other	3,392	3,016	4%	4%
Property	5,507	5,685	6%	7%
	<b>86,542</b>	<b>81,121</b>	<b>100%</b>	<b>100%</b>

As at 30 June 2024 and 30 June 2023, the Fund has not imposed any material restrictions (e.g. borrowing arrangements or contractual arrangements) on the ability of the unconsolidated structured entities to transfer funds to the Fund in the form of dividends or to repay loans or advances made to the unconsolidated structured entities by the Fund.

As at 30 June 2024 and 30 June 2023, the Fund does not have any current commitments or intentions to provide financial or other support to the unconsolidated structured entity, including commitments or intentions to assist the structured entity in obtaining financial support.

The Fund had a controlling interest in the related parties listed in Note 16 with interests of greater than 50%. Unlisted unit trusts that the funds invest in, but do not consolidate, meet the definition of structured entities because:

- (a) The voting rights in the unlisted unit trusts are not dominant rights in deciding who controls them as they relate to administrative tasks only;
- (b) The investment and other activities of the unlisted unit trusts are restricted to their investment mandates and/(or) Product Disclosure Statements (PDS); and
- (c) The unlisted unit trusts have narrow and well defined objectives to provide investment opportunities to investors.

**18. Indemnity**

For the year ended 30 June 2024, the Trustee and its Directors are entitled to be indemnified by the Fund for certain liabilities they might incur in their capacity as Trustees of the Fund.



**MLC Super Fund**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**19. Contingent assets, liabilities and capital commitments**

*Class Actions*

The Trustee is party to the following class actions.

- (a) A class action against NULIS and MLC Nominees Pty Ltd (MLC Nominees) in the Victorian Supreme Court in relation to alleged breaches of trustee obligations regarding the timing of transfers of accrued default amounts to the MySuper product; and
- (b) A class action against NULIS Nominees (Australia) Limited (NULIS) in the Federal Court in relation to alleged breaches of trustee obligations in deciding to grandfather commissions.

The potential outcomes and total costs associated with these matters remain uncertain. While NULIS and MLC Nominees were acquired from NAB on 31 May 2021, subject to terms, NAB remains liable for, and retains conduct of, those class actions pursuant to the terms agreed between NAB and Insignia Financial Limited.

*Other Remediation matters*

There are several remediation matters under investigation within certain super and wrap products. The potential outcomes and total costs associated with these matters remain uncertain and any provisions raised in relation to these matters have been recognised by the immediate parent entity where appropriate.

**20. Events subsequent to reporting date**

In August 2024, Chair Lindsay Smartt announced that he will be stepping down from the RSEL Board. Danielle Press will be appointed as a Non-Executive Director on Thursday, 19 September 2024 and will officially take on the position of Chair in November 2024.

No other significant events have occurred after the reporting date that affect the interpretation of the financial information contained within this report.

**MLC Super Fund**  
**For the year ended 30 June 2024**  
**Trustee Declaration**

In the opinion of the Directors of NULIS Nominees (Australia) Limited being the Trustee of MLC Super Fund (the Fund):

1. The financial statements and notes to the financial statements, the Remuneration Report set out in the Directors' Report, are in accordance with the *Corporations Act 2001* including:

*i* Giving a true and fair value of the financial position of the Fund as at 30 June 2024, the results of its operations and its cash flows for the year then ended;

*ii* Complying with Australian Accounting Standards, other mandatory professional reporting requirements and the provisions of the Trust Deed dated 9 May 2016, as amended, and the Corporations Regulations 2001; and

2. There are reasonable grounds to believe that the Fund will be able to pay their debts as and when they become due and payable; and

3. The operations of the Fund have been carried out in accordance with its Trust Deed dated 9 May 2016, as amended and in compliance with:

- *the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations;*
- *applicable sections of the Corporations Act 2001 and Regulations;*
- *the requirements under Section 13 of the Financial Sector (Collection of Data) Act 2001.*

Signed in accordance with a resolution of the Board of Directors of the Trustee, NULIS Nominees (Australia) Limited:



.....  
Director



.....  
Director

Signed 18 September 2024



# Independent Auditor's Report

To the members of MLC Super Fund

## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report** of MLC Super Fund (the Fund).

In our opinion, the accompanying Financial Report of the Fund gives a true and fair view, including of the Fund's financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2024
- Income statement, Statement of changes in member benefits, Statement of changes in reserves and Statement of cash flows for the year then ended
- Notes, including material accounting policies
- Trustee Declaration.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Fund in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

### Other Information

Other Information is financial and non-financial information in the Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Trustee is responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not

express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

### **Responsibilities of the Directors of the Trustee for the Financial Report**

The Directors of the Trustee are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Fund, and that is free from material misstatement, whether due to fraud or error
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Report**

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our Auditor's Report.

## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of MLC Super Fund for the year ended 30 June 2024, complies with *Section 300C* of the *Corporations Act 2001*.

### Directors of the Trustee's responsibilities

The Directors of the Trustee are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300C* of the *Corporations Act 2001*.

### Our responsibilities

We have audited the Remuneration Report included in pages 8 to 27 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.



KPMG



Dean Waters

*Partner*

Melbourne

16 September 2024