

Annual Member Meeting 2020 – Tim Steele, Group Executive, Retirement and Investment Solutions, MLC Wealth

Since it first entered the world's vocabulary, COVID-19 has come to affect us all. But what has been encouraging is the Australian spirit and our ability to pull together. The superannuation industry did that by supporting the government's initiative to give members early access to their super and help them when they needed help most, to do our bit. By the end of October, MLC had made 170,000 payments to more than 120,000 individual members.

While early access to their super made a big difference to people dealing with tough times, we know it's only part of the picture. Super is a long-term investment. And we believe in the power it has to set people up for a comfortable and dignified retirement. That's why, over the past few months, we've engaged with members to talk about how they can get their super savings back on track.

During the heat of the crisis, we talked a lot about market volatility. In April alone, we had over 6,000 engagements with members about this through webinars and member consultations. Now we're providing information on contribution strategies, how you can tax effectively get money back into super. To help with that, we released a workbook about how to plan your finances in a changing world.

We had a great response from members who had reset their financial goals due to COVID-19. All this information is part of our focus on giving members confidence that they can get their finances back on track. And this is something we'll continue to do as we move into a post-pandemic world. Personally, I share Paul Clitheroe's optimism about the future.

On a more practical note, we'll help you by reducing the cost of super, as we're doing with some ongoing fee changes. Over the past 18 months, we've done a comprehensive review of the fee structure across MLC super funds. In simple terms, we have reduced fees on our flagship retail super product. In our wrap funds, we released a new, more cost-effective wrap and moved many clients on to a new, more cost-effective structure.

Broadly speaking, what we've done is update products so that, whether you're a new client or someone who's been with us for years, you get the benefit of a more modern product and more competitive fees. It's a bit like switching on to a new mobile phone plan. You get the latest product and mostly lower prices.

One note I will make is that if you're a member of one of our workplace super funds, some of these fee changes won't apply to you. But that's simply because your fees are typically discounted anyway to reflect the benefits of scale that come with a workplace fund.

We know COVID-19 has had more than a financial impact. It's changed the way we live and the way we work. It's created uncertainty and isolation. And we've tried to do our little bit to ease that for members with some mental well-being webinars run by the doctors at a great group called Best Doctors.

In his session, Peter talked about changes in the super industry. You may be interested in National Australia Bank's decision to sell MLC Wealth to IOOF. I want to say a few things about this.

Firstly, proudly, MLC is one of the largest financial institutions in Australia. So this is a major transaction. And it's been worked through between MLC, IOOF, and NAB. And we're working closely with relevant regulators, such as APRA and the ACCC.

Right now, MLC Wealth and IOOF are two separate companies and continue to compete. But the most important thing for members to appreciate is that IOOF are looking to acquire MLC Wealth because of the size and quality of the business and the strength of its brand. As mentioned, we've worked hard to

improve our products and services and to ensure that they provide the best benefits to members. And we think that that has played a part in the decision.

Whoever owns MLC, it's in everyone's interest that we keep delivering for members through investment performance, access to quality insurance through super, and through the quality of the support and service we offer you. That's why IOOF have made it clear that there will be no immediate changes to investment teams or our investment process. If the IOOF-MLC transaction goes ahead, the combined business will be one of the three largest superannuation funds in Australia. Over the long term, we believe the combined strengths and scale of IOOF and MLC will provide significant opportunities to enhance the products and services we offer you, our members.