



Member Outcomes Assessment

Year ended 30 June 2024

The information in this document relates to
MLC MasterKey Super and Pension Fundamentals

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This document has been prepared on behalf of NULIS Nominees (Australia) Limited, ABN 80 008 515 633, AFSL 236465 (NULIS) as Trustee of MLC Super Fund, ABN 70 732 426 024. NULIS is part of the group of companies comprising Insignia Financial Ltd, ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group).

The information in this document is general in nature and does not consider your objectives, financial situation or

individual needs. Before acting on any of this information, you should consider whether it is appropriate for you. It is important that you read the relevant Product Disclosure Statement and other disclosure documents or consider obtaining financial advice before making any decisions based on this information.

References to 'we', 'us' or 'our' are references to the Trustee, unless otherwise stated.

Subject to super law, the final authority on any issue relating to your account is the Fund's Trust Deed, and the relevant insurance policy, which governs your rights and obligations as a member.

Past performance is not a reliable indicator of future performance.

Awards and ratings are only factors to consider when deciding to invest your super.

At a Glance

MLC Masterkey Super and Pension Fundamentals

30 June 2024



\$24.1b

Funds under administration



45

Number of investment options



121k

Member accounts in accumulation



37k

Member accounts in pension



\$218k

Members' average balance
in accumulation



\$133k

Members' average balance
in pension



Industry Ratings and Awards

Chant West	SuperRatings	Heron	Rainmaker Information
5 Apples	Platinum	5 Star	AAA

Financial wellbeing for every Australian

NULIS Nominees (Australia) Limited (**NULIS**) is the Trustee of **MLC Super Fund** (the **Fund**), one of Australia's 10 largest superannuation funds. As part of the Insignia Financial Limited group, we aspire to create financial wellbeing for every Australian.

We seek to provide high quality products and service offering throughout the members' lifecycle (from their first job until retirement) and deliver on our investment objectives and growth strategies for the members.

Over the year, we continued to improve and simplify our investment menu offering our members a more contemporary and diverse choice of investments.

Our investment options maintained their high performance and have been recognised in the industry with MLC MultiActive Growth, MLC MultiActive Balanced and MLC MultiActive Moderate winning the Financial Leadership Awards in their respective classes in June 2024

The MLC MasterKey Fundamentals products continued to be rated at the highest category by Heron Partnership (5 Stars), SuperRatings (Platinum) and Chant West (5 Apples) and Rainmaker Information (AAA).

We believe the financial wellbeing of our members increase as their financial literacy improves thus enabling them

to make more informed decisions throughout accumulation and in retirement. During the year, we uplifted the contents and interactive capability of our Financial Wellness Hub to support our members and further enhanced our segmented member communications with retirement content tailored to pre-retirees and retirees.

About this document

Each year NULIS is required to assess whether we have promoted the best financial interests of members. The Member Outcomes Assessment (**MOA**) is a measure of our products' performance against key factors prescribed by legislation which include:

- Investment strategy and performance,
- Investment risk,
- Fees & costs and the supporting fee structure,
- Insurance offer,
- Options, benefits and facilities,
- Scale, and
- Operating costs

While this report covers MLC MasterKey Super & Pension Fundamentals, another standalone product, the MLC MasterKey Term Allocated Pension (MKTAP), was not assessed on an individual product level. MKTAP has similar characteristics to the MLC MasterKey Pension Fundamentals. Members with accounts in MKTAP

were therefore captured under the assessment on MLC MasterKey Pension Fundamentals.

All information contained in this document and the determinations made cover the 12 months ending 30 June 2024.

Our outcomes assessment uses publications from the Australian Prudential Regulation Authority (**APRA**), industry benchmarking, comparative data, in-house data and reviews conducted by independent research houses.

As we measure our success by what we delivered for our members, we further consider the results of the MOA in our annual Business Performance Review and factor key recommendations to improve members' outcomes into our Business Plans.

Overall determination

We have determined that MLC MasterKey Super & Pension Fundamentals are promoting members' financial interests.

The MLC MasterKey Super and Pension Fundamentals is an adviser-intermediated superannuation master trust platform that will see the members through their working life and support them in retirement. The investment options assessed in this report met their stated objectives and delivered strong returns performing above the peer median for rolling 1, 3, 5 and 10 year periods. All in-scope investment options under MLC MasterKey Super Fundamentals passed the annual APRA performance test and heat map results¹.

The fees and costs assessment showed MLC MasterKey Pension Fundamentals is appropriately priced when compared to peers. For MLC MasterKey Super Fundamentals however, not all of the in-scope options showed fees that are competitively priced in the market.

Insurance cover is optional for the members in MLC MasterKey Super Fundamentals. We have examined our insurance offer and found the premium rates to be competitive, and the product's terms and conditions are

comparable to if not better than our peers.

Given our size as one of the largest superannuation funds in the country, we have sufficient scale and are in a position to support long term outcomes for our members.



¹ APRA Comprehensive Product Performance Package (CPPP), June 2024 (published Sep 2024).

Investment performance

The investment strategy, net investment returns and risk-adjusted returns of MLC MasterKey Super and Pension Fundamentals are promoting members’ financial interests.

Our investment strategy for the Fund is annually reviewed and approved by the Trustee’s Board ensuring it continues to provide a diversified choice of investment menu, options which deliver adequate long-term returns without exposing members’ investment to inappropriate risk.

Given the broad menu of investment options available on the MLC MasterKey platform, we focussed on assessing

the larger investment options which in aggregate represent 80% of members’ funds under management.

The majority of the in-scope investment options for MLC MasterKey Super and Pension Fundamentals met their investment objectives.

Seven out of the twelve in-scope investment options in MLC MasterKey Super Fundamentals were captured in the APRA performance test. These seven options performed above the benchmark returns and, on a combined basis, account for 65% of the product’s choice funds under administration.

Investment returns peer relative performance

We calculated net investment returns as returns less administration fees, investment fees and costs, and taxes.

All in-scope investment options for MLC MasterKey Super Fundamentals yielded strong returns when compared to the peer median over the 1, 3, 5 and 10 years.

MLC MasterKey Pension Fundamentals showed similar results to the super product with the larger part of the options in-scope performing above the peer median over 1, 3, 5 and 10 years.

MLC MasterKey Super and Pension Fundamentals²

Investment Horizon	One Year				Three Years				Five Years				Ten Years			
	Quartile Rank				Quartile Rank				Quartile Rank				Quartile Rank			
Asset Class	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
% of Options	39%	30%	17%	13%	20%	30%	45%	5%	15%	45%	40%	0%	17%	28%	39%	17%

Investment risk

The in-scope investment options for the MLC MasterKey Fundamentals products were assessed based on their 5-year Sharpe Ratios and benchmarked against the SuperRatings Accumulation Volatility and Risk Adjusted Return Survey (June 2024) or the Morningstar Sharpe Ratio Report (June 2024) where applicable. Sharpe ratios are used to understand the return of an investment in relation to its risk, or in other words, an investment option’s risk-adjusted return. Overall, the investment options were found to have the appropriate returns compared to their risk profile.

² SuperRatings Fund Credit Rating Survey (June 2024), supplemented by additional data from Morningstar where required

Fees and costs

We have determined that the fees and costs of MLC MasterKey Pension Fundamentals are promoting members' financial interests. However, MLC MasterKey Super Fundamentals' fees and costs are not promoting the financial interests of members, given the majority of options assessed were above the peer median.

We assessed the total fees and costs of the MLC MasterKey Fundamentals products against our peers in the market and mapped them against various members' account balance thresholds - \$10K, \$25K, \$50K, \$100K and \$250K.

The pension product is competitively priced. MLC MasterKey Super Fundamentals however showed about 50% of the in-scope options are not competitively priced when compared to the market. A key initiative on the re-pricing of the MLC MasterKey product suite was completed in the second half of 2024 which will reduce the fees paid by our members.

We have examined our basis for setting fees and have determined that they are appropriate. Members also have the ability to experience the benefits of bringing individual economies of scale to the Fund through tiered pricing. The fees charged to members cover the costs of the Fund to ensure long term sustainability.

Options, benefits and facilities

The options, benefits and facilities we offer to our members are promoting their interests.

We offer a range of member services and facilities that are competitive in the marketplace and have been ranked highly by independent research groups. We have improved on our digital services offering with uplifts to our super and insurance needs calculators, the MLC App, and online member newsletters. We regularly refresh our offerings on the Financial Wellness Hub, our members' digital platform on education, which includes a series of videos, podcasts, and tutorials that can be accessed anytime and covers a wide range of topics on building wealth and becoming retirement ready.

Members' experience with their products has been monitored throughout the year and the overall combined net promoter score (NPS) showed a 29.5% increase when compared to results last year.

MLC MasterKey Fundamentals is an adviser-intermediated product and we continue to strengthen our communications program and support services to the advisers.

Insurance

Insurance cover in MLC MasterKey Super Fundamentals is optional. Automatic cover is currently provided through direct insurance application without medical underwriting or occupational risk loadings but is subject to pre-existing conditions exclusions. Members can consult their advisers on the insurance option that is best suited to their personal circumstances.

Our insurance offerings are competitive with the product terms and conditions aligned to or better than comparable products in the market. We have assessed our insurance premiums to be market competitive and do not inappropriately erode members' retirement benefits.

Scale and operating costs

The factors Scale and Operating Costs have been assessed at the Trustee level.

We have assessed that our operating costs are not promoting members' financial interests.

Our operating expenses for the year have been impacted by our transformation programs leading to increased average cost per member. While these programs led to an increase in operating costs in the short term, once completed they are expected to deliver a reduction to our operating costs in the medium term through the rationalisation and simplification of our products and service provider arrangements.

As the Trustee for the Fund, we have determined that our scale is promoting members' interests.

We demonstrate scale benefits to promote better outcomes for our members. We are able to optimise our bargaining power with service providers to provide more benefits to members and pool risk. Our financial sustainability metrics are within APRA's thresholds demonstrating our position to sustain member outcomes into the future.



We're here to help

If you have any questions or would like further information about your account, please contact us or your financial adviser.

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