



Member Outcomes Assessment

Year ended 30 June 2023

*The information in this document relates to the
MLC MasterKey Business Super and Personal Super*



Each year NULIS Nominees (Australia) Limited (**NULIS**) is required to assess whether we've promoted the financial interests of members. The Member Outcomes Assessment is a measure of product appropriateness against key factors – listed in the diagram and table that follow – that can affect a superannuation product. You'll find a simple summary of the product at mlc.com.au

MLC MasterKey Business Super is an employer offering that provides default super solutions for employers, with investments and insurance arrangements that can be tailored to employee's needs. MLC MasterKey Personal Super is the related personal super plan into which members are transferred when they leave their employer.

Due to the broad menu of investment options available on the MasterKey platforms, when assessing the key factors related to investments, we've focussed on those investment options that contain 80% of members funds under management.



The assessment uses industry benchmarking, comparative data, in-house data, and reviews performed by independent research houses.

Summary of findings

Factor	Data source/timing ¹	Findings
Overall assessment		
Net investment returns	SuperRatings Fund Credit Rating Survey (FCRS) SuperRatings Pension Credit Rating Survey (PCRS) NULIS STIC ² Quarterly Reporting	
Fees & costs	SuperRatings SMART Tool 2023	
Level of investment risk	SuperRatings Accumulation Volatility and Risk-Adjusted Return Survey Morningstar Sharpe Ratio Report	
Options, benefits & facilities	NULIS Service Provider Performance Reports FY2023 Product Ratings (SuperRatings and Chant West)	
Investment strategy	NULIS Investment Governance Policy September 2023	
Basis for setting fees	Product Disclosure Statement NULIS Financial Reports FY2023	
Scale	APRA Fund-level Superannuation Statistics	
Operating costs	NULIS Financial Reports FY2023	
Insurance strategy & fees	APRA ³ Life Insurance Claims and Disputes Statistics NULIS Risk Appetite Statement July 2023	



'Promoting' the financial interests of members



'Partially promoting' the financial interests of members



'Not promoting' the financial interests of members

¹ Data source/timing as at 30 June 2023 unless otherwise stated

² NULIS Superannuation Trustee Investment Committee

³ Australian Prudential Regulation Authority (APRA)

Product comparison, performance and ratings

Net investment returns

Net investment return is the return we deliver to you minus investment fees and costs, and taxes.

We've determined that the net investment returns for **MLC MasterKey Business & Personal Super** are **promoting** members' financial interests on the basis that a majority of investment options in-scope have met their stated objective, passed the annual Your Future Your Super Performance Test, and have performed above the peer median for rolling 1, 3, 5, 7 and 10 year periods.

Fees & costs

These are the total costs. It includes administration fees, investment fees and all other relevant fees and costs.

We've determined that the fees and costs in isolation for **MLC MasterKey Business & Personal Super** are **not promoting** members' financial interests on the basis that they were predominantly above median when compared to peers. If you work for a large employer, and we're your default Fund, your employer may have negotiated a discount on the fees you pay to reflect the scale and consequent efficiencies that a large employer may bring.

Level of investment risk

This is a measure of the risk profile of your investment in relation to performance, benchmarks and objectives.

We've determined that the investment risk for **MLC MasterKey Business & Personal Super** is **promoting** members' financial interests on the basis that in-scope investment options have appropriate returns compared to their risk profile.

Options, benefits & facilities

This evaluates your member services & benefits, your experience in accessing the services, and whether the fees & costs you pay are commensurate to what's offered.

We've determined that the options, benefits and facilities for **MLC MasterKey Business & Personal Super** are **promoting** members' financial interests on the basis a competitive offering in the marketplace is provided to you, which is ranked highly by external research firms.

Investment strategy

This examines the investment objectives, asset allocations and associated risks of the investment options available to you to determine if they are on track to delivering your target returns in the future.

We've determined that the investment strategy for **MLC MasterKey Business & Personal Super** is **promoting** members' financial interests on the basis that the investment strategy for the Fund is reviewed and approved annually by the NULIS Board, ensuring it continues to provide a diversified choice of investment menu options which deliver adequate returns over the long term without exposing members' investment to inappropriate risk.

Basis for setting fees

This determines whether the fee structures of each product is appropriate and fair.

We've determined that the basis for setting fees for **MLC MasterKey Business & Personal Super** is **promoting** members' financial interests on the basis that:

- there is a demonstrated fee equity between members indicating minimal cross subsidisation between members through 'user pay' fee structures and fee caps;
- for MLC MasterKey Business Super large employers may negotiate discounts for members to reflect the benefits of bringing economies of scale to the Fund as a result of the efficiencies created; and
- fees charged to members cover the costs of the Fund to ensure long term sustainability.

Scale

This measures whether NULIS has sufficient scale to promote the financial interests of members.

We've determined that NULIS has sufficient scale to sustain member outcomes into the future and is therefore **promoting** members' financial interests.

Operating costs

This measures NULIS's costs in operating the various superannuation funds.

We've determined that our operating costs, as the trustee of **MLC Super Fund** are **not promoting** members' financial interests due to increases to average costs per member and the impact of integration costs on overall operating expenses. We have initiated strategic initiatives to simplify and rationalise products and service provider arrangements to reduce operating costs over the medium term.

Insurance strategy & fees

This assesses whether NULIS's insurance strategy and provision of insurance is appropriate for members and beneficiaries and considers whether the fees charged (premiums) inappropriately erodes members' retirement savings.

We've determined that insurance strategy, fees and costs for **MLC MasterKey Business & Personal Super** are **promoting** members' financial interests on the basis that:

- We offer competitive products in the market; terms and conditions of the insurance offer are aligned to or better relative to comparable competitors.
- Premiums are competitive with the majority of scenarios benchmarked in line or lower than competitor's median rates.
- The average claim assessment duration is better than the market average against comparable segments and the claim acceptance rates are within expectations.

Overall conclusion

We've determined that, overall MLC MasterKey Business & Personal Super are promoting members' financial interests.

This is based on:

- The investment options in-scope have delivered strong investment returns with the majority performing above median for 1, 3, 5, 7 and 10 year time periods compared to the peer median investment options in the market.
- Fees and costs, while higher than peer median, align with a strong investment return and competitive service offering in the marketplace with sufficient scale to support long term outcomes for you.
- Default insurance is available and can be customised to meet your individual circumstance. Terms and conditions of the insurance offer are aligned to or of greater benefit to members relative to comparable competitors.

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.

Telephone **132 652**
Email **contactmlc@mlc.com.au**
Website **mlc.com.au**

Important information and disclaimer

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

The information is of a general nature and does not take into account the member's personal needs, financial circumstances or objectives. Before acting on this information a member must consider the appropriateness of the information having regard to their needs, financial circumstances and objectives. A member must also read the relevant Product Disclosure Statement (PDS), this information and other current disclosure documents.