



Member Outcomes Assessment

Year ended 30 June 2024

The information in this document relates to

MLC MySuper

MLC MasterKey Business Super

MLC MasterKey Personal Super

www.mlc.com.au



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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 MySuper and MLC MasterKey Workplace products

30 June 2024



\$27.3b

Funds under administration



367k

Member accounts



12.7k

Employers



\$74.3k

Members' average balance



12 (Lifestage)
41 Choice

Number of investment options



164k

Members insured



Industry Ratings and Awards

Chant West	SuperRatings	Heron Partnership	Rainmaker Information
5 Apples	Platinum	5 Stars	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

As a product designed for employees, MLC Business Super continued to be rated at the highest category by SuperRatings (Platinum), Chant West (5 Apples), Rainmaker Information (AAA), and Heron Partnership (5 Stars).

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

them to make more informed decisions throughout accumulation and in retirement. We increased our workplace engagement this year with events such as the Financial Wellness Series that were offered onsite and through the digital hub. Member communications and newsletters have been scaled up to enhance the lifecycle programs whilst financial coaching and personal advice meetings were in demand throughout the year.

Our members have responded well to the strong investment returns of their super and, together with our improved member servicing this year, the survey scores we received from members have increased significantly from last year.

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

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 MySuper, MLC Masterkey Business Super and MLC MasterKey Personal Super, are promoting members' financial interests.

MLC MySuper, especially for members under age 55, delivered strong investment returns performing above median for the 1, 3 and 5 year horizons when compared to the peer median of all other MySuper options in the market. The majority of investment options assessed for MLC MasterKey Business Super and Personal Super also performed above peer median for rolling 1, 3, 5, and 10 year periods and met their stated investment objectives.

All investment options under MLC MySuper and MLC MasterKey products

passed the annual APRA) performance test and heat map results¹.

While our fees and costs were not as competitive as some of our peers, they aligned with the strong investment returns and a competitive member's facilities and services offering in the marketplace.

Default insurance is available to all members and can be customised to meet individual circumstances. The terms and conditions of our insurance offer are aligned to or of greater benefit to the

members relative to our competitors in the market.

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 MySuper, MLC MasterKey Business Super and MLC MasterKey Personal Super are promoting members' financial interests.

The fund's investment strategy is reviewed annually and approved by the Trustee's 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.

MLC MySuper adopts a lifecycle investment strategy. As members get closer to retirement age, we gradually replace a portion of their higher growth

investments such as shares and property with more defensive options such as bonds and cash.

The MLC MySuper options met their investment objectives over the 1 and 10 year horizons but lagged over 5 years due to inflation in 2022 and 2023 and a sharp rise in interest rates.

MLC MasterKey Business Super and its related personal plan, MLC MasterKey Personal Super, allow employers to customise the investment and insurance components of their workplace super according to the needs of their employees. 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 administration. All the "in-scope" investment options we assessed in this report achieved their investment objectives.

Investment returns peer relative performance

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

The majority of the lifecycle options in MLC MySuper showed above median peer results over 1, 3 and 5 years. The investment options for Age 63, 64, and 65 and Over fell slightly below the median across all investment periods however they comprised only 2% of our member accounts in MySuper.

MLC MySuper

Investment Horizon	One Year Quartile Rank	Three Year Quartile Rank	Five Year Quartile Rank	Outcome
MySuper Option				
MySuper Under 55	Q2	Q2	Q2	Met
MySuper Age 55	Q2	Q2	Q2	Met
MySuper Age 56	Q2	Q2	Q2	Met
MySuper Age 57	Q2	Q2	Q2	Met
MySuper Age 58	Q2	Q2	Q2	Met
MySuper Age 59	Q2	Q2	Q2	Met
MySuper Age 60	Q2	Q2	Q2	Met
MySuper Age 61	Q2	Q2	Q3	Met
MySuper Age 62	Q2	Q2	Q3	Met
MySuper Age 63	Q3	Q3	Q3	Not Met
MySuper Age 64	Q3	Q3	Q3	Not Met
MySuper Age 65 and over	Q3	Q3	Q3	Met*

* Despite underperforming against the default universe, when compared to other investment options with similar growth allocations, the MySuper Age 65 and over achieves a met outcome.

Investment performance

MasterKey Business Super and MLC MasterKey Personal Super²

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	47%	28%	19%	6%	25%	34%	34%	6%	19%	38%	44%	0%	23%	35%	26%	16%

Investment risk

A larger part of the investment options in-scope for MLC MasterKey Business Super and Personal Super delivered strong returns when compared to the peer median over 1, 3, 5 and 10 years.

MLC Conservative Balance, MLC Aggressive, MLC International Shares Index and MLC Cash have been leading in overall performance.

We monitor the risk profile of our members’ investment options in relation to performance, benchmarks and objectives.

We calculate the level of risk of the investment options for MLC MySuper differently from those of MLC MasterKey Business and Personal Super given the different characteristics of the options themselves and the peer groups they are benchmarked against.

For MLC MySuper, based on APRA’s MySuper Quarterly Statistics (June 2024), the risk level of each MLC MySuper investment option was assessed against the risk level of all other MySuper products and their 5-year net investment returns. All the MySuper investment options were determined to have the appropriate level of risk consistent with the returns.

The in-scope investment options for MLC MasterKey Business Super and MLC MasterKey Personal Super 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 required. 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 Crediting Rating Survey (FCRS), June 2024

Fees and costs

The fees and costs for MLC MasterKey Business Super and MLC MasterKey Personal Super are promoting members' financial interests. However, we have determined that the fees and costs of MLC MySuper are not promoting the financial interests of members.

While the fees and costs for MLC MySuper were not as competitive as our peers in the market, MLC MySuper is part of the MLC MasterKey workplace product offerings where members who work for a large employer may benefit from a discount on fees, to reflect the scale and consequent efficiencies that a large employer may bring. 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 also examined our basis for setting fees and have determined that they are appropriate. 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 continue to improve on our digital services offering with uplifts to our super and insurance needs calculators, online member newsletters, and digital hub for webinars.

13,852 members attending, a 32% increase in participation from last year. Our financial coaches have also been busy during the year with more than 10,000 member consultations completed.

The quality and level of member services have also been high and, based on our annual workplace super survey, our net promoter metrics have improved by more than 10pts to an overall score of +5.

379
Seminars
Held

13,852
Members
Attended

3,019
General Advice
Consultations

Insurance

MLC Lifestage insurance is our default proposition with The Death and Total Permanent Disability insurance covers are designed to cater to the members' needs as they go through different life cycles. Based on the member's age, the level of cover is adjusted.

Employers can choose a default insurance design that provides appropriate cover for the specific profile of their employees, and we offer a range of design options for them to tailor the insurance arrangements.

We evaluated the insurance strategy, premiums, and members' experience with their insurance transactions and concluded that insurance for MLC MasterKey Business Super is promoting members' financial interests.

The insurance is competitive in the market with the terms and conditions aligned to, or better relative to, the products of our competitors. We have assessed our insurance premiums to be competitive and do not inappropriately erode members' retirement benefits. The average claim assessment duration is comparable to the market average and the claim acceptance rates are within expectations.

We assessed the insurance solution for MLC MasterKey Personal Super and have determined that it is only partially promoting members' interests.

While all other factors such as the insurance strategy and premium rates are promoting members' interests, the decline rate on Income Protection cover was not acceptable. Moreover, the claim handling time for Total Permanent Disability and Income Protection cases were, on average, longer than the industry standards⁴.

We will continue to monitor the insurance provider's member transactional metrics to ensure that service levels return to agreed standards.

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.

⁴ APRA Life Insurance Claims and Disputes as of December 2023 (issued April 2024).



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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