

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU97QW:

How much money do you expect to be withdrawn from your fund as a result of the government's early access scheme for members affected by COVID-19?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

The ATO approves early release of superannuation applications for members and NULIS' role is limited to processing ATO approved applications.

Since 12 March 2020 to 19 July 2020, NULIS has received 138,885 approved applications from the ATO with a total dollar value of \$1.093b

Many factors will influence the final amounts we pay including the length and nature of ongoing restrictions and their impacts on employment.

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NULIS

NU99QW:

Are you, or any entities you control, planning to freeze any managed investment schemes associated with your fund or fund platform business?

Answer:

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MSF

NULIS has no current plans to freeze investment options it directly manages, and is monitoring the externally managed options. For externally managed options NULIS does not receive pre-warning of the fund manager's intent to freeze.

MLC Wrap Funds

NULIS continues to monitor the managed investment schemes and the exchange traded funds (traded on the ASX) held by members through the RSE. NULIS does not receive pre-warning of any intent by a Responsible Entity to freeze their scheme.

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NULIS

NU100QW:

Since 1 January 2020, have you, or any entities you control:

- a. suspended any successor fund transfers?
- b. had any funds involved in impending merger activity frozen by investment managers?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

- a. NULIS has not suspended any successor fund transfers since 1 January 2020.
- b. NULIS has not had any funds involved in impending merger activity frozen by investment managers.

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NULIS

NU101QW:

Mortgage trusts

- a. Do you, or any entities that you control, have mortgage trusts on your platform?
- b. Will you need to freeze redemptions on these due to leverage?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

For the purpose of this response, NULIS has considered the “Mortgage trusts” outline as provided by ASIC’s Moneysmart website, as an “investment fund where investors’ money is on lent (as mortgage loans) to a range of borrowers who use the money to buy or develop properties. It might also be used for other investments (for example, investing in other mortgage funds). In return the fund manager promises to pay investors a regular income.”

MSF

- a. NULIS does not offer any investment options to members of MSF that are classified as mortgage trusts. Some investment options may at times have small exposures to mortgage trusts for diversification purposes however the exposure is subject to appropriate return, liquidity and risk considerations.
- b. NULIS does not expect to freeze redemptions for any MSF investment options.

MLC Wrap Funds

- a. NULIS no longer offers any managed investment schemes on the investment menus of the MLC Wrap Funds that are classified as mortgage trusts. Some other managed investment schemes available to MLC Wrap Fund members may have exposures to mortgages subject to the investment guidelines of the Responsible Entity for the scheme and the Product Disclosure Statements it issues. NULIS does not control the investments of those schemes.

NULIS has a small number of members invested in the LM Wholesale First Mortgage Income Fund that was frozen in 2008. NULIS and members invested in that fund are awaiting final payout from the fund’s Responsible Entity (Trilogy Funds Management Limited).

- b. NULIS is unaware of any Responsible Entity’s intention to freeze redemptions from any fund that may have exposure to mortgages.

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NULIS

NU102QW:

Property trusts and assets

- a. Do you, or any entities you control, have listed property trusts on your platform?
- b. How have these performed in comparison to direct unlisted property assets owned by your fund between 1 January 2020 and 20 April 2020?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

MSF

- a. No. However, MSF offers members the ability to invest in options that provide exposure to “listed property securities” indirectly including through unlisted investment schemes and multi-sector investment options.
- b. NULIS does not directly own (in full or part) unlisted property assets within MSF.

MLC Wrap Funds

- a. Yes. The MLC Wrap Funds offer members the ability to acquire exposure to property trusts listed on the ASX, i.e. Australian Real Estate Investment Trusts (A-REITs).

NULIS also enables members the ability to invest in unlisted managed investment schemes that provide exposure indirectly to “listed property securities”, where that managed investment scheme:

- I. invests primarily or exclusively in a range of listed property securities on the ASX (A-REITs) and/or global exchange(s), i.e. Global Real Estate Investment Trusts (G-REITs); or
 - II. is a multi-sector investment scheme that invests in A-REITs or G-REITs as a component of its allocations for diversification purposes.
- b. NULIS does not directly own (in full or part) unlisted property assets within the MLC Wrap Funds, and is therefore unable to compare A-REIT performance to unlisted property assets.

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NULIS

NU103QW:

Do you, or any entities you control, have agribusiness schemes on your platform?

If so, what was the nominal value of these investments on:

- a. 1 January 2020?
- b. 20 April 2020?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

For the purpose of this response, NULIS has considered the “Agribusiness managed investment schemes” outline as provided by the ATO, as investments that “usually related to activities such as forestry, agriculture, horticulture and aquaculture and are for a fixed number of years depending on the nature of the activity”.

Neither NULIS nor any entity NULIS controls has agribusiness schemes on its platform.

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NULIS

NU104QW:

Managed investment schemes

- a. What policies and governance structures do you, or any entities you control, have in place to determine what managed investment schemes are added to your investment platforms? (Please also provide a copy of these policies.)
- b. Do you, or any entities you control, allow financial advice dealer groups to add managed investment schemes to your platform and/or recommended product lists?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

- (a) The NULIS Investment Governance Policy contains detailed criteria for the addition of managed investment schemes to the investment platforms. The criteria have regard to APRA's Prudential Standard 530 (Investment Governance) and the relevant sections of the SIS Act.

Both NULIS' Investment Committee Charters define the governance structures in relation to approval of proposed managed investment scheme additions.

- (b) NULIS does not allow financial advice dealer groups to add managed investment schemes to its platforms. All scheme additions are governed by the criteria and process defined in (a).

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NULIS

NU105QW:

APRA supervision of investment governance

- a. Please describe APRA's current supervision of your investment governance.
- b. When did APRA last examine your investment governance processes?
- c. Has APRA asked you to stress-test particular types of managed investment schemes? If so, what types

Answer:

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a. Please describe APRA's current supervision of your investment governance.

APRA monitors investment governance under Superannuation Prudential Standard (SPS) 530 Investment Governance which includes an associated Superannuation Prudential Guide (SPG) and Superannuation Reporting Standard (SRS).

SRS 530 requires quarterly reporting of asset allocation and investment related data, with some additional data required on an annual basis. During 2020, APRA has also initiated additional investment data collections to assist in assessing the impacts of the COVID-19 Pandemic on NULIS investments, including liquidity impacts. A one-off data collection was submitted to APRA on 28 April 2020. APRA has also recently requested ongoing "Pandemic Data Collection" which requires additional quarterly investment data reporting commencing with effect from 30 June 2020 (although there will be a review of the continued need for this data in late September 2020).

Principally APRA supervises investment governance for NULIS via its regular supervisory activities, and by considering the data it collects via SRS 530. This is supplemented by focussed investment governance prudential reviews, typically conducted approximately every 3 years. The last such review for NULIS was conducted in October/November 2017.

In addition, SPS 530 requires NULIS to ensure that there is a comprehensive independent review of its investment governance framework at least every 3 years. In December 2019, NULIS engaged Deloitte to conduct such a review. The review has recently completed and Deloitte's report was shared with APRA on 30 June 2020

b. When did APRA last examine your investment governance processes?

As noted above, APRA last conducted a prudential review of the NULIS Investment Governance Framework in October/November 2017.

c. Has APRA asked you to stress-test particular types of managed investment schemes? If so, what types?

APRA has not requested NULIS to stress test particular types of managed investment schemes.

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NULIS

NU106QW:

Rent for tenancies during COVID-19

- a. Can you please advise what action you, or any entities you control, have taken to defer the payment of rent for tenancies for listed and/or unlisted assets owned by your fund during the COVID-19 pandemic?
- b. To what dollar value has that reduced revenue to your fund since 1 February 2020?

Answer:

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MSF

NULIS does not manage, nor does it control any entities that manage, the rental arrangements for any of the investment options that have exposure to listed or unlisted property investments.

MLC Wrap Funds

NULIS offers members the ability to invest in managed investment schemes or ASX securities issued by third parties that have exposure to property trusts. NULIS consequently does not manage, nor does it control entities that manage, the rental arrangements for any of these managed investment schemes or ASX listed arrangements.

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NULIS

NU107QW:

Can you please advise what exposure your members have to listed property trusts and the value of those asset holdings on:

- a. 1 January 2020?
- b. 25 April 2020?

Answer:

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NULIS reports to APRA on a “look-through” basis inclusive of the allocations held indirectly via third-party managed investment schemes (including those where only part of the scheme is held in listed property trusts). This information is only available at each quarter end, below is the fully reconciled values of listed property trust holdings as reported to APRA at 31 December 2019 and 31 March 2020.

MSF

Direct and indirect exposures to listed property trusts were:

31 December 2019	31 March 2020
\$2,936,188,000	\$2,044,620,000

MLC Wrap Funds

Direct and indirect exposures to listed property trusts were:

31 December 2019	31 March 2020
\$996,440,000	\$674,478,000

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NULIS

NU108QW:

Can you please advise what exposure your members have to listed mortgage trusts and the value of those asset holders on:

- a. 1 January 2020?
- b. 25 April 2020?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

MSF

NULIS does not offer any investment options to members of MSF that fully invest in listed mortgage trusts. Most MSF diversified investment options which may at times also have exposure to mortgage trusts (where deemed appropriate) are managed by related entities of NULIS, and for these options NULIS confirms there was no exposure to listed mortgage trusts at 1 January 2020 or 25 April 2020. Some other investment options are established through third party managed investment schemes issued by unrelated Responsible Entities, and NULIS is unable to confirm any listed mortgage trust exposures.

MLC Wrap Funds

NULIS does not enable members to invest directly in listed mortgage trusts.

Some of the managed investment schemes available on the MLC Wrap Funds' investment menu may have exposure to listed mortgage trusts, however as these schemes are issued by unrelated Responsible Entities, NULIS is unable to confirm any listed mortgage trust exposures.

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NULIS

NU109QW:

Do you expect that actual or expected hardship redemptions as a result of the COVID-19 pandemic will reduce, delay or otherwise impact shareholder returns? If so, how and to what extent?

Answer:

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Member redemptions (including hardship and early release payments) contribute towards funds outflow; which in turn negatively impacts the total Funds under Administration of the MSF and the MLC Wrap Funds. NULIS revenue arises from fixed fees and/or percentage based fees that are charged to members; the quantum of the fee varies and is dependent on the product and the underlying investment option held by members with these rates disclosed in the relevant Product Disclosure Statements. All things equal, the reduction in member accounts and lower Funds under Administration leads to lower revenue and lower shareholder returns.

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NULIS

NU110QW:

How many sexual harassment complaints have been lodged against your company in the last five years?

For each complaint, please set out:

- a. the jurisdiction
- b. how the complaint was resolved, and
- c. the remedies ordered or settlement amount.

Answer:

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There have been no sexual harassment complaints lodged against NULIS in the last five financial years ending 30 September 2019.

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NULIS

NU111QW:

In the context of understanding the value of your services to Australian superannuation members, can you please advise the remuneration package for your Chief Executive; specifically:

- a. base salary
- b. annual bonuses
- c. the accumulated value of deferred bonuses unpaid
- d. the accumulated value of deferred bonuses paid
- e. any other annual, bonus or deferred remuneration information or settlements not covered in the previous four points, and
- f. reimbursements for expenses.

Answer:

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NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. The answer to this question relates to the General Manager Office of the Super Trustee Wealth, (previously Chief Operating Officer of the OTT).

The following table sets out the remuneration for the General Manager Office of the Super Trustee Wealth, for the last Financial Year Ended 30 September 2019:

	Base salary	Annual bonus	Deferred bonuses unpaid	Deferred bonuses paid	Any other annual, bonus or deferred remuneration	Reimbursement of expenses
General Manager Office of the Super Trustee	251,558	49,011	20,405	21,844	30,651	nil

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NULIS

NU112QW:

Please provide copies of your:

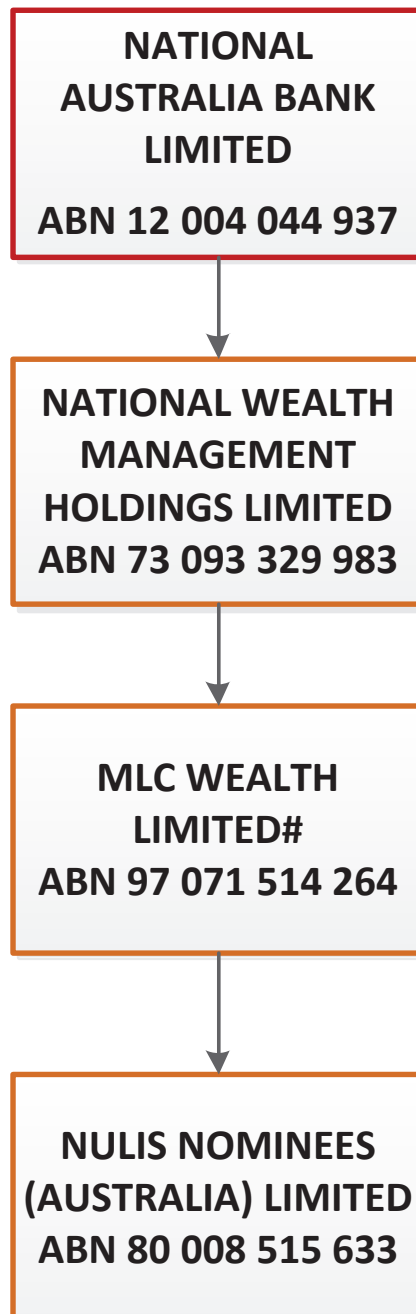
- a. annual report for the past five years, and
- b. company structure

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

- a. The NULIS annual reports are attached as follows
 - i. FY15 is attached as appendix NU112QW.1
 - ii. FY16 is attached as appendix NU112QW.2
 - iii. FY17 is attached as appendix NU112QW.3
 - iv. FY18 is attached as appendix NU112QW.4
 - v. FY19 is attached as appendix NU112QW.5
- b. The company structure is attached as appendix NU112QW.6

ORGANISATION CHART AS AT 1 JULY 2020



Previously known as National Wealth Management Services Limited (name change effective 25 June 2020)

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NULIS

NU113QW:

Please provide details of sponsorship or sponsorship-like arrangements, marketing or marketing-like or in-kind arrangements for the past five years.

Answer:

By way of context and background, MLC Wealth marketing investment is shared by NULIS Nominees (Australia) Limited (**NULIS**) in its corporate capacity, other MLC Wealth businesses, and over the period and in some cases the NAB group more broadly. In this model marketing expenses attributed to NULIS are funded from fee revenue and are not additional costs to members.

1. Limited sponsorship or sponsorship-like activity

NAB and MLC Wealth undertook a community sponsorship of the “Moonlight cinema” in the period December 2017 to March 2018.

For the period, NULIS has not sponsored any major sporting events.

2. Marketing or marketing-like activity

For the past five financial years MLC Wealth implemented two major marketing campaigns:

- i. “Save Retirement”: March 2015 to September 2016
- ii. “Life Unchanging”: May 2017 to July 2020

Both of these marketing campaigns comprised a range of integrated components including advertising across a range of media including television, print, outdoor, digital. The campaigns were also supported by a range of content to engage consumers on topics related to superannuation and retirement.

3. In-kind arrangements or activity

There are no known in-kind arrangements or activities.

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NULIS

NU114QW:

Has your company ever made a donation (please include donations and 'other subscriptions') to any political party either directly or through a third party?

Answer:

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NULIS has not made a donation to any political party either directly or through a third party.

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NULIS

NU115QW:

Does your company have a relationship with the:

- a. Business Council of Australia?
- b. Financial Services Council?
- c. Australian Financial Markets Association?
- d. Institute for Public Affairs?

If so, please provide details of any amounts paid to each group.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

Through MLC Wealth, NULIS has a relationship with the Financial Services Council (FSC). The FSC membership fee is paid by MLC Wealth. Any costs attributed to NULIS are funded from fee revenue and are not an additional cost to members.

NAB, of which MLC Wealth is a subsidiary, is a member of the Business Council and the Australian Financial Markets Association. However, there is no NULIS relationship.

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NULIS

NU116QW:

Are any commissions paid to employees?

If so, please provide:

- a. Details of these commission arrangements.
- b. The total amount of commissions paid for each of the last five years.
- c. The conflicts of interest policy for managing these commission arrangements.

Answer:

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NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. The answer to this question relates to the OTT. All other functions are provided by external service providers, some of which are part of the NAB group and related parties to NULIS.

There are no commissions paid to employees.

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NULIS

NU117QW:

Does your company/fund pay incentives (commissions, shelf fees, volume incentives) to win investment mandates?

If so, please provide the details.

Answer:

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MSF

While NULIS may award investment mandates to investment managers and pay a fee for the investment manager to manage the assets of the MSF, it does not pay any incentives to win the management of any investment mandates.

MLC Wrap Funds

The MLC Wrap Funds do not pay any incentives to win the management of any investment mandates.

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NULIS

NU118QW:

In the context of corporate governance, can you please provide for board directors (based or located in Australia or elsewhere) for the past five years:

- a. A list of the Board members and their biographies.
- b. De-identified total remuneration for each Board director.
- c. De-identified disaggregated remuneration for each Board Director, including:
 - i. Base salary.
 - ii. Annual bonuses.
 - iii. The accumulated value of deferred bonuses unpaid.
 - iv. The accumulated value of deferred bonuses paid.
 - v. Any other annual, bonus or deferred remuneration information not covered in the previous four points.
 - vi. Reimbursements for expenses.

Answer:

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The information provided below is for the last five financial years dating 1 October 2014 - 30 September 2019 (the Period).

- a. Below is the list of all NULIS Board members for the Period. Their biographies are attached as Appendix NU118QW.1

NAME	Term End Date
Michael Clancy	15-Dec-15
John Reid	31-Dec-16
Trevor Hunt	31-Dec-16
Evelyn Horton	30-Jun-18
Nicole Smith	30-Jun-18
Peeyush Gupta	31-Jan-19
Alan Schoenheimer	26-Aug-19
Peggy O'Neal	31-Mar-20
Terry McCredden	Current
Andrew Gale	Current
Peter Promnitz	Current

The following table is a combined response to questions b. and c for the Period.

For FY15- FY19 combined	Base salary	Annual bonus	Deferred bonuses unpaid	Deferred bonuses paid	Any other annual, bonus or deferred remuneration	Total remuneration	Reimbursement of expenses
Director 1	277,484	nil	nil	nil	327,001	604,485	471
Director 2	282,401	nil	nil	nil	323,960	606,362	61
Director 3	275,058	nil	nil	nil	294,026	569,083	1,235
Director 4	134,175	nil	nil	nil	172,955	307,129	3
Director 5	38,163	nil	nil	nil	32,310	70,472	148
Director 6	642,834	nil	nil	nil	201,536	844,370	4,010
Director 7	238,750	nil	nil	nil	118,011	356,761	0
Director 8	391,904	nil	nil	nil	412,708	804,612	552
Director 9	340,277	nil	nil	nil	118,116	458,393	76
Director 10	386,407	nil	nil	nil	494,684	881,090	5,050
Director 11	131,741	nil	nil	nil	203,295	335,036	1,006

Note: All Director related travel expenses are met by NULIS directly.

Michael Clancy

Non Executive Director

Michael was employed by NAB until 2013 and held various investment roles in Australia and the UK for the MLC Group. More recently, these included General Manager of the Investment Management Division and Executive General Manager of the Investment Platforms business.

Prior to joining NAB, Michael spent eight years with Russell Investments in Australia in both its asset consulting and manager research teams.

Michael is a non-executive Director of MLC Nominees Pty Limited, NULIS Nominees (Australia) Limited and PFS Nominees Pty Limited. He is also the Chair of the MLC Nominees and PFS Nominees Investment Committee, a Member of the Super Wrap and IDPS Investment Committee and Member of the Audit Committee.

Qualifications:

- Chartered Financial Analyst, Association for Investment Management and Research 1997
- Bachelor of Business (Finance and Economics) University of Technology, Sydney 1992

Andrew Gale

Non Executive Director



Andrew has over 35 years' financial services experience, including roles as Executive Director of Chase Corporate Advisory, CEO and Managing Director of Count Financial Limited, and Managing Partner of Deloitte Actuaries & Consultants. He has also held senior executive roles with MLC/Lend Lease and AMP.

Andrew is a non executive Director of NULIS Nominees (Australia) Limited. He is also the Chair of the Super Wrap and IDPS Investment Committee and the Risk and Audit Committee and a Member of the Insurance Committee.

Andrew joined the NAB Advice & Licences Board as an independent Non Executive Director in May 2014, and is a Member of its Investment Committee. He was appointed to the MLC Life & Administrator (L&A) Board in December 2014, and resigned from this board 3rd October 2016 at the conclusion of the sale of 80% of MLC Life to Nippon Life Insurance Company. Whilst on the MLC L&A Board, he chaired this Board's Risk Committee, was a member of its Audit Committee, and chaired the Board Committee overseeing the sale transaction of MLC Life Insurance to Nippon.

Andrew has been strongly involved in the actuarial profession over many years including through Council (2001-5), its Executive Committee (2003–2005) and President for the Institute of Actuaries of Australia (2005). Andrew has been active in industry and regulatory issues, including through his roles with the Institute of Actuaries, as a member of the Financial Services Council (FSC) Advice Board Committee, Chair of the Accountant Financial Adviser Coalition (AFAC), his prior role as Chairman of the SMSF Association and his prior executive roles.

Andrew has had a strong involvement in the not for profit sector, especially through various Global Access Partners (GAP) initiatives including the Working Group on Education and Training in Philanthropy and Social Investment, Founding Director of the Society for Knowledge Economics (2006-7), member of GAP Task Force on Progress in Society (2011-12) and Chairman of the Australian Society for Progress & Wellbeing.

Qualifications:

- Fellow, Australian Institute of Company Directors
- Fellow, Institute of Actuaries of Australia
- Master of Business Administration, Macquarie University
- Bachelor of Arts (Actuarial), Macquarie University

Peeyush Gupta

Non Executive Director



Peeyush has over 30 years of experience in wealth management. He was a co-founder and the inaugural CEO of IPAC Securities, a pre-eminent wealth management firm spanning financial advice and institutional portfolio management, which was acquired by AXA. He also has extensive corporate governance experience, having served as a Director on many corporate, not-for-profit, trustee and responsible entity boards since the 1990s. He is a non-executive Director of NAB Limited and several NAB Wealth and BNZ subsidiaries.

Peeyush is a non executive Director of NULIS Nominees (Australia) Limited and a Member of the Super Wrap & IDPS Investment Committee.

Peeyush is also a Director of Insurance & Care NSW (iCare), Quintessence Labs Pty Ltd, Special Broadcasting Service Board (SBS) and Link Administration Holdings Ltd. He is the Chairman of Charter Hall Wale Ltd and Charter Hall Direct Property Management Ltd. and a Trustee of the Western Sydney University.

Qualifications:

- Master of Business Administration, Australian Graduate School of Management
- Bachelor of Arts (Computing Studies), Canberra University
- Fellow, Australian Institute of Company Directors

Evelyn Horton

Independent Non Executive Director



Evelyn has more than 30 years' experience in the government and finance sectors. This has included leadership roles in operational risk, regulatory affairs and credit at Macquarie Bank, and corporate advisory roles in Australia with Deutsche Bank, Bankers Trust and CIBC. Prior to that, Evelyn was an economic adviser with the Commonwealth Treasury in Canberra.

Evelyn is a non executive Director of MLC Nominees Pty Limited, NULIS Nominees (Australia) Limited and PFS Nominees Pty Limited. She is also the Chair of the Risk and Audit Committee and a Member of the Successor Fund Transfer Committee and the Insurance Committee.

Evelyn is a director of the Tasmanian Public Finance Corporation, Motor Accidents Insurance Board, Mission Australia, Centuria Life, Over Fifty Guardian Friendly Society and is a member of the SMART Advisory Council and the Diocesan Financial Advisory Task Force.

Qualifications:

- Master of Social Sciences (Economics), National University of Singapore
- Bachelor of Economics, Australian National University
- Fellow, Australian Institute of Company Directors

Trevor Hunt

Non Executive Director



Trevor has more than 40 years experience in financial services. Trevor's career has included extensive employment with National Australia Bank, including roles as General Manager, Business Banking in WA and as Executive General Manager, Private Banking Australia.

In more recent years, Trevor has worked with MLC's financial planning businesses, focussing on investment governance and risk and compliance frameworks for the benefit of financial advisers and their clients.

Trevor is a non executive Director of MLC Nominees Pty Limited, NULIS Nominees (Australia) Limited and PFS Nominees Pty Limited, Apogee Financial Planning Limited, Godfrey Pembroke Limited, GWM Adviser Services Limited and Meritum Financial Group Pty Limited. He is also the Chair of the Super Wrap and IDPS Investment Committee, the Acting Chair of the Masterkey and Plum Investment Committee and a Member of the Insurance Committee.

Qualifications:

- Bachelor of Business (Accounting), Edith Cowan University

Terry McCredden

Independent Non Executive Director



Terry has extensive experience in the Australian superannuation industry with a very strong knowledge of investment markets, including: asset allocation; internal asset management, and selection of external managers.

Prior to retirement, Terry was Chief Executive Officer for UniSuper and was previously Chief Executive Officer for Telstra Super Pty Limited. Terry has also held roles as the Director of Telstra Super Financial Planning Pty Limited, Superannuation Project Manager for Telstra Corporation (then Telecom Australia), Chief Executive Officer for State Electricity Commission of Victoria (SECV) Superannuation Fund and several executive positions in SECV's Treasury Department.

Over this period, Terry also served on the Boards of ASFA (Association of Super Funds Australia), FEAL (Fund Executives Association Limited) and the Centre for Investor Education. In addition, Terry was a member of the Superannuation Advisory Committee, a committee reporting to the Federal Government's Ministers of Superannuation (Sherry, Bowen & Shorten) from March 2008 until July 2013.

Terry is a non executive Director of NULIS Nominees (Australia) Limited. He is also the Chair of the Disclosure Governance Committee and the Insurance Committee and a Member of the Masterkey and Plum Investment Committee.

Qualifications:

- Proteus Leadership Course, London Business School
- Advanced Management Program, Wharton School of Management, University of Pennsylvania
- Advanced Management Course, Graduate School of Management, University of Melbourne
- Bachelor of Commerce (Honours), University of Melbourne

Peggy O'Neal, AO

Independent Non Executive Director

Peggy is a senior superannuation and financial services lawyer and is employed by Lander & Rogers as a consultant. She was previously a partner at Herbert Smith Freehills for several years. She was a consultant to the Commonwealth Treasury on the Super System Review, known as the 'Cooper Review'.

She has significant credentials in superannuation, the law, business and the community. Peggy is a former Chair of the Law Council of Australia Superannuation Committee and remains an emeritus member of that Committee. She is also a Director of Women's Housing Limited, the Commonwealth Superannuation Corporation, Infrastructure Specialist Asset Management Limited and is an Ambassador for Opportunity International Australia.

Peggy is a non executive Director of NULIS Nominees (Australia) Limited. She is also Chair of the Successor Fund Transfer Committee and a Member of the Risk and Audit Committee and the Disclosure Governance Committee.

Peggy is also President of the Richmond Football Club Limited and in 2015 chaired an Inquiry on Women and Girls in Sport and Active Recreation for the Victorian Minister of Sport. In August 2017 she was appointed to Victoria's Ministerial Council on Women's Equality.

Qualifications:

- Fellow, Australian Institute of Company Directors
- Diploma in Superannuation Management, Macquarie University
- Professional qualification courses, University of Melbourne
- Juris Doctor, University of Virginia, USA
- Bachelor of Arts, Virginia Polytechnic Institute and State University, USA
- Doctor of Law (Honorary), Swinburne University of Technology

Peter Promnitz

Independent Non Executive Director, Chair



Peter has over 45 years' experience in the superannuation and investment sectors which includes senior executive roles in Asia Pacific and a diverse career in financial services in Australia and New Zealand.

Peter was appointed a non executive Director of NULIS Nominees (Australia) Limited in December 2017 and became the Chair of NULIS Nominees (Australia) Limited in July 2018. He is also a Member of the Masterkey and Plum Investment Committee, a Member of the Risk and Audit Committee and a Member of the Successor Fund Transfer Committee.

Peter is also currently Chair of Australian Unity Limited and its operating subsidiaries, Chair of Warakirri Asset Management Limited and Warakirri Holdings Limited and was previously Chair of ASX-listed SFG Australia Limited.

Peter's career highlights include Asia Pacific CEO for Mercer and Chairman for Australia at Marsh & McLennan Inc.

Qualifications:

- Fellow, Australian Institute of Company Directors
- Associate, Institute of Actuaries of Australia
- Bachelor of Science (Mathematics and Statistics), University of Adelaide

John Reid

Non Executive Director

John's career started in the UK with Eagle Star where he gained extensive experience in life insurance, pensions, administrative systems and product development with Eagle Star in England, Hong Kong, the Isle of Man and Ireland before transferring to head up Australia Eagle's life insurance division in 1986. Eagle was acquired by MLC which was itself acquired by NAB in 2000.

In Australia, John has held a number of executive roles including responsibility for introducing innovative superannuation and life insurance products with Eagle, and managing successful transformation projects with MLC and product and entity rationalisation projects in NAB.

John is a non executive Director of MLC Nominees Pty Limited, NULIS Nominees (Australia) Limited and PFS Nominees Pty Limited. He is also the Chair of the Trustee Disclosure Governance Committee and a Member of the Successor Fund Transfer Committee and the Insurance Committee.

Qualifications:

- Graduate, Australian Institute of Company Directors
- Fellow, Institute of Actuaries of Australia
- Fellow, Institute of Actuaries in London
- Bachelor of Science (Mathematics and Physics), Sussex University England

Alan Schoenheimer

Independent Non Executive Director



Alan's career in financial services began in 1991 with Russell Investments, where he managed the consulting relationships for large Australian superannuation funds. During this period Alan started developing Russell's Asian business before being appointed Managing Director, Russell Retail Investments where he built its Australian Retail business to \$3bn in 'Funds Under Management'. Further senior appointments and Directorships with Russell followed, including appointment as Chief Executive Asia Pacific in 2001 and Head of International (London based) in 2009. Alan returned to Australia in 2012 and retired from fulltime employment in 2014.

Prior to his financial services career, Alan worked for various petrochemical enterprises as a design engineer in Australia, UK, USA and South Africa, before working for McKinsey & Co.

Alan's varied roles and experience has provided him with an in depth knowledge of the Australian superannuation and Funds Management industries.

Alan is a non executive Director of NULIS Nominees (Australia) Limited. He is also Chair of the Masterkey and Plum Investment Committee and a Member of the Super Wrap and IDPS Committee.

Alan is also a Director of Wealth Defender Equities Pty Limited, an Australian Listed Investment Company.

Qualifications:

- Master of Business Administration, University of New South Wales,
- Bachelor of Engineering (Chemical) (First Class Hons), University of Queensland,

Nicole Smith

Independent Non Executive Director (Chair)

Nicole commenced her non-executive director career after a consulting career of over 20 years with organisations which included PricewaterhouseCoopers and Mercer. During her executive career, Nicole provided consulting and advice to large financial services organisations in areas of taxation, internal audit and governance, risk and compliance.

Nicole is the Chair and non-executive Director of MLC Nominees Pty Limited, NULIS Nominees (Australia) Limited and PFS Nominees Pty Limited. She is also the Chair of the Insurance Committee, a Member of the Masterkey and Plum Investment Committee and the Risk and Audit Committee.

Nicole's other directorships include Yarra Funds Management Limited and Westpac RE Limited. Nicole is also a member of the Compliance Committee for Ironbark Asset Management (Fund Services) Limited.

Qualifications:

- Mastering the Boardroom (Order of Merit), Australian Institute of Company Directors
- Graduate, Australian Institute of Company Directors
- Member, Institute of Chartered Accountants in Australia
- Bachelor of Financial Administration, University of New England

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU119QW:

Quantify the largest severance package, in dollar figures, that has ever been paid to an employee.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. The answer to this question relates to the OTT. All other functions are provided by external service providers, some of which are part of the NAB group and related parties to NULIS.

As previously advised to the Committee NULIS considers “severance packages” and “termination payments” to be in the same category of payment types.

NULIS was acquired by the MLC Group in 1 October 2009. The largest termination package paid since that time was \$5,398.82.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU120QW:

Self-managed super funds

- a. Can you please advise whether you manage funds for SMSFs?
- b. Have you allowed individuals and/or SMSFs to co-invest alongside your investments?
- c. Do you allow individuals and/or SMSFs to co-invest alongside your investments?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

MSF

NULIS does not enable external investors (including SMSFs) to access the investment pools / options it provides for MSF members.

MLC Wrap Funds

NULIS invests the funds' assets in third-party managed investment schemes, ASX securities and term deposits, in accordance with member instructions. While NULIS does not enable SMSFs or non-super clients to invest in the Wrap Funds, NULIS does not define or control the investor eligibility requirements of the third-party schemes/assets in which it invests and recognises that individual or SMSF investors may also invest in those third party schemes/assets.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU121QW:

Please advise whether you manage funds for:

- a. family trusts?
- b. trusts?
- c. registered organisations, and if so which registered organisations?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

NULIS does not manage investment funds for other entities.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU122QW:

Managing money for related parties

- a. Do you manage money for any related parties, whether superannuation funds or otherwise?
- b. If so, which organisations or entities?
- c. In relation to these organisations or entities:
 - i. Are you aware whether those related parties have assessed the value of these arrangements, relative to best-practice arms-length arrangements available elsewhere, in terms of generating returns for members?
 - ii. Please provide your conflicts of interest policy for managing related party arrangements.

Please provide your risk management approach for related party arrangements including line 1, line 2 and line 3 roles.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

NULIS only manages money for the MSF and the MLC Wrap Funds and does not manage money (i.e. make any capital allocation/divestment or investment decisions and related activities) for any related parties.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU123QW:

Please provide the number of clients by funds under management on behalf of each client, in the following ranges:

- <\$20 million
- \$20 million - \$50 million
- \$50 million - \$100 million
- \$100 million - \$1 billion
- >\$1 billion.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

MSF & MLC Wrap Funds

Clients as at 30 June 2020

	MSF	MLC Wrap Funds
<\$20 million	919,025	75,742
\$20 million - \$50 million	-	-
\$50 million - \$100 million	-	-
\$100 million - \$1 billion	-	-
>\$1 billion.	-	-
TOTAL	919,025	75,742

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU124QW:

Please list the individual private clients under management (including family trusts) for the following ranges:

- <\$20 million
- \$20 million - \$50 million
- \$50 million - \$100 million
- \$100 million - \$1 billion
- >\$1 billion.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

MSF & MLC Wrap Funds

NULIS is answering this question the same as it responded to Q123.

Clients as at 30 June 2020

	MSF	MLC Wrap Funds
<\$20 million	919,025	75,742
\$20 million - \$50 million	-	-
\$50 million - \$100 million	-	-
\$100 million - \$1 billion	-	-
>\$1 billion.	-	-
TOTAL	919,025	75,742

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR**

NULIS

NU125QW:

Do you support remuneration disclosure laws in Corporations Law?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

NULIS supports measures which facilitate disclosure and transparency of arrangements including remuneration disclosure. Disclosure is currently required under the Superannuation Industry (Supervision) Act 1993 which is broader than what would be required under Corporations Law.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU126QW:

If you are an investor in any banking institution, have you individually as a fund (or in collaboration with other funds), ever commissioned reports into its valuation in the past decade?

- a. If so, how many reports and in what year?
- b. Please provide copies.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

MSF

The investment options within MSF hold shares and other investment instruments issued by banking institutions. NULIS has not commissioned any reports into the valuation of banking institutions during the past 10 years.

MLC Wrap Funds

NULIS offers members the ability to invest in managed investment schemes issued by third party Responsible Entities which may have exposure to banking institution shares and other securities or investment instruments. NULIS also enables members to invest directly in ASX listed securities, which include bank shares. As above, NULIS has not commissioned any reports into the valuation of banking institutions during the past 10 years.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU127QW:

Please provide details of the process you apply for assessing voting at annual general meetings of listed companies, including:

- a. The committee appointed to make decisions.
- b. The committee membership.
- c. Whether that committee reports to the board.
- d. What principles guide decision making.
- e. Whether there is a report to the board about decisions made.
- f. Whether decisions are made based on the objectives of improving capital value, or social or environmental priorities.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

MSF

In response to parts (a), (b), (c), (d) and (f) the MSF currently acquires its listed equity asset exposure via investing in registered and unregistered unit trust vehicles ('investment access structure') where MLC Investments Limited ('MLCI') is the Responsible Entity or Trustee. As such decisions on proxy voting, including decisions in relation to proxy voting governance and principles that guide decision making, for listed equity assets are currently made by MLCI.

NULIS is aware that MLCI votes on all listed Australian equity resolutions (except on NAB as the ultimate holding company of NULIS and MLCI) and that this is undertaken in accordance with MLCI's proxy voting policy. In accordance with MLCI's proxy voting policy, the voting of international holdings (where practicable) is delegated to MLCI's international equity managers.

In response to part (e), given the current investment access structure, MLCI would set its own requirements regarding proxy voting reporting.

MLC Wrap Funds

In relation to shares held directly by NULIS as Trustee for the MLC Wrap funds, NULIS assesses and votes on all listed Australian equity resolutions (except on NAB) in accordance with its proxy voting policy.

Contentious resolutions for material holdings are referred to NULIS' Investment Committee who exercise voting rights after considering advice from NULIS' investment adviser (Three Sixty Research), including advice from NULIS' appointed Proxy Adviser Glass Lewis. For all other

resolutions, voting rights are exercised in line with the recommendations of Glass Lewis (for companies in the S&P/ASX 300), or the recommendations of the respective company's management (for all other ASX listed securities).

The Investment Committee is a NULIS Board delegated committee. Proxy voting decisions made by the Investment Committee will be reported to the Board. The Investment Committee comprises of Non-Executive Directors and senior executives with the composition determined by NULIS.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU128QW:

In the context of your board:

- a. What is the process for board appointments?
- b. Is there a skills matrix completed before board appointments?
- c. Are any of your shareholders entitled to appoint directors?
- d. How, if at all, are shareholders represented to the board?
- e. How, if at all, are shareholders represented within the company?

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

- a. What is the process for board appointments?

The NULIS Board comprises of directors who, collectively, have the full range of skills, knowledge and experience from a diverse range of backgrounds for the effective and prudent oversight of NULIS' business operations. Diversity of skills and experience is a key consideration in the appointment of directors.

The appointment process is governed by NULIS' constitution, and consistent with the Constitution, NAB will be ultimately responsible for the appointment of directors to the NULIS Board.

To support this process, the Chair of the NULIS Board, in consultation with the Directors of the NULIS Board and other key stakeholders will identify candidates with the appropriate expertise and experience. Identification of candidates can occur through various means including engaging professional recruiting firms. The candidates undergo interviews with the NULIS Board and various stakeholders. NULIS approves and recommends appointments of new Board members to the NAB Board Nomination & Governance Committee.

NULIS also engages with APRA at the appropriate stage of the director appointment process to discuss new Board member appointments, including how the proposed appointments will support the Board in discharging its fiduciary duties

The proposed candidate/s will undergo a fit and proper assessment in accordance with APRA's Superannuation Prudential Standard 520 and NULIS's fit and proper assessment requirements.

- b. Is there a skills matrix completed before board appointments?

Yes.

c. Are any of your shareholders entitled to appoint directors?

See a.

d. How, if at all, are shareholders represented to the board?

Shareholders are not represented.

e. How, if at all, are shareholders represented within the company?

Shareholders are not represented.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU129QW:

Please provide the titles of all externally commissioned reports over the past five years that have reviewed any of the following:

- a. Performance of funds.
- b. Investment strategies for funds.
- c. Conflicts of interest for funds.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

The below table lists the reports commissioned by NULIS for the last five financial years ending 30 September 2019.

Year	Report Titles
2015	n/a
2016	<ul style="list-style-type: none">• Review of the NAB Cash Arrangement• Review of MLC SMA Menu Strategy• Benchmarking of MLC Limited
2017	<ul style="list-style-type: none">• Benchmarking review of JANA/JCIS• SPS 530 Triennial Review – Investment Governance• JANA/JCIS Fee Restructure• National Australia Bank Asset Servicing (“NAS”) Benchmarking• SPS Triennial Review (SPS220, SPS521, SPS 250)• Benchmarking review of NWMSL
2018	<ul style="list-style-type: none">• Independent review of Investment Protection• Investment Protection Independent Review
2019	n/a

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU130QW:

For each fund where more than 30 per cent of capital is managed by another entity, please complete the below table including:

- a. The name of the fund.
- b. The allocation of capital as a percentage of the total capital held by the fund.
- c. The allocation of capital of the total capital held by the fund.
- d. The entity managing the capital.
- e. Whether you are a shareholder in that entity.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

MSF

NULIS has appointed MLC Asset Management Services Limited as the Portfolio Manager to manage the assets of the MSF. As required by NULIS' policy, investment risk concentration is managed via investment diversification; this includes the allocation of capital to many investment managers. As a result, there is no single investment mandate or collection of mandates managed by a single investment manager that represents more than 30 per cent of the value of MSF.

MLC Wrap Funds

NULIS offers members the ability to invest in circa 380 managed investment schemes as well as ASX listed securities and term deposits. There is no investment held in a single managed investment scheme that represents more than 30 per cent of the value of the MLC Wrap Funds.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU131QW:

If you do have capital managed by another entity that you are also a shareholder in, please identify how you manage conflicts of interest.

Answer:

The information below is provided by NULIS Nominees (Australia) Limited (NULIS) as the Registrable Superannuation Entity (RSE) licensee for the MLC Super Fund (MSF), the MLC Superannuation Fund (MLCSF), the DPM Retirement Service (DPMRS), and the PremiumChoice Retirement Service (PCRS) (the last three funds referred to collectively as the MLC Wrap Funds).

NULIS does not have capital managed by any entity in which it is also a shareholder. More generally however, NULIS has policies in place to manage any conflicts of interests, which have regard to the fact of NULIS' status as a wholly owned entity within the NAB group.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU132QW:

Please provide details of the following reduction to remuneration packages since 11 March 2020:

- a. Board members.
- b. The chief executive.
- c. Executive management.

Answer:

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NULIS maintains an Office of the Trustee (OTT) which supports NULIS to discharge its duties as an independent trustee. The answer to this question relates to the OTT and the NULIS Board.

- a. Since 11 March 2020, there has been no reduction to the remuneration packages for Board members.
- b. Since 11 March 2020, there has been no reduction to the remuneration packages for the chief executive.
- c. Since 11 March 2020, there has been no reduction to the remuneration packages for executive management.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

NULIS

NU133QW:

Is the fund considering divestment from pure play fossil fuel producers in order to mitigate climate-related financial risks and to increase the cost of capital for those producers?

If not, how has the fund arrived at the conclusion that this approach would not be in members' best interests?

Answer:

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As Trustee, NULIS' objective is to ensure it fulfils its fiduciary duties and responsibilities to members including performance expectations. NULIS' Responsible Investment position is aligned to its Investment Philosophy particularly in supporting the retirement income needs of members, and providing flexibility of choice in the design of the investment menu to allow for varying constraints and expectations of a member.

Climate related risk is an investment risk. Generally, Environmental, Social and Governance (ESG) factors are another source of risk for investments and therefore the assessment and monitoring of ESG factors can reduce risk, thereby protecting and enhancing wealth over the long term. Pursuing investments which consider ESG factors is consistent with NULIS' objectives as a long-term investor on behalf of its members as well as its fiduciary duties and responsibilities to members.

The Trustee has a responsibility to act in the best interests of members as per the Superannuation Industry (Supervision) Act 1993 (SIS Act) and believes that considering ESG factors with investment decision-making is consistent with this fiduciary responsibility.

For investment options offered to members by the MSF, any acquisition or divestment decisions related to fossil fuel producers or otherwise requires the consideration of ESG risks amongst a broader set of investment decisions. For the MLC Wrap Funds, the available ASX listed shares and Managed Investment Schemes may provide investment exposure to fossil fuel producers and the decision to invest is made by the member.

The cost of capital for fossil fuel producers will relate to the decisions made by the producer and not related to investment decisions made by NULIS.