

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

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

NULIS

NU98QW:

Please provide a list of all investment schemes across your fund(s) that have had their redemptions frozen since January 2008, and for each:

- a. What was the total value of funds frozen?
- b. How many of your members were impacted by these frozen funds, and how?
- c. The date on which the freeze was implemented and lifted.
- d. A copy of the clause trustees relied on to enact that freeze.

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

MSF was established May 2016. Since that time NULIS has not frozen member redemptions from MSF investment options.

MLC Wrap Funds

Through the MLC Wrap Funds, NULIS enables members the ability to invest in over circa 380 managed funds, as well as listed Australian equities, Exchange Traded Funds, Separately Managed Accounts, Term Deposits and a range of other investments. While NULIS reviews the suitability for investments to be added to / retained on the investment menu, none of these investments are issued or operated directly by NULIS.

Where an investment is frozen by a third-party, such as where a Responsible Entity freezes redemptions from a managed fund NULIS can no longer redeem funds for members from those investments.

The following table, provides information relating to managed investment schemes holdings of MLC Wrap Fund members where assets remain frozen by the relevant Responsible Entity, in response to questions a. to c.:

Fund details	Value	Members
LM Wholesale First Mortgage Inc Fund Flexi Account	\$290,173	132
Redemptions from this Fund were first frozen in January 2009 by the Fund's Responsible Entity, and a receiver was appointed in August 2013 to arrange its wind-up. Since 2009 the Fund has periodically released redemption proceeds, which have been paid to members as appropriate. The Responsible Entity has indicated final proceeds will be released pending finalisation of its court proceedings. The value shown reflects the holding value of investments as determined by the		

Fund details	Value	Members
Responsible Entity of the Fund as at 31 October 2019, although the Responsible Entity has indicated final proceeds when paid may be a reduced amount.		

- d. A copy of the clause trustees relied on to enact that freeze.

MLCSF, DPMRS & PCRS:

6.6 Voluntary cashing of benefits

- (f) Subject to Superannuation Law, the Trustee may delay payments or transfers if there is a circumstance outside its control that impacts on its ability to realise particular investments in respect of a Member (or to realise those investments at a fair price) for so long as the circumstance continues.