

## Things you should know

As at 30 June 2020

It's comforting when you know how something works. It gives you confidence and a sense of control. We want you to feel the same way about your super—so that's why we've included this brochure with your annual statement. It's about the *things you should know* from the past year to give you that same feeling of security, comfort, and understanding of how your super works for you.

### The Coronavirus pandemic

It would be remiss of us not to mention the Coronavirus pandemic in this brochure. It has changed, for each of us, our way of working, social interaction and how we go about our day to day—whether shopping or holidaying or even a walk in the park. We hope that you and your family have stayed well.

There has also been an enormous impact on financial markets worldwide as they reacted sharply to the uncertainty created by COVID-19. In response, the Australian Government implemented a package of temporary changes to the treatment of superannuation, for those facing financial hardship because of the pandemic. These included reduced minimum drawdown rates for account based pensions to help mitigate investment loss, and temporary changes for the early release of super.

#### Application for early release of up to \$10,000 from super accounts

From 20 April 2020, eligible individuals could withdraw up to \$10,000 from their super both before 1 July 2020 and again in the period between 1 July 2020 and 24 September 2020.

#### Reduced minimum drawdown rates for retirees

A temporary 50% reduction in the minimum drawdown requirements for account based pensions was implemented for both the 2019/20 and 2020/21 financial years. This measure has been designed to assist retirees by reducing their need to sell investments to meet minimum drawdown requirements when market prices may be under pressure.

If we determined that you were already on the minimum drawdown rate, we automatically applied the reduced minimum to your account from 1 July 2020. This meant that from 1 July 2020, you've been receiving a lower pension payment.

To make a change to your pension payment, contact your adviser or call us.

To keep all members informed and help navigate this difficult period, we've kept our website updated with the latest information and Q&As regarding the Government's temporary superannuation changes.

Go to [plum.com.au/coronavirus](https://plum.com.au/coronavirus)

You can also find more information, including details of the eligibility criteria for the early release of super and the reduced pension minimums, at [ato.gov.au/coronavirus](https://ato.gov.au/coronavirus)

#### Trustee

NULIS Nominees (Australia) Limited  
ABN 80 008 515 633 AFSL 236465

#### Fund

MLC Super Fund  
ABN 70 732 426 024

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### Legislation changes

#### Putting members' interests first

Employers will often set up a super plan where insurance cover is provided automatically for all their employees who become members of the plan. While this can be a great benefit for many members, the deduction of insurance premiums can erode super savings on low balance super accounts. For this reason, legislation known as *Putting Members' Interests First* (PMIF) took effect on **1 April 2020**.

The PMIF legislation will impact you **if you're under age 25 or have less than \$6,000 in any single super account**. If that's you, you'll most likely have to choose if you want insurance as part of your super.

We wrote to members who were impacted by the PMIF legislation with details of the changes earlier this year.

To find out more about PMIF, go to [plum.com.au/superinsurance](https://plum.com.au/superinsurance)

#### Transition to Retirement pensions

Previously, for your Transition to Retirement (TTR) pension to be paid to your reversionary beneficiary after you die, your beneficiary had to have satisfied a 'condition of release' such as being over 65, permanently incapacitated, or having a terminal illness.

Now, TTR pensions can continue and be paid to your reversionary beneficiary irrespective of whether they have satisfied a condition of release.

Comforting news, and something that brings TTR Pensions in line with other super income streams.

### Insights into investment

Cash rates have been at historically low levels with the Reserve Bank of Australia (RBA) making successive cuts in the official cash rate over the past year. When official interest rates go down, interest payable on term deposits, savings accounts, cash funds, or the cash portion of other managed investments also go down.

In such a low interest rate environment, you won't necessarily receive the kind of return you may have expected on your investment in cash options within your super—whether in cash funds, or the cash portion of any managed funds you have.

Cash is a defensive asset class that may offer a modest return and some protection against volatile investment movements in shares and other growth assets, and you should consider the upside and downside of investing in cash during this low rate environment.

For more information on cash and market performance, you can stay up to date by regularly checking our *Insights* page at [plum.com.au/news-and-views](https://plum.com.au/news-and-views)

#### Investment changes

How your money is invested is key to the results you get. Investment strategies are generally for the long-term and that's why we regularly review the investment options we offer, to make sure they're performing as expected and are cost effective. Each individual fund manager also reviews their fund's performance and makes appropriate changes from time to time.

Greater volatility in investment markets is also causing an increase in costs associated with buying and selling the underlying assets of an investment option, known as the buy-sell spread. This will increase the cost associated with buying, selling, or switching an investment and will also be reflected in a lower valuation of your investment.

This means the buy-sell spread on any investment options may fluctuate daily. We recommend you contact your financial adviser if you're contemplating selling or switching. If you don't have an adviser, you can call us.

You will need to keep up to date with current buy-sell spreads, as well as changes to Indirect Cost Ratios (ICR) or investment option name changes, by regularly checking your account online at [plum.com.au](https://plum.com.au)

Some of the other changes made over the last 12 months are set out below (but may not be applicable to all members).

#### Reduced investment fees for the following investment options:

- Cash Fund<sup>2</sup>
- MLC Index Plus Conservative Growth Portfolio<sup>3</sup>
- MLC Index Plus Balanced Portfolio<sup>3</sup>
- MLC Index Plus Growth Portfolio<sup>3</sup>

#### Reduced administration fee for the following investment option:

**Note:** *this only applies to members in the Plum Personal Plan*

- Cash Fund<sup>2</sup>

#### Changes to the investment objectives of the following investment options to better reflect how they're managed:

- MIC Australian Shares<sup>1</sup>
- MIC Global Shares<sup>1</sup>
- Australian Shares<sup>1</sup>
- Overseas Shares<sup>1</sup>
- Essentials – Conservative<sup>1</sup>
- Essentials – Cautious<sup>1</sup>
- Essentials – Moderate<sup>1</sup>
- Essentials – Assertive<sup>1</sup>
- Essentials – Aggressive<sup>1</sup>

<sup>1</sup> this change was effective 1 October 2019

<sup>2</sup> this change was effective 1 March 2020

<sup>3</sup> these changes were effective 1 April 2020

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#### Correction to MySuper defensive asset allocation ranges

The total defensive asset allocation ranges disclosed in the February 2019 Product Disclosure Statement, for members aged 65 and over invested in MySuper, were incorrect. They were also incorrect in the corresponding investment menu for these members, as well as those members aged 63 and 64.

We amended the ranges in the 2 March 2020 versions of these documents.

The actual ranges operating within the investments were correct at all times—**only the published ranges were incorrect.**

Product Disclosure Statement	
Total defensive assets, age 65 or over, Published February 2019 (incorrect)	Total defensive assets, age 65 or over, Published February 2020 (correct)
30% (12 - 39%)	30% (20 - 47%)

Investment menu	Age 63	Age 64	Age 65 and over
Total defensive assets, Published February 2019 (incorrect)	25% (12 - 41%)	28% (12 - 40%)	30% (12 - 39%)
Total defensive assets, Published February 2020 (correct)	25% (14 - 43%)	28% (17 - 45%)	30% (20 - 47%)

#### Correction to MySuper Indirect Cost Ratio

On 1 October 2019, the disclosed range of the estimated Indirect Cost Ratio (ICR) for the MySuper investment option (including in the Plum Personal Plan and NAB Group Super Fund) was incorrect in the online version of the Product Disclosure Statement (PDS). A correction was made by 2 October 2019.

The **correct ICR for the MySuper investment option is between 0.29% and 0.32%** (the incorrect range published online on 1 October 2019 was between 0.0% and 0.32%).

If you downloaded a copy of the PDS on 1 October 2019, you may like to replace it with a current version.

#### Change to the Standard Risk Measure for MLC investment options

**Note:** *this doesn't apply to members of the National Australia Bank Group Superannuation Fund A (Plan)*

A Standard Risk Measure (SRM) describes the estimated risk of receiving a negative annual return on any of your investment options, over any 20-year period. It's not a complete guide, but it can help you compare the relative risk of different investment options before you buy, sell or switch funds.

The SRM for various MLC investment options has changed, which we've tabled below. And, to help you better understand the meaning behind the changes, we've also tabled the definition of each SRM.

These changes were effective **1 October 2019**.

Investment menu	Previous SRM	Updated SRM
MySuper Lifecycle - 59	High	Medium to high
Cash Fund	Low	Very low
Plus – Moderate	Medium to high	High
MLC Australian Share Fund (Pension)	High	Very high

SRM risk label	Estimated number of negative annual returns in any 20-year period
Very low	Less than 0.5
Low	0.5 to less than 1
Low to medium	1 to less than 2
Medium	2 to less than 3
Medium to high	3 to less than 4
High	4 to less than 6
Very high	6 or greater

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### Keeping up with communications

We want to take away the complexity and make it as simple as possible for you to get active with your super. Whether it's communicating better by email, personal opportunities to hear about your fund or further improving our online support, we're committed to making it easy for you to get involved.

Read about some of the ways you can stay up to date with your super here.

#### Prefer online communications?

We're getting ready for more online communication with you.

From **1 December 2020** we'll be making as many communications as we can available online for existing Plum members who prefer to receive their mail online.

If you set your preference to receive online communications, instead of us sending you mail in the post, we'll email you to let you know when there's something available online for you to read or download.

If you don't set any preference (ie you don't actively opt out of emailed communications), and we have your email address, we'll automatically switch you over to online communications.

Initially, our default online communications will include your annual statement and, where we can, notices of any material changes to your super plan—but we're planning to expand the range of online communications in the future. Until then, we'll continue to mail you those communications that aren't available online (there won't be an emailed notification of these mailed communications).

Many members have already opted in for online communications, so if that's you, all you need to do is a quick check to see if we have your preferred email address on file so you're ready for the change.

If you've previously opted out of online communications, or haven't thought about setting a communication preference before, now might be a good time to consider if you'd like to make the change to online. Online communications are convenient, easily accessible and environmentally friendly.

No matter what preference you set now, you can change your mind at any time.

So, how do you check that you're ready for change and get your communications online? It's as simple as 1, 2, 3:

1. **Make sure you've got online access**—you'll need it to both update your email address and access your communications. You can register for online access using your member number or email address at [plum.com.au/register](https://plum.com.au/register)
2. Once you're logged in to your account, **go to the mail preferences page** and select the *online* option to confirm you'd like online communications (you can deselect it too at any time if you prefer to go back to mailed communications).
3. **We'll be using the email address on your annual statement** to let you know when you have mail to read online. If you can't see your email address on your annual statement, or you need to change it, you can add or update it in the *update my details* section when you log in to your online account.

If you need any help with any of these steps, just call us on **1300 55 7586** (between 8am and 7pm AEST (8pm AEDT), Monday to Friday).



#### Coming in 2020 the Plum app

We're always looking for ways to give you more information at your fingertips. The new Plum app will give you your super balance at a glance, whenever you want. Once available you'll be able to download it from Google Play or the App Store. If you've already registered for Plum online, you'll be able to log in using your user name and password. Not registered?

Simply go to [plum.com.au](https://plum.com.au) or call us.



#### Retirement Forecaster

If you'd like to see the impact that making a few changes can make, such as additional contributions or setting your income goals, you'll want to look at our **Retirement Forecaster**. It's interactive and simple to use. Just go to [plum.com.au/retirement](https://plum.com.au/retirement) in the *Am I on track?* link to check it out and take the best of today into the future.

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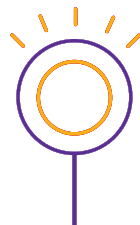
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### The value of financial advice

Nothing beats specialist financial advice to make sure all aspects of your personal financial situation are considered before making decisions about your super and investments. Your financial adviser can review your investment strategy to make sure it still suits your investment objectives as well as help you understand any tax or other implications in your decision. After all, nobody wants to deal with an unexpected financial problem as a result of being uninformed.

We also recommend you obtain and consider the relevant *Product Disclosure Statement* before making any change to your account.



### Financial wellness seminars

Take a night off to invest in yourself! Our Financial Wellness webinars are available on demand, giving you access to industry experts and thought leaders as they discuss a great range of topics — from wellbeing and resilience at work, to working toward a happy and secure retirement.

To learn more go to [plum.com.au/financial-wellness-series](https://plum.com.au/financial-wellness-series)

### Important information

This is intended to provide general information only and has been prepared by NULIS Nominees (Australia) Limited ABN 80 008 515 633 (AFSL 236465) (NULIS) without taking into account your objectives, financial situation or needs. You should, before acting on this information, consider the appropriateness of this information having regard to your personal objectives, financial situation or needs. We recommend you obtain financial advice specific to your situation before making any financial investment or insurance decision.

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