

**Reporting Standard SRS 702.1**

**Investment Performance**

**Objective of this Reporting Standard**

This Reporting Standard sets out the requirements for the provision of information to APRA relating to the investment performance of a select investment option.

It includes *Form SRF 702.1 Investment Performance* and associated specific instructions and must be read in conjunction with *Prudential Standard SPS 530 Investment Governance*.

**Authority**

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

**Purpose**

1. Information collected in *Form SRF 702.1 Investment Performance* (SRF 702.1) is used by APRA for the purposes of prudential supervision, including assessing compliance with *Prudential Standard SPS 530 Investment Governance*, and publication. It may also be used by the Australian Securities and Investments Commission.

**Application and commencement**

1. This Reporting Standard applies to each registrable superannuation entity (RSE) licensee (RSE licensee) with respect to each select investment option within its business operations.[[1]](#footnote-2)
2. This Reporting Standard applies for quarterly reporting periods (under paragraph 7(a)) ending on or after 1 July 2015 and for annual reporting periods (under paragraph 7(b)) ending on or after 30 June 2016.

**Information required**

1. An RSE licensee to which this Reporting Standard applies must provide APRA with the information required by SRF 702.1 in respect of each reporting period.

**Forms and method of submission**

1. The information required by this Reporting Standard must be given to APRA in electronic format using the ‘Direct to APRA’ application or, where ‘Direct to APRA’ is not available, by a method notified by APRA, in writing, prior to submission.

*Note*: the ‘Direct to APRA’ application software (also known as ‘D2A’) may be obtained from APRA.

**Reporting periods and due dates**

1. Subject to paragraph 8, an RSE licensee to which this Reporting Standard applies must provide the information required by this Reporting Standard in respect of:
	1. each calendar quarter (i.e. the periods ending 30 September, 31 December, 31 March and 30 June each year); and
	2. each year ending 30 June.
2. If, having regard to the particular circumstances of a select investment option, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by paragraph 7(a) or 7(b), APRA may, by notice in writing, change the reporting periods for the particular select investment option.
3. The information required by this Reporting Standard must be provided to APRA:
	1. in the case of quarterly information – within 28 calendar days after the end of the quarter to which the information relates[[2]](#footnote-3);
	2. in the case of annual information – within three months after the end of the year ending 30 June to which the information relates; and
	3. in the case of information provided in accordance with paragraph 8, within the time specified by notice in writing.
4. APRA may grant, in writing, an RSE licensee an extension of a due date with respect to one or more select investment options within its business operations, in which case the new due date for the provision of the information will be the date on the notice of extension.

**Quality control**

1. The information provided by an RSE licensee under this Reporting Standard must be the product of systems, procedures and internal controls that have been reviewed and tested by the RSE auditor of the RSE within which the select investment option, to which the information relates, is located.[[3]](#footnote-4) This will require the RSE auditor to review and test the RSE licensee’s systems, procedures and internal controls designed to enable the RSE licensee to report reliable information to APRA. This review and testing must be done on:
	1. an annual basis or more frequently if necessary to enable the RSE auditor to form an opinion on the reliability and accuracy of information; and
	2. at least a limited assurance engagement consistent with professional standards and guidance notes issued by the Auditing and Assurance Standards Board as may be amended from time to time, to the extent that they are not inconsistent with the requirements of SPS 310.
2. All information provided by an RSE licensee under this Reporting Standard must be subject to systems, processes and controls developed by the RSE licensee for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the RSE licensee to ensure that an appropriate set of policies and procedures for the authorisation of information submitted to APRA is in place.

**Authorisation**

1. When an officer or agent of an RSE licensee provides the information required by this Reporting Standard using the ‘Direct to APRA’ software, it will be necessary for the officer or agent to digitally sign the relevant information using a digital certificate acceptable to APRA.
2. If the information required by this Reporting Standard is provided by an agent who submits using the ‘Direct to APRA’ software on the RSE licensee’s behalf, the RSE licensee must:
	1. obtain from the agent a copy of the completed form with the information provided to APRA; and
	2. retain the completed copy.
3. An officer or agent of an RSE licensee who submits the information under this Reporting Standard for, on behalf of, the RSE licensee must be authorised by either:
	1. the Chief Executive Officer of the RSE licensee; or
	2. the Chief Financial Officer of the RSE licensee.

**Variations**

1. APRA may, by written notice to an RSE licensee, vary the reporting requirements of SRF 702.1 in relation to that RSE licensee or one or more select investment options within that RSE licensee’s business operations.

**Interpretation**

1. In this Reporting Standard:

***APRA*** means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*;

***Chief Executive Officer*** means the chief executive officer of the RSE licensee, by whatever name called, and whether or not he or she is a member of the Board of the RSE licensee[[4]](#footnote-5);

***Chief Financial Officer*** means the chief financial officer of the RSE licensee, by whatever name called;

***due date*** means the relevant date under paragraph 9 or, if applicable, paragraph 10;

***reporting period*** means a period mentioned in paragraph 7(a) or 7(b) or, if applicable, paragraph 8;

***RSE*** means a registrable superannuation entity as defined in section 10(1) of the SIS Act that is not a small APRA fund or single member approved deposit fund[[5]](#footnote-6);

***RSE auditor*** means an auditor appointed by the RSE licensee to perform functions under this Reporting Standard;

***RSE licensee*** has the meaning given in section 10(1) of the SIS Act; and

***select investment option*** means an investment option in an RSE which[[6]](#footnote-7):

1. underlies:
	1. a defined benefit pension within the meaning of SPS 160, where that defined benefit pension is currently being paid; or
	2. an interest that entitles the member who holds the interest, when benefits in respect of the interest become payable, to be paid a benefit referred to in the definition of ‘defined benefit member’ in paragraph 7(b) of SPS 160; or
2. underlies a pre-MySuper default investment option that includes at least one accrued default amount (within the meaning given in section 20B of the SIS Act); or
3. at the most recent 30 June, has assets relating to non-MySuper interests greater than $50 million; or
4. at the most recent 30 June, has assets relating to non-MySuper interests that are less than $50 million but which represent more than 5 per cent of total assets of the RSE within which the investment option is located;

***SIS Act*** means *Superannuation Industry (Supervision) Act 1993*.

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| **SRF 702.1: Investment Performance** |

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| --- | --- | --- |
| **Australian Business Number** | **Institution Name** |  |
|  |  |  |
| **Reporting Period** | **Scale Factor** | **Reporting Consolidation** |
|  |  |  |

|  |
| --- |
| 1. **Investment fees, costs and taxes**
 |
|  | **Highest scale** | **Lowest scale** |
|  | **Dollar value** | **Percentage value** | **Dollar value** | **Percentage value** |
|  | **(1)** | **(2)** | **(3)** | **(4)** |
| * 1. Investment fees
 |  |  |  |  |
| * 1. Indirect cost ratio investment costs
 |  |  |  |  |
| * 1. Other investment costs
 |  |  |  |  |
| * 1. Taxes on investment income after investment fees and costs
 |  |  |  |  |
| * 1. Example member investment fees and costs and taxes on investment income after investment fees and costs
 |  |  |  |  |

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| --- |
| 1. **Administration fees, costs and taxes**
 |

ross of rebates report h respect to events that took place during the reportig perio

|  |  |  |
| --- | --- | --- |
|  | **Highest scale** | **Lowest scale** |
|  | **Dollar value** | **Percentage value** | **Dollar value** | **Percentage value** |
|  | **(1)** | **(2)** | **(3)** | **(4)** |
| * 1. Administration fees
 |  |  |  |  |
| * 1. Indirect cost ratio administration costs
 |  |  |  |  |
| * 1. Other administration costs
 |  |  |  |  |
| * 1. Administration-related tax expense/benefit
 |  |  |  |  |
| * 1. Example member administration fees and costs and administration-related tax expense/benefit
 |  |  |  |  |

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| --- |
| 1. **Advice fees, costs and taxes**
 |
|  | **Highest scale** | **Lowest scale** |
|  | **Dollar value** | **Percentage value** | **Dollar value** | **Percentage value** |
|  | **(1)** | **(2)** | **(3)** | **(4)** |
| * 1. Advice fees
 |  |  |  |  |
| * 1. Indirect cost ratio advice costs
 |  |  |  |  |
| * 1. Other advice costs
 |  |  |  |  |
| * 1. Advice-related tax expense/benefit
 |  |  |  |  |
| * 1. Example member advice fees and costs and advice-related tax expense/benefit
 |  |  |  |  |

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| --- |
| 1. **Other fees, costs and taxes**
 |

|  |  |  |
| --- | --- | --- |
|  | **Highest scale** | **Lowest scale** |
|  | **Dollar value** | **Percentage value** | **Dollar value** | **Percentage value** |
|  | **(1)** | **(2)** | **(3)** | **(4)** |
| * 1. Other fees
 |  |  |  |  |
| * 1. Indirect cost ratio other costs
 |  |  |  |  |
| * 1. Other costs
 |  |  |  |  |
| * 1. other-related tax expense/benefit
 |  |  |  |  |
| * 1. Example member other fees and costs and other-related tax expense/benefit
 |  |  |  |  |

|  |  |  |
| --- | --- | --- |
|  | **Percentage value** | **Example member** |
|  | **(1)** | **(2)** |
| 1. Net investment return – for the quarter
 |  |  |
| 1. Net investment return - year to date
 |  |  |

|  |  |  |
| --- | --- | --- |
|  | **Highest scale****example member** | **Lowest scale****example member** |
| 1. Net return - dollar value
 |  |  |
| 1. Net return - percentage value
 |  |  |
| 1. Example member fees and costs
 |  |  |
| 1. Example member fees, costs and taxes
 |  |  |

|  |  |
| --- | --- |
| 1. Start date of reporting period for new investment options only
 |  |

**Reporting Form SRF 702.1**

**Investment Performance**

**Instructions**

These instructions assist completion of *Reporting Form SRF 702.1 Investment Performance* (SRF 702.1). SRF 702.1 collects information related to investment performance. Information reported in SRF 702.1 is required primarily for prudential and publication purposes. Information reported in SRF 702.1 is also required for the purposes of the Australian Securities and Investments Commission.

**Reporting level**

SRF 702.1 must be completed for each select investment option.

**Reporting basis and unit of measurement**

Report all items on SRF 702.1 in accordance with the Australian Accounting Standards unless otherwise specified.

Where an RSE licensee is reporting an accrued amount, valuation of the accrual must be in accordance with the Australian Accounting Standards. APRA requires that an RSE licensee report items based on ‘hard close’ valuations, not ‘soft close’ valuations.

Items on SRF 702.1 must be reported as at the end of the reporting period or with respect to transactions that occurred during the reporting period. Report information with respect to transactions that occurred during the reporting period on a year to date basis, rather than for the individual quarter alone, except where otherwise specified.

Items on SRF 702.1 are to be reported as dollars and cents on a per member basis or percentages. Report percentages as whole numbers to two decimal places. For example, 10 per cent is to be reported as 10.00.

Report percentage net investment returns as percentages of the assets adjusted for cash flows as they occur (i.e. time-weighted), unless otherwise specified. Cash flows include, but are not limited to, contributions, switches, transfers, rollovers or benefit payments.

Items on SRF 702.1 are to be reported on a look-through basis or a non-look-through basis. For the purposes of these instructions, ‘look-through basis’ means the reporting of information about the underlying investment in an investment vehicle. This is for the purposes of identifying fees and costs that relate to connected service providers that are not directly engaged by the RSE licensee but are engaged by other service providers and involves looking through cascading entities to the first non-connected entity.

These instructions specify the reporting basis, unit of measurement and look-through basis that applies to each item.

**Specific instructions**

Terms highlighted in ***bold italics*** indicate that the definition is provided in these instructions.

For the purposes of these instructions, a ‘fee’ is an amount directly charged to members (regardless of who pays the fee) and a ‘cost’ is an amount incurred by the RSE licensee. The definitions of ‘fee’ and ‘cost’ are mutually exclusive.

For the purposes of these instructions, a ‘scale’ is a pre-determined combination of fees, costs and taxes applicable to one or more members within a select investment option. In determining scales, fee rebates must not be taken into account.

For the purposes of reporting in respect of an ***example member***, where multiple scales operate within a select investment option, report the fees, costs and taxes under both the highest scale and lowest scale for an example member within the select investment option. Report based upon the scales in operation, not based upon each individual fee, cost and tax in operation. If a fee, cost or tax would not apply to a member who remained fully invested in the select investment option during the reporting period (for example, activity fees such as an exit fee or switching fee), do not report the fee, cost or tax in SRF 702.1.

*Example: An RSE licensee operates two scales within a select investment option:*

|  |  |  |
| --- | --- | --- |
| **Scale** | **A** | **B** |
| **Investment fee** | 1.2% of account balance | 0.8% of account balance |
| **Indirect cost ratio investment costs** | 0.2% of account balance | 0.2% of account balance |
| **Administration fee** | $1.00 per week | $2.00 per week |
| **Advice fee** | Activity fee | Activity fee |
| **Other fees and costs** | 0.3% of account balance | 0.3% of account balance |

*Applying the scales to an example member, the RSE licensee calculates the following fee and cost profile and concludes that scale A is the highest scale and scale B is the lowest scale:*

|  |  |  |
| --- | --- | --- |
| **Scale** | **A** | **B** |
| **Example member deductions – dollar value (p.a.)** | $50,000 x (1.2% + 0.2% + 0.3%) + ($1.00 x 52) = **$902** | $50,000 x (0.8% + 0.2% + 0.3%) + ($2.00 x 52) = **$754** |
| **Example member deductions – percentage value (p.a.)** | 1.2% + 0.2% + 0.3% + ($1.00 x 52/ $50,000 x 100) = **1.80%** | 0.8% + 0.2% + 0.3% + ($2.00 x 52/ $50,000 x 100) = **1.50%** |

*Report the fees, costs and taxes applicable under scale A within the highest scale columns and report the fees, costs and taxes applicable under scale B within the lowest scale columns.*

**Comparison to Product Disclosure Statement requirements**

Schedule 10 of the Corporations Regulations provides the requirements for disclosing fees and costs on a Product Disclosure Statement.

SRF 702.1 collects information about the actual experience of the RSE with respect to those fees and costs that were disclosed in a Product Disclosure statement.

For the purposes of these instructions, fees and costs must be reported ‘gross of tax obligations’ in line with requirements for the reporting of fees and costs on the Product Disclosure Statement.

APRA requires an RSE licensee to split the ***indirect cost ratio*** (ICR) reported on the Product Disclosure Statement into four sub-categories: ***indirect cost ratio investment costs*** reported in item 1.2, ***indirect cost ratio administration costs*** reported in item 2.2, ***indirect cost ratio advice costs*** reported in item 3.2 and ***indirect cost ratio other costs*** reported in item 4.2. The sum of these four sub-categories is expected to equal to the value of the ***indirect cost ratio***.

*Example: the ICR reported on the PDS is 2.00 per cent. Of this 2.00 per cent, 1.5 per cent relates to investment costs, 0.3 relates to administration costs, 0.1 relates to advice costs. Note that 1.5 + 0.3 + 0.1 = 1.9 is less than the value of the ICR, indicating that costs other than these three sub-categories are included in the ICR. The remaining 0.1 per cent is to be reported under item 4.2.*

**Investment fees, costs and taxes**

Item 1 collects investment fees, costs and taxes in respect of a select investment option.

**Reporting basis**: report item 1 in relation to changes in net assets during the reporting period.

**Unit of measurement**: report item 1 column 1 as dollars and cents on a per member basis; report item 1 column 2 as a percentage of member balance.

**Look-through basis**: report item 1.1 to item 1.5 inclusive on a look-through basis.

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| **Item 1** | For item 1.1 to item 1.5 inclusive, if multiple investment fee, cost and tax scales operate within the select investment option, report the fees, costs and taxes under the highest scale for an ***example member*** in column 1 and column 2 and report the fees, costs and taxes under the lowest scale for an ***example member*** in column 3 and column 4. If only one investment fee, cost and tax scale operates within the select investment option, report identical investment fees, costs and taxes in column 1 and column 3, and column 2 and column 4.For item 1.1 to item 1.5 inclusive, if some, or all, of the fee, cost or tax is charged as a dollar amount per member, report the dollar amount per member in column 1; otherwise, leave column 1 blank.For item 1.1 to item 1.5 inclusive, if some, or all, of the fee, cost or tax is charged as a percentage of member balance, report the percentage in column 2; otherwise, leave column 2 blank.Amounts reported as ***investment fees***, ***indirect cost ratio investment costs*** and ***other investment costs*** must be mutually exclusive.Report ***investment fees*** in item 1.1. Report ***investment fees*** of a select investment option as analogous to the meaning given in s. 29V(3) of the SIS Act.Report ***indirect cost ratio investment costs*** in item 1.2. If only one ***indirect cost ratio investment costs*** scale operates within the select investment option, report identical ***indirect cost ratio investment costs*** in in column 1 and column 3 of item 1.2, and column 2 and column 4 of item 1.2.Report ***other investment costs*** in item 1.3. Note that APRA expects that it will be unusual to report a non-zero value in item 1.3.Report ***taxes on investment income after investment fees and costs*** in item 1.4 as an accrual movement of realised and unrealised taxes.Item 1.5 is a derived item. Report the value of ***investment fees***, ***indirect cost ratio investment costs***, ***other investment costs*** and ***taxes on investment income after investment fees and costs,*** reported in item 1.1 to item 1.4 inclusive, that would be charged for an ***example member*** in item 1.5. Calculate the value reported in item 1.5 column 1 as* the sum of: item 1.1 column 1, item 1.2 column 1, item 1.3 column 1 and item 1.4 column 1; plus
* (the sum of: item 1.1 column 2, item 1.2 column 2, item 1.3 column 2 and item 1.4 column 2) divided by 100, multiplied by 50000).

Calculate the value reported in item 1.5 column 2 as* (the sum of: item 1.1 column 1, item 1.2 column 1, item 1.3 column 1 and item 1.4 column 1) divided by 50000, multiplied by 100; plus
* the sum of: item 1.1 column 2, item 1.2 column 2, item 1.3 column 2 and item 1.4 column 2.

Calculate the value reported in item 1.5 column 3 as* the sum of: item 1.1 column 3, item 1.2 column 3, item 1.3 column 3 and item 1.4 column 3; plus
* (the sum of: item 1.1 column 4, item 1.2 column 4, item 1.3 column 4 and item 1.4 column 4) divided by 100, multiplied by 50000).

Calculate the value reported in item 1.5 column 4 as* (the sum of: item 1.1 column 3, item 1.2 column 3, item 1.3 column 3 and item 1.4 column 3) divided by 50000, multiplied by 100; plus
* the sum of: item 1.1 column 4, item 1.2 column 4, item 1.3 column 4 and item 1.4 column 4.
 |
| ***Investment fee*** | Represents a fee within the meaning given in s. 29V(3) of the SIS Act, gross of tax obligations, that relates to the investment of the assets of the entity. |
| ***Indirect cost ratio*** | Represents the ratio of the total of the indirect costs for a MySuper product or an investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option. Reference: cl. 104(1) of Schedule 10 to the Corporations Regulations. |
| ***Indirect cost ratio investment costs***  | Represents the portion of the indirect cost ratio that relates to investment costs. These costs must be shown gross of tax obligations. |
| ***Other investment costs*** | Represents costs that relate to the investment of the assets of the fund, which were not explicitly disclosed in the Product Disclosure Statement*.* These costs must be shown gross of tax obligations. |
| ***Taxes on investment income after investment fees and costs*** | Represents income tax expense/benefit that is associated with net investment income or due to investment related activities, net of investment fees and costs. Includes: accruals for taxes associated with investment income or investment related activities, capital gains tax and investment related income tax. |
| ***Example member*** | Represents a member who is fully invested in the given investment option, who does not incur any activity fees during a year and who has an account balance of $50,000 throughout that year. Excludes: investment gains/losses on the $50,000 balance. |

**Administration fees, costs and taxes**

Item 2 collects administration fees, costs and taxes in respect of a select investment option.

**Reporting basis**: report item 2 in relation to changes in net assets during the reporting period.

**Unit of measurement**: report item 2 column 1 as dollars and cents on a per member basis; report item 2 column 2 as a percentage of member balance.

**Look-through basis**: report item 2.1 on a non look-through basis; report item 2.2 to item 2.5 inclusive on a look-through basis.

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| --- | --- |
| **Item 2** | For item 2.1 to item 2.5 inclusive, if multiple administration fee, cost and tax scales operate within the select investment option, report the fees, costs and taxes under the highest scale for an ***example member*** in column 1 and column 2 and report the fees, costs and taxes under the lowest scale for an ***example member*** in column 3 and column 4. If only one administration fee, cost and tax scale operates within the select investment option, report identical administration fees, costs and taxes in column 1 and column 3 of item, and column 2 and column 4.For item 2.1 to item 2.5 inclusive, if some, or all, of the fee, cost or tax is charged as a dollar amount per member, report the dollar amount per member in column 1; otherwise, leave column 1 blank.For item 2.1 to item 2.5 inclusive, if some, or all, of the fee, cost or tax is charged as a percentage of member balance, report the percentage in column 2; otherwise, leave column 2 blank.Amounts reported as ***administration fees***, ***indirect cost ratio administration costs*** and ***other administration costs*** must be mutually exclusive.Report ***administration fees*** in item 2.1. Report ***administration fees*** of a select investment option as analogous to the meaning given in s. 29V(2) of the SIS Act.Report ***indirect cost ratio administration costs*** in item 2.2. If only one ***indirect cost ratio administration costs*** scale operates within the select investment option, report identical ***indirect cost ratio administration costs*** in column 1 and column 3 of item 2.2, and column 2 and column 4 of item 2.2.Report ***other administration costs*** in item 2.3. Note that APRA expects that it will be unusual to report a non-zero value in item 2.3.Report ***administration-related tax expense/benefit*** in item 2.5. Report a benefit as a negative number.Item 2.5 is a derived item. Report the value of ***administration fees***, ***indirect cost ratio administration costs***, ***other administration costs*** and ***administration-related tax expense/benefit,*** reported in item 2.1 to item 2.4 inclusive, that would be charged for an ***example member*** in item 2.5. Calculate the value reported in item 2.5 column 1 as* the sum of: item 2.1 column 1, item 2.2 column 1, item 2.3 column 1 and item 2.4 column 1; plus
* (the sum of: item 2.1 column 2, item 2.2 column 2, item 2.3 column 2 and item 2.4 column 2) divided by 100, multiplied by 50000).

Calculate the value reported in item 2.5 column 2 as* (the sum of: item 2.1 column 1, item 2.2 column 1, item 2.3 column 1 and item 2.4 column 1) divided by 50000, multiplied by 100; plus
* the sum of: item 2.1 column 2, item 2.2 column 2, item 2.3 column 2 and item 2.4 column 2.

Calculate the value reported in item 2.5 column 3 as* the sum of: item 2.1 column 3, item 2.2 column 3, item 2.3 column 3 and item 2.4 column 3; plus
* (the sum of: item 2.1 column 4, item 2.2 column 4, item 2.3 column 4 and item 2.4 column 4) divided by 100, multiplied by 50000).

Calculate the value reported in item 2.5 column 4 as* (the sum of: item 2.1 column 3, item 2.2 column 3, item 2.3 column 3 and item 2.4 column 3) divided by 50000, multiplied by 100; plus
* the sum of: item 2.1 column 4, item 2.2 column 4, item 2.3 column 4 and item 2.4 column 4.
 |
| ***Administration fees*** | Represents a fee within the meaning given in s. 29V(2) of the SIS Act, gross of tax obligations, that relates to the administration or operation of the fund.  |
| ***Indirect cost ratio administration costs***  | Represents the portion of the indirect cost ratio relating to administration costs. These costs must be shown gross of tax obligations. |
| ***Other administration costs*** | Represents costs associated with administration charged to a member by way of a reduction in returns, deduction from contributions or deduction from account balance, but which were not explicitly disclosed in the Product Disclosure Statement. These costs must be shown gross of tax obligations. |
| ***Administration related tax expense/benefit*** | Represents the tax expense or benefit derived from administration fees or costs charged to a member. |

**Advice fees, costs and taxes**

Item 3 collects advice fees, costs and taxes in respect of a select investment option.

**Reporting basis**: report item 3 in relation to changes in net assets during the reporting period.

**Unit of measurement**: report item 3 column 1 as dollars and cents on a per member basis; report item 3 column 2 as a percentage of member balance.

**Look-through basis**: report item 3.1 on a non look-through basis; report item 3.2 to item 3.5 inclusive on a look-through basis.

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| --- | --- |
| **Item 3** | For item 3.1 to item 3.5 inclusive, if multiple advice fee, cost and tax scales operate within the select investment option, report the fees, costs and taxes under the highest scale for an ***example member*** in column 1 and column 2 and report the fees, costs and taxes under the lowest scale for an ***example member*** in column 3 and column 4. If only one advice fee, cost and tax scale operates within the select investment option, report identical advice fees, costs and taxes in column 1 and column 3, and column 2 and column 4.For item 3.1 to item 3.5, if some, or all, of the fee, cost or tax is charged as a dollar amount per member, report the dollar amount per member in column 1; otherwise, leave column 1 blank.For item 3.1 to item 3.5, if some, or all, of the fee, cost or tax is charged as a percentage of member balance, report the percentage in column 2; otherwise, leave column 2 blank.Amounts reported as ***advice fees***, ***indirect cost ratio advice costs*** and ***other advice costs*** must be mutually exclusive.Report ***advice fees*** in item 3.1. Report ***advice fees*** of a select investment option as analogous to the meaning given in s. 29V(8) of the SIS Act.Report ***indirect cost ratio advice costs*** in item 3.2. If only one ***indirect cost ratio advice costs*** scale operates within the select investment option, report identical ***indirect cost ratio advice costs*** in column 1 and column 3 of item 3.2, and column 2 and column 4 of item 3.2. Report ***other advice costs*** in item 3.3. Note that APRA expects that it will be unusual to report a non-zero value in item 3.3.Report ***advice related tax expense/benefit*** in item 3.5. Report a benefit as a negative number.Item 3.5 is a derived item. Report the value of ***advice fees***, ***indirect cost ratio advice costs***, ***other advice costs*** and ***advice related tax expense/benefit,*** reported in item 3.1 to item 3.4 inclusive, that would be charged for an ***example member*** in item 3.5. Calculate the value reported in item 3.5 column 1 as* the sum of: item 3.1 column 1, item 3.2 column 1, item 3.3 column 1 and item 3.4 column 1; plus
* (the sum of: item 3.1 column 2, item 3.2 column 2, item 3.3 column 2 and item 3.4 column 2) divided by 100, multiplied by 50000).

Calculate the value reported in item 3.5 column 2 as* (the sum of: item 3.1 column 1, item 3.2 column 1, item 3.3 column 1 and item 3.4 column 1) divided by 50000, multiplied by 100; plus
* the sum of: item 3.1 column 2, item 3.2 column 2, item 3.3 column 2 and item 3.4 column 2.

Calculate the value reported in item 3.5 column 3 as* the sum of: item 3.1 column 3, item 3.2 column 3, item 3.3 column 3 and item 3.4 column 3; plus
* (the sum of: item 3.1 column 4, item 3.2 column 4, item 3.3 column 4 and item 3.4 column 4) divided by 100, multiplied by 50000).

Calculate the value reported in item 3.5 column 4 as* (the sum of: item 3.1 column 3, item 3.2 column 3, item 3.3 column 3 and item 3.4 column 3) divided by 50000, multiplied by 100; plus
* the sum of: item 3.1 column 4, item 3.2 column 4, item 3.3 column 4 and item 3.4 column 4.
 |
| ***Advice fees*** | Represents a fee within the meaning given in s. 29V(8) of the SIS Act, gross of tax obligations, that relates to the provision of financial product advice to a member by the RSE licensee and which is not incorporated into another fee. |
| ***Indirect cost ratio advice costs*** | Represents the portion of the indirect cost ratio relating to advice costs. These costs must be shown gross of tax obligations. |
| ***Other advice costs*** | Represents costs associated with advice charged to a member by way of a deduction from returns, deduction from contributions or deduction from account balance, which were not explicitly disclosed in the Product Disclosure Statement. These costs must be shown gross of tax obligations. |
| ***Advice related tax expense/benefit*** | Represents the tax expense or benefit derived from advice expenses or due to advice related activities.  |

**Other fees, costs and taxes**

Item 4 collects other fees, costs and taxes.

**Reporting basis**: report item 4 in relation to changes in net assets during the reporting period.

**Unit of measurement**: report item 4 column 1 as dollars and cents on a per member basis; report item 4 column 2 as a percentage of member balance.

**Look-through basis**: report item 4.1 on a non look-through basis; report item 4.2 to item 4.5 inclusive on a look-through basis.

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| **Item 4** | For item 4.1 to item 4.5 inclusive, if multiple other fee, cost and tax scales operate within the select investment option, report the fees, costs and taxes under the highest scale for an ***example member*** in column 1 and column 2 and report the fees, costs and taxes under the lowest scale for an ***example member*** in column 3 and column 4. If only one other fee, cost and tax scale operates within the select investment option, report identical other fees, costs and taxes in column 1 and column 3, and column 2 and column 4.For item 4.1 to item 4.5 inclusive, if some, or all, of the fee, cost or tax is charged as a dollar amount per member, report the dollar amount per member in column 1; otherwise, leave column 1 blank.For item 4.1 to item 4.5 inclusive, if some, or all, of the fee, cost or tax is charged as a percentage of member balance, report the percentage in column 2; otherwise, leave column 2 blank.Amounts reported as ***other fees***, ***indirect cost ratio other costs*** and ***other costs*** must be mutually exclusive. Report ***other fees*** in item 4.1.Report ***indirect cost ratio other costs*** in item 4.2. If only one ***indirect cost ratio investment costs scale*** operates within the select investment option, report identical ***indirect cost ratio other costs*** in column 1 and column 3 item 4.2, and column 2 and column 4 of item 4.2.Report ***other costs*** in item 4.3. Note that APRA expects that it will be unusual to report a non-zero value in item 4.3.Report ***other related tax expense/benefit*** in item 4.5. Report a benefit as a negative number.Item 4.5 is a derived item. Report the value of ***other fees***, ***indirect cost ratio other costs***, ***other costs*** and ***other related tax expense/benefit,*** reported in item 4.1 to item 4.4 inclusive, that would be charged for an ***example member*** in item 4.5. Calculate the value reported in item 4.5 column 1 as* the sum of: item 4.1 column 1, item 4.2 column 1, item 4.3 column 1 and item 4.4 column 1; plus
* (the sum of: item 4.1 column 2, item 4.2 column 2, item 4.3 column 2 and item 4.4 column 2) divided by 100, multiplied by 50000).

Calculate the value reported in item 4.5 column 2 as* (the sum of: item 4.1 column 1, item 4.2 column 1, item 4.3 column 1 and item 4.4 column 1) divided by 50000, multiplied by 100; plus
* the sum of: item 4.1 column 2, item 4.2 column 2, item 4.3 column 2 and item 4.4 column 2.

Calculate the value reported in item 4.5 column 3 as* the sum of: item 4.1 column 3, item 4.2 column 3, item 4.3 column 3 and item 4.4 column 3; plus
* (the sum of: item 4.1 column 4, item 4.2 column 4, item 4.3 column 4 and item 4.4 column 4) divided by 100, multiplied by 50000).

Calculate the value reported in item 4.5 column 4 as* (the sum of: item 4.1 column 3, item 4.2 column 3, item 4.3 column 3 and item 4.4 column 3) divided by 50000, multiplied by 100; plus
* the sum of: item 4.1 column 4, item 4.2 column 4, item 4.3 column 4 and item 4.4 column 4.
 |
| ***Other fees*** | Represents a fee, gross of tax obligations, that does not otherwise fall into the definition of ‘investment fee’, ‘administration fee’ or ‘advice fee’. |
| ***Indirect cost ratio other costs*** | Represents the portion of the indirect cost ratio relating to costs that do not otherwise fall into the definition of ‘indirect ratio investment cost’, ‘indirect ratio administration cost or ‘indirect ratio advice cost’. These costs must be shown gross of tax obligations. |
| ***Other costs*** | Represents costs charged to a member by way of a deduction from returns, deduction from contributions or deduction from account balance, which were not explicitly disclosed in the Product Disclosure Statement and that do not otherwise fall into the definition of ‘investment cost’, ‘administration cost’ or ‘advice cost’. These costs must be shown gross of tax obligations. |
| ***Other related tax expense/benefit*** | Represents the tax expense or benefit derived from expenses or due to activities that do not otherwise fall into the definition of ‘taxes on investment income after investment fees and costs’, ‘administration related tax expense/benefit’ or ‘advice related tax expense/benefit’.  |

**Net investment return**

Item 5 and item 6 collect the net investment return.

**Reporting basis**: report item 5 as at the end of the reporting period in respect of the three months ending on the last day of the reporting period. Report item 6 as at the end of the reporting period in respect of the reporting period, i.e. on a year-to-date basis.

**Unit of measurement**: report item 5 column 1 and item 6 column 1 as a percentage of cash flow adjusted assets; report item 5 column 2 and item 6 column 2 as dollars and cents on a per member basis.

**Look-through basis**: report item 5 and item 6 on a look-through basis, incorporating all investment fees, costs and taxes directly and indirectly charged.

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| **Item 5** | Report the ***net investment return*** for the quarter in item 5 column 1 as the return on investments after deducting ***investment fees***, ***indirect cost ratio investment costs***, ***other investment costs*** and ***taxes on investment income after investment fees and costs***.Item 5 column 2 is a derived item. Report the ***net investment return*** for an ***example member*** as a dollar amount in item 5 column 2 by multiplying item 5 column 1 by 50,000 and dividing by 100. |
| **Item 6** | Report the ***net investment return*** for the year to date in item 6 column 1 as the return on investments after deducting ***investment fees***, ***indirect cost ratio investment costs***, ***other investment costs*** and ***taxes on investment income after investment fees and costs***.Item 6 column 2 is a derived item. Report the ***net investment return*** for an ***example member*** as a dollar amount in item 6 column 2 by multiplying item 6 column 1 by 50,000 and dividing by 100. |
| ***Net investment return*** | Represents the time-weighted rate of return on investments, net of investment-related fees, costs and taxes, adjusted for cash flows as they occur. |

**Net return**

Item 7 and item 8 collect the net return.

**Reporting basis**: report item 7 and item 8 as at the end of the reporting period, in respect of the reporting period, i.e. on a year-to-date basis.

**Unit of measurement**: report item 7 as a dollar amount on a per member basis; report item 8 as a percentage of an example member balance.

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| **Item 7 and item 8** | Item 7 and item 8 are derived items. For item 7 and item 8, if multiple fee, cost and tax scales operate within the select investment option, report the ***net return*** of an ***example member*** incurring applicable fees, costs and taxes under the highest scale in column 1, and, report the net return of an ***example member*** incurring applicable fees, costs and taxes at the lowest scale in column 2. If multiple fee, cost and tax scales do not operate within the select investment option, report identical ***net return*** in column 1 and column 3; and column 2 and column 4.Report the value of ***net investment return***, administration fees and costs and ***administration related tax expense/benefit***, advice fees and costs and ***advice related tax expense/benefit*** and other fees and costs and ***other related tax expense/benefit,*** that would be charged for an ***example member*** in item 7. Calculate the dollar value reported in item 7 column 1 as* item 6 column 2; minus
* item 2.5 column 1; minus
* item 3.5 column 1; minus
* item 4.5 column 1.

Calculate the dollar value reported in item 7 column 2 as* item 6 column 3; minus
* item 2.5 column 3; minus
* item 3.5 column 3; minus
* item 4.5 column 3.

Report the value of ***net investment return***, administration fees and costs and ***administration related tax expense/benefit***, advice fees and costs and ***advice related tax expense/benefit*** and other fees and costs and ***other related tax expense/benefit,*** that would be charged for an ***example member*** in item 8. Calculate the percentage value reported in item 8 column 1 as:* item 6 column 1; minus
* item 2.5 column 2; minus
* item 3.5 column 2; minus
* item 4.5 column 2.

Calculate the percentage value reported in item 8 column 2 as:* item 6 column 1; minus
* item 2.5 column 4; minus
* item 3.5 column 4; minus
* item 4.5 column 4.
 |

**Example member fees, costs and taxes**

Item 9 and item 10 collect the total fees, costs and taxes for an example member.

**Reporting basis**: report item 9 and item 10 as at the end of the reporting period, in respect of the reporting period, i.e. on a year-to-date basis.

**Unit of measurement**: report item 9 and item 10 as a dollar amount on a per member basis.

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| **Item 9 and item 10** | Item 9 and item 10 are derived items. For item 9 and item 10, if multiple fee, cost and tax scales operate within the select investment option, report the total fees, costs and taxes of an ***example member*** incurring applicable fees, costs and taxes at the highest scale in column 1, and, report the total fees, costs and taxes of an ***example member*** incurring applicable fees, costs and taxes at the lowest scale in column 2. If multiple fee, cost and tax scales do not operate within the select investment option, report identical total fees, costs and taxes in column 1 and column 3, and column 2 and column 4.Report the total fees and costs for an ***example member*** in item 9. Calculate the value reported in item 9 column 1 as :* the sum of: item 1.1 column 1, item 1.2 column 1 and item 1.3 column 1; plus
* (the sum of: item 1.1 column 2, item 1.2 column 2 and item 1.3 column 2) divided by 100, multiplied by 50000; plus
* the sum of: item 2.1 column 1, item 2.2 column 1 and item 2.3 column 1; plus
* (the sum of: item 2.1 column 2, item 2.2 column 2 and item 2.3 column 2) divided by 100, multiplied by 50000; plus
* the sum of: item 3.1 column 1, item 3.2 column 1 and item 3.3 column 1; plus
* (the sum of: item 3.1 column 2, item 3.2 column 2 and item 3.3 column 2) divided by 100, multiplied by 50000; plus
* the sum of: item 4.1 column 1, item 4.2 column 1 and item 4.3 column 1; plus
* (the sum of: item 4.1 column 2, item 4.2 column 2 and item 4.3 column 2) divided by 100, multiplied by 50000.

Calculate the value reported in item 9 column 2 as :* the sum of: item 1.1 column 3, item 1.2 column 3 and item 1.3 column 3; plus
* (the sum of: item 1.1 column 4, item 1.2 column 4 and item 1.3 column 4) divided by 100, multiplied by 50000; plus
* the sum of: item 2.1 column 3, item 2.2 column 3 and item 2.3 column 3; plus
* (the sum of: item 2.1 column 4, item 2.2 column 4 and item 2.3 column 4) divided by 100, multiplied by 50000; plus
* the sum of: item 3.1 column 3, item 3.2 column 3 and item 3.3 column 3; plus
* (the sum of: item 3.1 column 4, item 3.2 column 4 and item 3.3 column 4) divided by 100, multiplied by 50000; plus
* the sum of: item 4.1 column 3, item 4.2 column 3 and item 4.3 column 3; plus
* (the sum of: item 4.1 column 4, item 4.2 column 4 and item 4.3 column 4) divided by 100, multiplied by 50000.

Report the total fees, costs and taxes for an example member in item 10. Calculate the value reported in item 10 column 1 as:* the sum of: item 1.1 column 1, item 1.2 column 1, item 1.3 column 1 and item 1.4 column 1; plus
* (the sum of: item 1.1 column 2, item 1.2 column 2, item 1.3 column 2 and item 1.4 column 2) divided by 100, multiplied by 50000; plus
* the sum of: item 2.1 column 1, item 2.2 column 1, item 2.3 column 1 and item 2.4 column 1; plus
* (the sum of: item 2.1 column 2, item 2.2 column 2, item 2.3 column 2 and item 2.4 column 2) divided by 100, multiplied by 50000; plus
* the sum of: item 3.1 column 1, item 3.2 column 1, item 3.3 column 1 and item 3.4 column 1; plus
* (the sum of: item 3.1 column 2, item 3.2 column 2, item 3.3 column 2 and item 3.4 column 2) divided by 100, multiplied by 50000; plus
* the sum of: item 4.1 column 1, item 4.2 column 1, item 4.3 column 1 and item 4.4 column 1; plus
* (the sum of: item 4.1 column 2, item 4.2 column 2, item 4.3 column 2 and item 4.4 column 2) divided by 100, multiplied by 50000.

Calculate the value reported in item 10 column 2 as:* the sum of: item 1.1 column 3, item 1.2 column 3, item 1.3 column 3 and item 1.4 column 3; plus
* (the sum of: item 1.1 column 4, item 1.2 column 4, item 1.3 column 4 and item 1.4 column 4) divided by 100, multiplied by 50000; plus
* the sum of: item 2.1 column 3, item 2.2 column 3, item 2.3 column 3 and item 2.4 column 3; plus
* (the sum of: item 2.1 column 4, item 2.2 column 4, item 2.3 column 4 and item 2.4 column 4) divided by 100, multiplied by 50000; plus
* the sum of: item 3.1 column 3, item 3.2 column 3, item 3.3 column 3 and item 3.4 column 3; plus
* (the sum of: item 3.1 column 4, item 3.2 column 4, item 3.3 column 4 and item 3.4 column 4) divided by 100, multiplied by 50000; plus
* the sum of: item 4.1 column 3, item 4.2 column 3, item 4.3 column 3 and item 4.4 column 3; plus
* (the sum of: item 4.1 column 4, item 4.2 column 4, item 4.3 column 4 and item 4.4 column 4) divided by 100, multiplied by 50000.
 |

**Start date of reporting period for new select investment options**

Item 11 collects the start date for a new select investment option in respect of reporting for other than a full reporting period. Where the start date is after 1 July, do not extrapolate the data reported in items 1 - 10 to cover the full quarter.

*Example: An RSE licensee first offers a select investment option on 3 November. Report data on SRF 702.1 to reflect the 58 day period from 3 November to 31 December, not the 90 day period from 1 October to 31 December.*

**Reporting basis**: report item 11 in respect of the start of the reporting period only where the select investment option has a start date after 1 July of the relevant reporting year (i.e. the start of the current year-to-date, not the start of the current quarter).

**Unit of measurement**: report item 11 as DD/MM/YYYY.

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| **Item 11** | Where a select investment option starts after 1 July of the relevant year, report the start date of the select investment option in item 11; otherwise, leave item 11 blank. Where an RSE licensee first offers a select investment option, the start date is the date on which the investment option first became available to members and began earning an investment return.*Example: An RSE licensee first offers a select investment option on 3 November 2015. Report the start date in item 11 as 03/11/2015.* |

**Interpretation**

For the purposes of these instructions:

* ***RSE*** means a registrable superannuation entity as defined in section 10(1) of the SIS Act that is not a small APRA fund or single member approved deposit fund[[7]](#footnote-8);
* ***RSE licensee*** has the meaning given in section 10(1) of the SIS Act; and
* ***select investment option*** means an investment option in an RSE which[[8]](#footnote-9):
1. underlies:
	1. a defined benefit pension within the meaning of SPS 160, where that defined benefit pension is currently being paid; or
	2. an interest that entitles the member who holds the interest, when benefits in respect of the interest become payable, to be paid a benefit referred to in the definition of ‘defined benefit member’ in paragraph 7(b) of SPS 160; or
2. underlies a pre-MySuper default investment option that includes at least one accrued default amount (within the meaning given in section 20B of the SIS Act); or
3. at the most recent 30 June, has assets relating to non-MySuper interests greater than $50 million; or
4. at the most recent 30 June, has assets relating to non-MySuper interests that are less than $50 million but which represent more than 5 per cent of total assets of the RSE within which the investment option is located;
* ***SIS Act*** means *Superannuation Industry (Supervision) Act 1993*.
1. For the purposes of this Reporting Standard, an RSE licensee’s ‘business operations’ includes all activities as an RSE licensee (including the activities of each RSE of which it is the licensee), and all other activities of the RSE licensee to the extent that they are relevant to, or may impact on, its activities as an RSE licensee. For the avoidance of doubt, if the RSE licensee has more than one select investment option within its business operations, the RSE licensee must separately provide the information required by the form for each select investment option within its business operations. [↑](#footnote-ref-2)
2. For the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, an RSE licensee is nonetheless required to submit the information required no later than the due date. [↑](#footnote-ref-3)
3. Refer also to *Prudential Standard SPS 310 Audit and Related Matters* (SPS 310). [↑](#footnote-ref-4)
4. Refer to *Prudential Standard SPS 510 Governance*. [↑](#footnote-ref-5)
5. For the purposes of this Reporting Standard, ‘small APRA fund’ means a superannuation entity that is a regulated superannuation fund, within the meaning of the SIS Act, which has fewer than five members and ‘single member approved deposit fund’ means a superannuation entity that is an approved deposit fund, within the meaning of the SIS Act, and has only one member. [↑](#footnote-ref-6)
6. Refer to *Reporting Standard SRS 001.0 Profile and Structure (Baseline)* for obligations to report information about select investment options to APRA on 30 June each year. [↑](#footnote-ref-7)
7. For the purposes of these instructions, ‘small APRA fund’ means a superannuation entity that is a regulated superannuation fund, within the meaning of the SIS Act, which has fewer than five members and ‘single member approved deposit fund’ means a superannuation entity that is an approved deposit fund, within the meaning of the SIS Act, and has only one member. [↑](#footnote-ref-8)
8. Refer to *Reporting Standard SRS 001.0 Profile and Structure (Baseline)* for obligations to report information about select investment options to APRA on 30 June each year. [↑](#footnote-ref-9)