

Quarterly MySuper Statistics - Glossary

Activity fee represents a fee within the meaning given in s. 29V(7) of the SIS Act.

Administration fee 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.

Administration related tax expense/benefit represents the tax expense or benefit derived from administration fees or costs charged to a member.

Advice fee 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.

Advice related tax expense/benefit represents the tax expense or benefit derived from advice expenses or due to advice related activities.

Agreed value represents where insurance covers a person for an agreed salary value.

Any occupation represents where insurance covers a person who is unlikely to engage in gainful employment for which the person is reasonably qualified by education, training or experience.

Benchmark asset allocation represents the target proportion of assets that the RSE licensee has adopted as being appropriate in order to meet the investment objectives of the investment strategy. Reference: *Prudential Standard SPS 530 Investment Governance*.

Buy-sell spread represents a fee within the meaning given in s. 29V(4) of the SIS Act.

Cash represents cash on hand and demand deposits, as well as cash equivalents. Cash equivalents represent short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Reference: Australian

Commodities represents natural resources that are either grown or extracted from the ground and are often used as inputs in the production of other goods or services.

Corporate funds are RSEs with more than four members under the trusteeship of a 'not for profit' RSE licensee and with a corporate membership

Cost is an amount incurred by the RSE licensee. This means an indirect or embedded amount that the RSE licensee draws from members; these may or may not be disclosed and can take the form of a deduction from a member's return, contributions or balance.

Employer- sponsor represents an employer-sponsor within the meaning given in s. 16(1) of the SIS Act.

Equity represents an ownership interest in a business, trust or partnership. Includes: common shares, preference shares and units. Excludes: units in property trusts, units in infrastructure trusts.

Exit fee represents a fee within the meaning given in s. 29V(6) of the SIS Act.

Fee cap represents a maximum limit placed on a fee charged to a member within the meaning given in s. 29VE of the SIS Act.

Fee is an amount that is directly charged to a member (regardless of who pays the fee).

Fixed Income represents a loan, placement or debt security. Loans are financial assets that are created when a creditor lends funds directly to a debtor, and are evidenced by documents that are non-negotiable. Placements are liabilities of entities not described as authorised deposit-taking institutions, e.g. State treasuries. Debt securities are securities which represent borrowed funds which must be repaid by the issuer with defined terms including the notional amount (amount borrowed), an identifiable return and maturity/renewal date. Includes: short and long-term debt

Gender represents where a lifecycle stage is only available for a particular gender, 'male' or 'female'.

Generic MySuper products refer to MySuper products authorised under section 29T and not authorised under section 29TA (Goodwill provision) or 29TB (Large employer provision) of the SIS Act.

Goodwill MySuper product refer to MySuper products authorised under the material goodwill provision set out in section 29TA of the SIS Act. Where the benefits of members and beneficiaries in another regulated superannuation fund (the original fund) are to be transferred to the fund; and APRA is satisfied that some or all of the persons whose benefits are to be transferred hold a class of interest in the original fund that is similar to the proposed MySuper product; and there is material goodwill in that class of interest in the original fund.

Income protection insurance represents the temporary incapacity cover provided to members, where temporary incapacity insurance cover has the meaning given in the SIS Regulations, r. 6.01.

Indemnity value represents where insurance covers a person for a salary value that is verified when a claim is made.

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.

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

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.

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

Industry funds are RSEs with more than four members under the trusteeship of a 'not for profit' RSE licensee and with either an industry or general membership base.

Infrastructure represents the basic physical systems of a country, state or region including transportation, communication, utilities, and public

Insurance fee represents a fee within the meaning given in s. 29V(9) of the SIS Act.

Insurance premium represents an annual amount paid for the provision of insurance under an insurance policy, gross of tax obligations, net of stamp duty and assuming monthly premium payments. Excludes: legacy insurance arrangements where no insurance premium is payable because the insurance policy is based on a surrender value. Includes: loadings charged for monthly premium payment.

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.

Large Employer MySuper product refer to MySuper products authorised under the large employer provision set out in section 29TB of the SIS Act. The employer is a large employer in relation to a regulated superannuation fund if there are 500 or more members of the fund who are employees of the employer or associate of the employer in relation to whom the employer or associate of the employer contributes to the fund.

Level of investment risk represents the estimated number of years in each 20 years that the RSE licensee estimates that negative net investment returns will be incurred. Reference: *Reporting Standard 700.0 Product Dashboard* (SRS 700.0).

Life insurance represents a benefit, in respect of each member, that is payable only in the event of the death of the member and which is provided by taking out insurance. Reference: SIS Act, s. 68AA(1)(b).

Lifecycle exception has the meaning given in section 29TC(2) of the SIS Act.

Lifecycle investment fee represents an investment fee charged to a member that meets the rules for lifecycle differentiated investment fees within the meaning given in s. 29VA(9) of the SIS Act.

Lifecycle MySuper product refers to a MySuper product to which a lifecycle exception applies.

Quarterly MySuper Statistics - Glossary

Lifecycle stage of a lifecycle MySuper product means a subclass of members of the RSE within which the lifecycle MySuper product is located who hold that product, determined on the basis of age or age and the factors mentioned in regulation 9.47 of the SIS Regulations.

Lower end of asset allocation range represents the minimum proportion of assets to be invested in an asset class to meet the investment objectives of the investment option. Reference: *Prudential Standard SPS 530 Investment Governance*.

Maximum account balance represents where account balance is a factor used to determine whether a member is allocated to the lifecycle stage, the maximum allowable account balance in the stage.

Maximum age represents for a lifecycle stage where a maximum allowable age is a factor used to determine whether a member is allocated to the

Maximum contribution rate represents where contribution rate is a factor used to determine whether a member is allocated to the lifecycle stage, the maximum allowable contribution rate.

Maximum current salary represents where current salary is a factor used to determine whether a member is allocated to the lifecycle stage, the maximum allowable current salary.

Maximum time remaining to retirement represents where the RSE licensee's opinion about the time remaining before a member could be expected to retire is a factor used to determine whether a member is allocated to the lifecycle stage, the maximum allowable time remaining to

Member account represents a distinct entry recorded in the register of member accounts (or other equivalent mechanism).

Minimum account balance represents where account balance is a factor used to determine whether a member is allocated to the lifecycle stage, the minimum allowable account balance in the stage.

Minimum age represents for a lifecycle stage where a minimum allowable age is a factor used to determine whether a member is allocated to the

Minimum contribution rate represents where contribution rate is a factor used to determine whether a member is allocated to the lifecycle stage, the minimum allowable contribution rate.

Minimum current salary represents where current salary is a factor used to determine whether a member is allocated to the lifecycle stage, the minimum allowable current salary.

Minimum time remaining to retirement represents where the RSE licensee's opinion about the time remaining before a member could be expected to retire is a factor used to determine whether a member is allocated to the lifecycle stage, the minimum allowable time remaining to retirement

MySuper product refers to a class of beneficial interest in a regulated superannuation fund that is a MySuper product if an RSE licensee is authorised under section 29T (including section 29TA and 29TB) to offer that class of beneficial interest in the fund as a MySuper product.

MySuper type is the classification of the MySuper product into either *generic MySuper product*, *goodwill MySuper product* or *large employer*

Net investment return represents the time-weighted rate of return on investments, net of investment fees, indirect cost ratio investment costs, other investment costs and taxes on investment income, adjusted for cash flows as they occur.

Net return of a representative member is the net investment return of a representative member minus administration fees, costs and taxes of a representative member and minus advice fees, costs and taxes of a representative member.

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

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

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.

Own occupation represents where insurance covers a person who is unable to perform the functions of their own occupation, even if they are able to perform other occupations for which they are reasonably qualified.

Product dashboard information that is required to be publicly available for a MySuper product. Detailed requirements about the content and presentation of the information in the product dashboard are set out section 1017BA of the *Corporations Act 2001* and regulation 7.9.07P of the

Property represents an investment in real estate where the earnings and capital value are dependent on cash flows generated by the property through sale or rental income.

Public sector funds are RSEs with more than four members under the trusteeship of a 'not for profit' RSE licensee and with a government base membership base. Public sector funds also include superannuation schemes established by a Commonwealth, State or Territory law (known as exempt public sector superannuation schemes).

Representative 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.

Retail funds are RSEs with more than four members under the trusteeship of a 'for profit' RSE licensee with a corporate, industry or general

Return target represents the mean annualised estimate of the percentage rate of net return that exceeds the growth in the CPI over ten years. Reference: *Corporations Act 2001*, s. 1017BA(2)(a)(i), *Corporations Regulations 2001*, r. 7.9.07R.

RSE licensee refers to a constitutional corporation, body corporate or group of individual trustees that holds an RSE licence granted under s. 29D of

Statement of fees and other costs is the sum of: *investment fees*, *indirect cost ratio investment costs*, *other investment costs*, *administration fees*, *indirect cost ratio administration costs*, *other administration costs*, *advice fees*, *indirect cost ratio advice costs* and *other advice costs* for a representative member for the year ending 30 June. Reference: s. 1017BA(2)(a)(v) of the *Corporations Act 2001* and r. 7.9.07W *Corporations*

Switching fee represents a fee within the meaning given in s. 29V(5) of the SIS Act.

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.

Total and permanent disability insurance represents a benefit, in respect of each member, that is payable only if the member is suffering permanent incapacity. Reference: SIS Act s. 68AA, s. 10(1).

Total assets is the sum of assets held in respect of the product or lifecycle stage, where an asset represents a resource: (a) controlled by an entity as a result of past events; and (b) from which future economic benefits are expected to flow to the entity. Reference: Australian Accounting Standards. This includes: investments, securities purchased under agreements to resell and securities borrowed, derivative assets, current tax

Total investments represents the total purchase of a financial product or other item of value with an expectation of favourable future returns.

Upper end of asset allocation range represents the maximum proportion of assets to be invested in an asset class to meet the investment objectives of the investment option. Reference: *Prudential Standard SPS 530 Investment Governance*.