

Annual report

For the financial year ending 30 June 2020
National Mutual Pro-Super Fund

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This annual report is issued by Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL No. 229757 ('ETSL'), the trustee of the National Mutual Pro-Super Fund ABN 46 208 334 003. All benefits paid to members of the National Mutual Pro-Super Fund are provided by means of life insurance policies issued by AMP Life Limited ABN 84 079 300 379, AFSL No. 233 671 (AMP Life) to ETSL.

AMP Limited ABN 49 079 354 519 has sold AMP Life to the Resolution Life group whilst retaining a minority economic interest. AMP Limited has no day-to-day involvement in the management of AMP Life whose products and services are not affiliated with or guaranteed by AMP Limited. AMP Limited is not liable for products issued by AMP Life or any statements or representations made in the product disclosure statement for those products. "AMP", "AMP Life" and any other AMP trademarks are used by AMP Life under licence from AMP Limited. AMP Life is part of the Resolution Life group and can be contacted on 133 731 or askamplife@amplife.com.au.

Welcome

Message from the trustee

We are pleased to provide this annual report to members of the National Mutual Pro-Super Fund. We have, together with the previous trustee and service providers, collated the information for this report; our first annual report as the recently-appointed trustee of the fund.

As this report relates to the financial year ending 30 June 2020, we have relied on information and data for that financial year provided to us by AMP Life and the former trustee.

While due care has been taken in the preparation of this report, the trustee reserves the right to correct any errors or omissions.

Please take the time to read this report to help you to understand the management, financial condition and performance of the fund for the last financial year.

Equity Trustees Superannuation Limited

Message from the CEO



I am pleased to present the trustee annual report to members of the National Mutual Pro-Super Fund for the year ended 30 June 2020.

On 1 July 2020, Equity Trustees Superannuation Limited (ETSL) was appointed trustee of the National Mutual Pro-Super Fund.

This report will provide you with information about the National Mutual Pro-Super Fund as at 30 June 2020. This report also includes information on recent events impacting the fund and the superannuation industry.

I am also pleased to share that AMP Life is now proudly owned by Resolution Life Group, effective 1 July 2020. We will continue to operate under the AMP Life name for the time being.

Resolution Life is a global manager of in-force life insurance businesses who provide policyholders with peace of mind that their insurance is in safe and trusted hands for the long term. Since 2003, prior Resolution Life entities have deployed US\$16bn of equity in the acquisition, reinsurance, consolidation and management of 28 life insurance companies. Together, these companies have served the needs of 11.5 million policyholders while managing over US\$320bn of assets.

On behalf of AMP Life Limited, part of the Resolution Life Group, thank you for your ongoing support.

Sincerely,

A handwritten signature in black ink that reads "Megan Beer". The script is fluid and cursive.

Megan Beer

CEO Resolution Life Australasia and AMP Life Limited

Important information

The purpose of this report is to provide information about the operations of the National Mutual Pro-Super fund (the fund), including:

- management and financial position
- compliance with relevant statutory requirements, and
- any changes or developments that may affect member's benefits.

Annual statements are issued soon after 30 September each year. It is recommended that you read this report in conjunction with your latest annual statement. Please call the AMP Life Customer Service Centre on 133 731 from 8.30am to 7pm (Sydney time), Monday to Friday, if you have not received your annual statement.

In this annual report unless specified otherwise:

- 'AMP Life' means AMP Life Limited (ABN 84 079 300 379, AFSL No. 233671)
- 'ETSL' means Equity Trustees Superannuation Limited (ABN 50 055 641 757, AFSL 229757)
- 'N.M. Super' means N.M. Superannuation Proprietary Limited (ABN 31 008 428 322, AFSL No 234654), retired trustee of the National Mutual Pro-Super Fund (the fund), effective 30 June 2020
- 'we', 'us', 'our' and 'the trustee' means ETSL
- 'you' or 'your' refers to the member of the plan or holder of the account
- 'fund' means the National Mutual Pro-Super Fund.

This annual report is issued by ETSL who is the issuer and trustee of the fund. No company in the Resolution Life Group is responsible for any statements or representations made in this annual report, or guarantees the performance of the trustee's obligations to members in connection with the fund, unless expressly stated.

This annual report does not take into account your personal objectives, financial situation or needs. Therefore, before acting on the information contained in this annual report, you should consider the appropriateness of this information having regard to those matters before making a decision about the fund, and obtain independent advice if you need assistance with any decision.

Super fund information

The trustee

On 1 July 2020, ETSL was appointed the new trustee of the National Mutual Pro-Super Fund (the fund).

ETSL is a part of the EQT Holdings Limited Group who is a specialist professional trustee entity providing trustee services to private clients, corporations, fund managers and superannuation funds. It was established in 1888 and has been providing superannuation trustee services since 2006. ETSL has responsibility for more than \$11.1bn of funds under supervision for nearly 370,000 superannuation members.

N.M. Super retired as the trustee of the fund, effective 30 June 2020.

The trustee:

- is responsible for all aspects of the operation of the fund
- is responsible for ensuring that the fund is properly administered in accordance with the trust deed and policy documents, and
- ensures that the fund complies with relevant legislation, that all members' benefits are calculated correctly and that members are kept informed of the operations of the fund.

The trustee may amend the trust deed of the fund following changes to the law or to introduce new features. A copy of the trust deed of the fund is available at amplife.com.au/trustee-information. Alternatively, if you would like a copy, please contact the AMP Life Customer Service Centre on 133 731 from 8.30am to 7pm (Sydney time), Monday to Friday.

The trustee also maintains indemnity insurance for protection against losses that may occur as a result of a claim against it, including a claim for breach of professional duty, subject to the terms and conditions of the applicable indemnity insurance policy.

The board of directors

N.M. Super board to 30 June 2020

The N.M. Super directors during the fund's financial year ending 30 June 2020 were:

Tony Brain, Interim Chairman B Com, CAANZ, ASFA Certificate IV Superannuation, GAICD, FAIST

Darryl Mackay, Non-Executive Director BSc, FIAA, MAICD

Alex Wade, Executive Director MBT

Stephen John Roberts, Independent Non-Executive Director B.Bus, MBA, CA, GradCert Org Ld, GAICD

Catherine McDowell, Independent Non-Executive Director BA Hons Arts, Dip Mgmt

Paul Scully, Independent Non-Executive Director BA (Actuarial studies), FIAA, AIA, FAICD

Kerrie Howard, Independent Non-Executive Director BA, LLB, MBA

Sarah Brennan, Independent Non-Executive Director B.Bus, FFPA, GAICD

More information on N.M. Super, including profiles of the directors and governing policies, is available at amp.com.au/trustee-information.

ETSL board from 1 July 2020

The ETSL directors effective 1 July 2020 are:

Mark Blair – Executive Director

Sue Everingham – Non-Executive Director

Tony Lally – Non-Executive Director and Chairman

Michael O'Brien – Managing Director

Ellis Varejes – Non-Executive director

Paul Douglas Rogan – Non-Executive Director

Current directors' profiles, including remuneration details, are available at ETSL Registrable Superannuation Entity Disclosures at eqt.com.au/superannuation/etsl-registrable-superannuation-entity-disclosures.

Overview of the fund

The fund commenced on 21 September 1988 for the purpose of providing members and their dependants with financial benefits upon death or total and permanent disablement.

All benefits under the fund are provided by means of individual life insurance policies.

One or more of any of these policies is held under a Pro-Super Agreement to which you, the trustee and in applicable circumstances, appropriate third parties such as your employer is a party. Each policy is a permanent Whole of Life or Endowment insurance policy which is split into its insurance cover and investment component under the terms of the agreement.

The trustee is entitled to the proceeds (including any disability benefits where these are covered) of the insurance component of the policy in the event of your death or total and permanent disablement.

The cash value of the policy includes any bonuses that have accrued and is owned by you or one of the other parties (excluding the trustee), as set out in the particular agreement referred to above. The investment component is not a superannuation arrangement and is not held within the fund.

You are recorded as the 'life insured'. As such, you are also regarded as being a member of the fund.

Being the life insured, you are the person whose life is protected by insurance according to the circumstances detailed in the policy.

It is the trustee's responsibility to ensure that all benefits arising from the insurance cover component of the policy are paid to you in the event of a disability claim (where disability is covered), or to your dependants in the event of your death in accordance with the governing rules of the fund and requirements under superannuation law.

A copy of each policy has previously been issued to the legal owner of the policy. We suggest you take time to read the terms and conditions detailed by the insurer in this policy as they affect issues such as the continuation of the policy and the amount payable under it.

Financial condition of the fund

As the benefits paid to members of the fund are wholly determined by reference to life policies issued by AMP Life, detailed financial information in full audited accounts or abridged financial information is not included in this annual report, as permitted under legislative requirements.

As an APRA-registered life insurance company, AMP Life is required to comply with various statutory and regulatory requirements (including the *Life Insurance Act 1995* (Cth) and the relevant underlying APRA Prudential and Reporting Standards for life insurance). APRA's Prudential Standards cover a wide range of obligations including capital adequacy requirements that are designed to ensure the solvency and capital adequacy of statutory funds, as well as broader risk management obligations. In line with these requirements, AMP Life currently holds adequate capital to ensure it can meet its obligations to its policy owners, including paying benefit amounts as they fall due.

The trustee of the fund is also subject to a wide range of statutory and regulatory requirements (including APRA Prudential and Reporting Standards for superannuation) including risk management obligations for the trustee and the fund.

The fund does not carry any reserves.

If you require a copy of audited fund accounts and auditor's report for the fund for the financial year ending 30 June 2020, please contact the AMP Life Customer Service Centre on 133 731 from 8.30am to 7pm (Sydney time), Monday to Friday, and a copy will be provided free of charge.

Amendments to the trust deed

The trustee may amend the trust deed of the fund following changes to the law or to introduce new features. There were no trust deed amendments during the year ending 30 June 2020.

If you have any enquiries about the fund please contact the AMP Life Customer Service Centre on 133 731 from 8.30am to 7pm (Sydney time), Monday to Friday.

Relationship between the trustee and other service providers

From time to time, the trustee may engage companies within and outside of the Resolution Life Group to provide services in relation to the fund. The trustee may change these service providers at any time and this may occur without notifying you.

Benefits provided under the fund

As trustee of the fund, it is our responsibility to ensure that all benefits arising from the fund are paid to members, or to members' dependants or their legal personal representative (in the event of death) in strict conformity with the trust deed of the fund and the requirements of all applicable laws.

The benefit that will ultimately be paid to a member (or to their dependant(s) or legal personal representative) will equal the value of the applicable life insurance policy at the time the benefit is payable, less any government tax, outstanding contributions or charges.

To determine what amounts are payable to you and under which circumstances these amounts will become payable, we recommend that you refer to your last annual statement and speak to your financial adviser or contact the AMP Life Customer Service Centre on 133 731 from 8.30am to 7pm (Sydney time), Monday to Friday.

Who is the benefit paid to if you die or become disabled?

The fund is a death or death and total and permanent disablement style superannuation arrangement. In broad terms, this means that you are insured up to the extent of the insurance component of your policy against death, or death and total and permanent disablement, if applicable.

To determine the amounts payable to you, and under what circumstances these amounts will become payable, we recommend that you refer to your last annual statement or ask your financial adviser.

In accordance with the trust deed, the trustee will decide who will receive any death benefits from the fund. Members can indicate their preference to the trustee, but the trust deed requires the trustee to make the final decision. To indicate your preference, please contact your financial adviser or call the AMP Life Customer Service Centre on 133 731 from 8.30am to 7pm (Sydney time), Monday to Friday.

The trustee will pay your death benefits to one or more of your dependants or to your legal personal representative at the trustee's sole discretion.

It is essential that you keep the trustee fully informed of your current preference for the payment of your benefits in the event of your death.

Contributions to the fund

All contributions made to the fund by you or your employer within the last financial year have been credited to your account, as shown on your annual statement, and used to maintain your insurance cover under the policy.

You and your employer may be eligible for a tax deduction on contributions that have been made to the fund. This will depend on your personal and employment circumstances. More information can be obtained from your financial adviser or tax adviser.

Annual member meeting

A new legislative requirement is for the trustee to have an annual member meeting. The trustee is planning on having this meeting prior to 31 March 2021. We will write to members with the details of the meeting prior to the event.

Super news

Update on government legislation

Please be advised that while the following updates are as a result of changes to superannuation and taxation law, not all are available or applicable to this fund. This is a summary only of some changes to the law. For more information, please contact your financial adviser or AMP Life. Alternatively you may also visit ato.gov.au for more information on changes to superannuation and taxation laws.

Super thresholds for the 2020/21 financial year

The following super and taxation threshold amounts apply during the 2020/21 financial year

Threshold	From 1 July 2020
Standard concessional contributions cap (per annum)	\$25,000
Non-concessional contributions cap	
— Standard (per annum) ⁽ⁱ⁾	\$100,000
— Bring forward (over 3 years) before age 65 ⁽ⁱⁱ⁾	\$300,000
SG maximum contribution base (per quarter)	\$57,090
Government co-contributions⁽ⁱⁱⁱ⁾(per annum)	
— Lower income threshold	\$39,837
— Higher income threshold	\$54,837
Tax free part of genuine redundancy and approved early retirement scheme payments (per payment)	
— Base limit	\$10,989
— Plus for each completed year of service	\$5,496
Low rate cap amount (lifetime limit) (previously known as post June 1983 low tax threshold) Applies to the taxable component of taxed super fund benefits for members from preservation age to age 59	\$215,000
Untaxed plan cap amount Applies to the taxable component of untaxed super fund benefits	\$1,565,000
Employment termination payment cap (ETP)	\$215,000
Capital gains tax (CGT) cap amount (lifetime limit)	\$1,565,000

Transfer balance cap	\$1,600,000
Defined Benefit income cap	\$100,000
Maximum adjusted taxable income for the full government low income super tax offset (LISTO)	\$37,000

- (i) The non-concessional cap is nil for members with a total superannuation balance greater than or equal to \$1.6 million (at 30 June of the previous financial year).
- (ii) There are restrictions on the ability to trigger bring forward rules for certain people with total superannuation balances of more than \$1.4 million (at 30 June of the year before making the contribution).
- (iii) The maximum entitlement remains at \$500 and applies where at least \$1,000 personal contributions have been made in the financial year and the person does not exceed the lower income threshold. Other eligibility criteria apply.

Changes to super contribution rules for over 65s

The Federal Government has updated superannuation laws to allow older Australians to contribute to their super for longer. While these changes are outlined below, please note that the National Mutual Pro-Super Fund does not allow for contributions to be received from age 65.

Work test to apply from age 67

The government has increased the age up to which super contributions can be made without having to meet a work test from 65 to 67.

The work test requires members to be in paid work for a minimum of 40 hours in any consecutive 30-day period in the financial year to make voluntary super contributions.

From 1 July 2020, the work test only applies for people aged 67 to 74 (unless the work test exemption applies - see below).

So, people aged 65 or 66 will now be allowed to make voluntary super contributions—both concessional (eg. salary sacrifice) and non-concessional—regardless of whether they are working or not. The usual contribution caps will continue to apply.

Increased age limit for spouse contributions

The government has increased the cut-off age for spouse super contributions from 69 to 74, from 1 July 2020. So, a receiving spouse can build their super for longer, assuming they meet the work test from age 67.

Any contributions received by a spouse will count towards their 'non-concessional' after-tax contribution limit.

Work test exemption continues to apply

The 'work test exemption' will continue to be available to people aged 67 to 74.

This allows people with a total super balance below \$300,000 on 30 June of the previous financial year to make voluntary super contributions for 12 months from the end of the financial year in which they last met the work test. It can only be applied once.

For spouse contributions the work test exemption applies to the receiving spouse.

Early access to super and changes to minimum pension and annuity amounts during COVID-19

With the COVID-19 coronavirus having a major impact on people's lives and the economy, the federal government announced changes to provide support for individuals, households and businesses on 22 March 2020, including:

- temporary early access to superannuation if eligible, and
- temporarily reducing superannuation minimum drawdown rates.

The National Mutual Pro-Super Fund does not provide superannuation pensions. Also, as benefits from the fund do not include an investment component, temporary early access to superannuation is not available from the fund.

Temporary early release of superannuation if eligible

The government allowed for those impacted by the Coronavirus to access (if eligible) up to \$10,000 of their superannuation between 20 April 2020 and by 30 June 2020 and up to a further \$10,000 from 1 July 2020 until 31 December 2020.

From 20 April 2020, you may have accessed your superannuation early through your myGov account if you satisfied any one or more of the following requirements:

- you're unemployed, or
- you're eligible to receive a Jobseeker payment, youth allowance for jobseekers (other than where the person is undertaking full-time study or is a new apprentice), parenting payment, special benefit or farm household allowance, or
- on or after 1 January 2020, either:
 - you were made redundant
 - your working hours were reduced by 20% or more (including to zero), or
 - if you're a sole trader and your business was suspended or there was a reduction in turnover of 20% or more.

These superannuation payments are tax free and the money withdrawn will not affect Centrelink or Veterans' Affairs payments.

Temporarily reducing superannuation minimum drawdown rates

The Government temporarily reduced superannuation minimum pension and annuity drawdown requirements by 50 per cent for both the 2019/20 financial year and the 2020/21 financial year.

The table below shows the previous and new, reduced minimum income rates for different age groups.

New minimum income drawdown		
Age	Default minimum drawdown rates (%)	Reduced rates by 50% for the 2019/20 and 2020/21 income years (%)
under 65	4	2
65-74	5	2.5
75-79	6	3
80-84	7	3.5
85-89	9	4.5
90-94	11	5.5
95 or over	14	7

By reducing the minimum pension and annuity amounts or income payments temporarily, you can choose to take less income from your pension and keep more funds in your account.

Other information

Members over age 65

In accordance with the terms of Pro-Super Agreement, the trustee will terminate the membership of members on turning age 65.

Compensation

There may be circumstances in which the trustee needs to pay compensation to members. There are four key principles that guide the trustee's payment of compensation to current and former members:

- the trustee should not benefit
- other members do not bear the cost of compensation
- compensation is paid to members in a manner that minimises the cost and inconvenience to those members receiving the compensation, and
- communication should be provided to affected members in all circumstances where the member would reasonably expect to be notified.

The trustee may decide not to pay compensation to current or former members where it considers the individual compensation amounts small.

Unclaimed super money

If an amount is payable to you or your dependent(s) and we are unable to ensure that you or your dependent(s) will receive it, we may be obliged to transfer the amount to the ATO.

If the superannuation benefits payable from the fund is transferred to the ATO, you, or your dependents where relevant, will be able to reclaim it from the ATO. For more information on unclaimed super money, please refer to ato.gov.au or speak with your financial adviser.

Temporary residents

The following does not apply to Australian citizens, Australian residents or New Zealand residents and is limited to eligible visa holders. If you have entered Australia on an eligible temporary resident visa, you may claim your super benefits once you have permanently departed Australia.

Under super legislation, if you do not claim your benefit within six months of departing Australia, your benefit may be paid as unclaimed super to the Commissioner of Taxation under Division 3 of Part 3A of the Superannuation *Unclaimed Money and Lost Members Act 1999* (Unclaimed Money Act).

The trustee relies on an ASIC exemption to the effect that the trustee is not obliged to notify or give an exit statement to a former temporary resident in circumstances where the trustee pays unclaimed superannuation to the Commissioner of Taxation under Division 3 of Part 3A of the Unclaimed Money Act. If this has occurred, you have the right of a non-resident to make an

application to the Commissioner of Taxation to claim the unclaimed superannuation under the Unclaimed Money Act. For more information visit ato.gov.au.

Complaints

Complaints are very important to us and we are committed to resolving complaints as quickly as possible.

If you wish to make a complaint you can contact us in writing or by phone using the following contact details:

- Phone the AMP Life Customer Service Centre on 133 731 from 8.30am to 7pm (Sydney time), Monday to Friday
- email askamplife@amplife.com.au, or
- post:
AMP Life Limited
PO Box 300
PARRAMATTA NSW 2124

If you make a complaint, we will resolve it through our internal dispute resolution process within the required timeframe.

You can refer your complaint to the Australian Financial Complaints Authority.

Australian Financial Complaints Authority (AFCA)

AFCA is an independent body which provides a fair and free complaint resolution service for financial complaints made by consumers and small businesses about financial firms. Usually, AFCA will not deal with your complaint until our internal dispute resolution process has been completed. The contact details for AFCA are:

Australian Financial Complaints Authority Limited
GPO Box 3
MELBOURNE VIC 3001, Australia

Phone: 1800 931 678

Email: info@afca.org.au

Website: afca.org.au

There may be a time limit for referring your complaint to AFCA. Other limitations may also apply. You should contact them or visit their website for more details.

Enquiries

If you need any additional information about the operation or management of the fund, you can contact the AMP Life Customer Service Centre using the contact details that appear in the 'Contact us' section on the back page.

Contact Us

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mail	AMP Life Customer Service PO Box 14330 MELBOURNE VIC 8001

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