



Financial Sector (Collection of Data) (reporting standard) determination No. 10 of 2014

Reporting Standard SRS 702.0 Investment Performance

Financial Sector (Collection of Data) Act 2001

I, Steven Davies, delegate of APRA, under paragraph 13(1)(a) of the *Financial Sector (Collection of Data) Act 2001* (the Act) and subsection 33(3) of the *Acts Interpretation Act 1901*:

- (a) REVOKE Financial Sector (Collection of Data) (reporting standard) determination No. 92 of 2013, including *Reporting Standard SRS 702.0 Investment Performance* made under that Determination; and
- (b) DETERMINE *Reporting Standard SRS 702.0 Investment Performance*, in the form set out in the Schedule, which applies to the financial sector entities to the extent provided in paragraph 3 of the reporting standard.

Under section 15 of the Act, I DECLARE that the reporting standard shall begin to apply to those financial sector entities, and the revoked reporting standard shall cease to apply, on 1 April 2014.

This instrument commences on 1 April 2014.

Dated: 21 March 2014

[Signed]

Steven Davies
General Manager, Statistics

Interpretation

In this Determination:

APRA means the Australian Prudential Regulation Authority.

financial sector entity has the meaning given by section 5 of the Act.

Schedule

Reporting Standard SRS 702.0 Investment Performance comprises the 18 pages commencing on the following page.



Reporting Standard SRS 702.0

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 non-lifecycle MySuper product or a lifecycle stage of a lifecycle MySuper product.

It includes *Form SRF 702.0 Investment Performance* and associated specific instructions and must be read in conjunction with section 348A of the *Superannuation Industry (Supervision) Act 1993* and *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

2. Information collected in *Form SRF 702.0 Investment Performance* (SRF 702.0) is used by APRA for the purposes of prudential supervision, including assessing compliance with *Prudential Standard SPS 530 Investment Governance*, and publication for the purposes of section 348A of the *Superannuation Industry (Supervision) Act 1993*. It may also be used by the Australian Securities and Investments Commission.

Application and commencement

3. This Reporting Standard applies to each registrable superannuation entity (RSE) licensee (RSE licensee) with respect to each MySuper investment option within its business operations.¹

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 MySuper investment option within its business operations, the RSE licensee must separately provide the information required by the form for each MySuper investment option within its business operations.

4. This Reporting Standard applies for quarterly reporting periods (under paragraph 7(a)) ending on or after 1 April 2014 and for annual reporting periods (under paragraph 7(b)) ending on or after 30 June 2014.

Information required

5. An RSE licensee to which this Reporting Standard applies must provide APRA with the information required by SRF 702.0 in respect of each reporting period.

Forms and method of submission

6. 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

7. 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:
 - (a) each calendar quarter (i.e. the periods ending 30 September, 31 December, 31 March and 30 June each year); and
 - (b) each year ending 30 June.
8. If, having regard to the particular circumstances of a MySuper 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 MySuper investment option.
9. The information required by this Reporting Standard must be provided to APRA:
 - (a) in the case of quarterly information – within 28 calendar days after the end of the quarter to which the information relates²;
 - (b) in the case of annual information:
 - (i) for reporting periods ending on 30 June 2014 and 30 June 2015 – within four months after the year ending 30 June to which the information relates; and

Note that for the purposes of the allocation of reporting forms via the 'Direct to APRA' application the requirement to provide information for a MySuper product or a lifecycle stage is referred to as an obligation to provide information about each 'MySuper investment option'.

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.

- (ii) for reporting periods ending on or after 30 June 2016 – within three months after the end of the year ending 30 June to which the information relates; and
 - (c) in the case of information provided in accordance with paragraph 8, within the time specified by notice in writing.
10. APRA may grant, in writing, an RSE licensee an extension of a due date with respect to one or more MySuper 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

11. 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 MySuper investment option, to which the information relates, is located.³ 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:
- (a) 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
 - (b) 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.
12. 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

13. 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.
14. 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:

³ Refer also to *Prudential Standard SPS 310 Audit and Related Matters* (SPS 310).

- (a) obtain from the agent a copy of the completed form with the information provided to APRA; and
 - (b) retain the completed copy.
15. 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:
- (a) the Chief Executive Officer of the RSE licensee; or
 - (b) the Chief Financial Officer of the RSE licensee.

Variations

16. APRA may, by written notice to an RSE licensee, vary the reporting requirements of SRF 702.0 in relation to that RSE licensee or one or more MySuper investment options within that RSE licensee's business operations.

Interpretation

17. 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 licensee⁴;

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;

lifecycle exception has the meaning given in section 29TC(2) of the SIS Act;

lifecycle MySuper product means a MySuper product to which a lifecycle exception applies;

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;

MySuper investment option means⁵:

- (a) for a non-lifecycle MySuper product – the investment option underlying the investment strategy for that product; and
- (b) for a lifecycle MySuper product – the investment option underlying each lifecycle stage of that product;

MySuper product has the meaning given in section 10(1) of the SIS Act;

⁴ Refer to *Prudential Standard SPS 510 Governance*.

⁵ Refer to *Reporting Standard SRS 001.0 Profile and Structure (Baseline)* (SRS 001.0) for obligations to report information about MySuper investment options to APRA on 30 June each year.

non-lifecycle MySuper product means a MySuper product to which a lifecycle exception does not apply;

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 fund⁶;

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

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

⁶ 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.

SRF 702.0: Investment Performance

Australian Business Number	Institution Name
Reporting Period	Scale Factor
	Reporting Consolidation

1. Investment fees, costs and taxes

	Dollar value (1)	Percentage value (2)
1.1. Investment fees		
1.2. Indirect cost ratio investment costs		
1.3. Other investment costs		
1.4. Total investment fees, indirect cost ratio investment costs and other investment costs		
1.4.1. <i>of which:</i> Direct investment manager: base fees		
1.4.2. <i>of which:</i> Direct investment manager: performance based fees		
1.4.3. <i>of which:</i> Underlying investment manager: base fees		
1.4.4. <i>of which:</i> Underlying investment manager: performance based fees		
1.5. Representative member investment fees and costs		
1.6. Taxes on investment income after investment fees and costs		
1.7. Representative member taxes on investment income after investment fees and costs		

2. Administration fees, costs and taxes

	Dollar value (1)	Percentage value (2)
2.1. Administration fees		
2.2. Indirect cost ratio administration costs		
2.3. Other administration costs		
2.4. Representative member administration fees and costs		
2.5. Administration-related tax expense/benefit		
2.6. Representative member administration-related tax expense/benefit		

3. Advice fees, costs and taxes

	Dollar value (1)	Percentage value (2)
3.1. Advice fees		
3.2. Indirect cost ratio advice costs		
3.3. Other advice costs		
3.4. Representative member advice fees and costs		
3.5. Advice-related tax expense/benefit		
3.6. Representative member advice-related tax expense/benefit		

	Percentage value (1)	Representative member (2)
4. Net investment return – for the quarter		
5. Net investment return - year to date		
6. Net return - dollar value		
7. Net return - percentage value		
8. Representative member fees and costs		
9. Representative member fees, costs and taxes		

10. Start date of reporting period for new investment options only

Reporting Form SRF 702.0

Investment Performance

Instructions

These instructions assist completion of *Reporting Form SRF 702.0 Investment Performance* (SRF 702.0). SRF 702.0 collects information related to investment performance. Information reported in SRF 702.0 is required primarily for prudential and publication purposes and for the purposes of section 348A of the *Superannuation Industry (Supervision) Act 1993*. Information reported in SRF 702.0 is also required for the purposes of the Australian Securities and Investments Commission.

Reporting level

SRF 702.0 must be completed for each MySuper investment option.

Reporting basis and unit of measurement

Report all items on SRF 702.0 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 702.0 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 702.0 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 702.0 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.

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 702.0 collects information about the actual experience of the RSE with respect to those fees and costs that were disclosed in a Product Disclosure statement and reported on *Reporting Form SRF 703.0 Fees Disclosed*.

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 three sub-categories: *indirect cost ratio investment costs* reported in item 1.2, *indirect cost ratio administration costs* reported in item 2.2 and *indirect cost ratio advice costs* reported in item 3.2. The sum of these three sub-categories may not equal to the value of the *indirect cost ratio* but must be less than or 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 and 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.

Investment fees, costs and taxes

Item 1 collects investment fees, costs and taxes.

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 1.7 inclusive on a look-through basis.

Item 1	<p>For item 1.1 to item 1.4.4 inclusive and item 1.6, 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.</p> <p>For item 1.1 to item 1.4.4 inclusive and item 1.6, 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.</p> <p>Amounts reported as <i>investment fees, indirect cost ratio investment costs</i></p>
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<p>and <i>other investment costs</i> must be mutually exclusive.</p> <p>Report <i>investment fees</i> in item 1.1.</p> <p>Report <i>indirect cost ratio investment costs</i> in item 1.2.</p> <p>Report <i>other investment costs</i> in item 1.3. Note that APRA expects that it will be unusual to report a non-zero value in item 1.3.</p> <p>Item 1.4 column 1 is a derived item. Report total investment fees, indirect cost ratio investment costs and other investment costs charged as a dollar amount per member in item 1.4 column 1 as the sum of <i>investment fees</i> charged as a dollar amount per member reported in item 1.1 column 1, <i>indirect cost ratio investment costs</i> charged as a dollar amount per member reported in item 1.2 column 1 and <i>other investment costs</i> charged as a dollar amount per member reported in item 1.3 column 1. If no <i>investment fees</i>, <i>indirect cost ratio investment costs</i> or <i>other investment costs</i> were charged as a dollar amount per member, leave item 1.4 column 1 blank.</p> <p>Item 1.4 column 2 is a derived item. Report total investment fees, indirect cost ratio investment costs and other investment costs charged as a percentage of member balance in item 1.4 column 2 as the sum of <i>investment fees</i> charged as a percentage of member balance reported in item 1.1 column 2, <i>indirect cost ratio investment costs</i> charged as a percentage of member balance reported in item 1.2 column 2 and <i>other investment costs</i> charged as a percentage of member balance reported in item 1.3 column 2. If no <i>investment fees</i>, <i>indirect cost ratio investment costs</i> or <i>other investment costs</i> were charged as a percentage of member balance, leave item 1.4 column 2 blank.</p> <p>Report the portion of total investment fees, indirect cost ratio investment costs and other investment costs that are: <i>direct investment manager: investment management base fees</i> in item 1.4.1, <i>direct investment manager: investment management performance based fees</i> in item 1.4.2, <i>underlying investment manager: investment management base fees</i> in item 1.4.3, <i>underlying investment manager: investment management performance based fees</i> in item 1.4.4. Note that the sum of item 1.4.1 to item 1.4.4 inclusive may be less than or equal to item 1.4.</p> <p>Item 1.5 is a derived item. Report the value of the total investment fees, indirect cost ratio investment costs and other investment costs reported in item 1.4 that would be charged for a <i>representative member</i> in item 1.5.</p> <ul style="list-style-type: none"> • Calculate the value reported in item 1.5 column 1 as the sum of: item 1.4 column 1 and (item 1.4 column 2 divided by 100, multiplied by 50000); and • Calculate the value reported in item 1.5 column 2 as the sum of: (item 1.4 column 1 divided by 50000, multiplied by 100) and item 1.4 column 2. <p>Report <i>taxes on investment income after investment fees and costs</i> in item 1.6 as an accrual movement of realised and unrealised taxes.</p> <p>Item 1.7 is a derived item. Report the value of the <i>taxes on investment</i></p>

	<p><i>income after investment fees and costs</i> reported in item 1.6 that would be charged for a <i>representative member</i> in item 1.7.</p> <ul style="list-style-type: none"> • Calculate the value reported in item 1.7 column 1 as the sum of: item 1.6 column 1 and (item 1.6 column 2 divided by 100, multiplied by 50000); and • Calculate the value reported in item 1.7 column 2 as the sum of: (item 1.6 column 1 divided by 50000, multiplied by 100) and item 1.6 column 2.
<i>Investment fee</i>	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.
<i>Direct investment manager</i>	Represents the primary or first level of management of investment portfolios.
<i>Investment management base fees</i>	Represents the portion of investment fees which relate to investment management and are not determined by reference to the performance of the investments made by the investment manager on behalf of the RSE licensee of an RSE. Includes: accrued investment management base fees. Excludes: investment management performance based fees.
<i>Investment management performance based fees</i>	Represents the portion of investment fees which relate to investment management and are determined, in whole or in part, by reference to the performance of an investment made by an investment manager on behalf of the RSE licensee of an RSE. Includes: accrued performance fees, past loss clawbacks in performance fees. Excludes: investment management base fees.
<i>Underlying investment manager</i>	Represents all subsequent levels of management of investment portfolios, beyond or further than the primary or first level of management.
<i>Indirect cost ratio</i>	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.
<i>Indirect cost ratio investment costs</i>	Represents the portion of the indirect cost ratio that relates to investment costs. These costs must be shown gross of tax obligations.
<i>Other investment costs</i>	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.

<i>Taxes on investment income after investment fees and costs</i>	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.
<i>Representative member</i>	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.

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 2.6 inclusive on a look-through basis.

Item 2	<p>For item 2.1 to item 2.3 inclusive and item 2.5, 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.</p> <p>For item 2.1 to item 2.3 inclusive and item 2.5, 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.</p> <p>Amounts reported as <i>administration fees</i>, <i>indirect cost ratio administration costs</i> and <i>other administration costs</i> must be mutually exclusive.</p> <p>Report <i>administration fees</i> in item 2.1.</p> <p>Report <i>indirect cost ratio administration costs</i> in item 2.2.</p> <p>Report <i>other administration costs</i> in item 2.3. Note that APRA expects that it will be unusual to report a non-zero value in item 2.3.</p> <p>Item 2.4 is a derived item. Report the sum of the <i>administration fees</i> reported in item 2.1, <i>indirect cost ratio administration costs</i> reported in item 2.2 and <i>other administration costs</i> reported in item 2.3 that would be charged for a <i>representative member</i> in item 2.4.</p> <ul style="list-style-type: none"> • Calculate the value reported in item 2.4 column 1 as the sum of: item 2.1 column 1, item 2.2 column 1, item 2.3 column 1 and (item 2.1 column 2 divided by 100, multiplied by 50000; item 2.2 column 2 divided by 100, multiplied by 50000; and item 2.3 column 2 divided by 100, multiplied by 50000); and
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	<ul style="list-style-type: none"> Calculate the value reported in item 2.4 column 2 as the sum of: (item 2.1 column 1 divided by 50000, multiplied by 100; item 2.2 column 1 divided by 50000, multiplied by 100; and item 2.3 column 1 divided by 50000, multiplied by 100) and item 2.1 column 2, item 2.2 column 2 and item 2.3 column 2. <p>Report administration-related tax expense/benefit in item 2.5. Report a benefit as a negative number.</p> <p>Item 2.6 is a derived item. Report the value of the administration-related tax expense/benefit reported in item 2.5 that would be charged for a representative member in item 2.6.</p> <ul style="list-style-type: none"> Calculate the value reported in item 2.6 column 1 as the sum of: item 2.5 column 1 and (item 2.5 column 2 divided by 100, multiplied by 50000); and Calculate the value reported in item 2.6 column 2 as the sum of: (item 2.5 column 1 divided by 50000, multiplied by 100) and item 2.5 column 2.
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.

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 3.6 inclusive on a look-through basis.

<p>Item 3</p>	<p>For item 3.1 to item 3.3 inclusive and 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.</p> <p>For item 3.1 to item 3.3 inclusive and 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.</p> <p>Amounts reported as <i>advice fees</i>, <i>indirect cost ratio advice costs</i> and <i>other advice costs</i> must be mutually exclusive.</p> <p>Only report collectively charged <i>advice fees</i>, <i>indirect cost ratio advice costs</i> and <i>other advice costs</i> in item 3. Where members are charged individually on a ‘per activity’ basis for advice-related matters, these are not collectively charged amounts and must not be included in item 3.</p> <p>Report <i>advice fees</i> in item 3.1.</p> <p>Report <i>indirect cost ratio advice costs</i> in item 3.2.</p> <p>Report <i>other advice costs</i> in item 3.3. Note that APRA expects that it will be unusual to report a non-zero value in item 3.3.</p> <p>Item 3.4 is a derived item. Report the sum of <i>advice fees</i> reported in item 3.1, <i>indirect cost ratio advice costs</i> reported in item 3.2 and <i>other advice costs</i> reported in item 3.3 that would be charged for a <i>representative member</i> in item 3.4.</p> <ul style="list-style-type: none"> • Calculate the value reported in item 3.4 column 1 as the sum of: item 3.1 column 1, item 3.2 column 1, item 3.3 column 1 and (item 3.1 column 2 divided by 100, multiplied by 50000; item 3.2 column 2 divided by 100, multiplied by 50000; and item 3.3 column 2 divided by 100, multiplied by 50000); and • Calculate the value reported in item 3.4 column 2 as the sum of: (item 3.1 column 1 divided by 50000, multiplied by 100; item 3.2 column 1 divided by 50000, multiplied by 100; and item 3.3 column 1 divided by 50000, multiplied by 100) and item 3.1 column 2, item 3.2 column 2 and item 3.3 column 2. <p>Report <i>advice related tax expense/benefit</i> in item 3.5. Report a benefit as a negative number.</p> <p>Item 3.6 is a derived item. Report the value of the <i>advice related tax expense/benefit</i> reported in item 3.5 that would be charged for a <i>representative member</i> in item 3.6.</p> <ul style="list-style-type: none"> • Calculate the value reported in item 3.6 column 1 as the sum of: item 3.5 column 1 and (item 3.5 column 2 divided by 100, multiplied by 50000); and • Calculate the value reported in item 3.6 column 2 as the sum of: (item 3.5 column 1 divided by 50000, multiplied by 100) and item 3.5 column 2.
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<i>Advice fees</i>	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.
<i>Indirect cost ratio advice costs</i>	Represents the portion of the indirect cost ratio relating to advice costs. These costs must be shown gross of tax obligations.
<i>Other advice costs</i>	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.
<i>Advice related tax expense/benefit</i>	Represents the tax expense or benefit derived from advice expenses or due to advice related activities.

Net investment return

Item 4 and item 5 collect the net investment return.

Reporting basis: report item 4 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 5 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 4 column 1 and item 5 column 1 as a percentage of cash flow adjusted assets; report item 4 column 2 and item 5 column 2 as dollars and cents on a per member basis.

Look-through basis: report item 4 and item 5 on a look-through basis, incorporating all investment fees, costs and taxes directly and indirectly charged.

Item 4	Report the <i>net investment return</i> for the quarter in item 4 column 1 as the return on investments after deducting <i>investment fees, indirect cost ratio investment costs, other investment costs</i> and <i>taxes on investment income after investment fees and costs</i> . Item 4 column 2 is a derived item. Report the <i>net investment return</i> for a <i>representative member</i> as a dollar amount in item 4 column 2 by multiplying item 4 column 1 by 50,000 and dividing by 100.
Item 5	Report the <i>net investment return</i> for the year to date in item 5 column 1 as the return on investments after deducting <i>investment fees, indirect cost ratio investment costs, other investment costs</i> and <i>taxes on investment income after investment fees and costs</i> . Item 5 column 2 is a derived item. Report the <i>net investment return</i> for a <i>representative member</i> as a dollar amount in item 5 column 2 by

	multiplying item 5 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 6 and item 7 collect the net return.

Reporting basis: report item 6 and item 7 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 6 as a dollar amount on a per member basis; report item 7 as a percentage of representative member balance.

Item 6 and item 7	<p>Item 6 and item 7 are derived items.</p> <p>Report <i>net return</i> in item 6 as the dollar amount of <i>net investment return</i> for a <i>representative member</i> reported in item 5 column 2 minus the dollar amount of administration fees and costs of a <i>representative member</i> reported in item 2.4 column 1, minus the dollar amount of <i>administration-related tax expense/benefit</i> for a <i>representative member</i> reported in item 2.6 column 1, minus the dollar amount of advice fees and costs for a <i>representative member</i> reported in item 3.4 column 1 and minus the dollar amount of <i>advice-related tax expense/benefit</i> for a <i>representative member</i> reported in item 3.6 column 1.</p> <p>Report <i>net return</i> in item 7 as the percentage value of <i>net investment return</i> reported in item 5 column 1 minus the percentage value of administration fees and costs of a <i>representative member</i> reported in item 2.4 column 2, minus the percentage value of <i>administration-related tax expense/benefit</i> for a <i>representative member</i> reported in item 2.6 column 2, minus the percentage value of advice fees and costs for a <i>representative member</i> reported in item 3.4 column 2 and minus the percentage value of <i>advice-related tax expense/benefit</i> for a <i>representative member</i> reported in item 3.6 column 2.</p>
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Representative member fees, costs and taxes

Item 8 and item 9 collect the total fees, costs and taxes for a representative member.

Reporting basis: report item 8 and item 9 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 8 and item 9 as a dollar amount on a per member basis.

<p>Item 8 and item 9</p>	<p>Item 8 is a derived item. Report the total fees and costs for a <i>representative member</i> in item 8 as the sum of total investment fees and costs for a <i>representative member</i> reported in item 1.5 column 1, total administration fees and costs for a <i>representative member</i> reported in item 2.4 column 1 and total advice fees and costs for a <i>representative member</i> reported in item 3.4 column 1.</p> <p>Item 9 is a derived item. Report the total fees, costs and taxes for a representative member in item 9 as the sum of total fees and costs reported in item 8, <i>taxes on investment income</i> for a <i>representative member</i> reported in item 1.7 column 1, <i>administration-related tax expense/benefit</i> for a <i>representative member</i> reported in item 2.6 column 1 and <i>advice-related tax expense/benefit</i> for a <i>representative member</i> reported in item 3.6 column 1.</p>
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Start date of reporting period for new MySuper investment options

Item 10 collects the start date for a new MySuper 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 - 9 to cover the full quarter.

Example: An RSE licensee is granted authorisation to offer a MySuper product on 1 October. The product is first offered on 3 November. Report data on SRF 702.0 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 10 in respect of the start of the reporting period only where the MySuper 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 10 as DD/MM/YYYY.

<p>Item 10</p>	<p>Where a MySuper investment option starts after 1 July of the relevant year, report the start date of the MySuper investment option in item 10; otherwise, leave item 10 blank.</p> <p>Where an RSE licensee is authorised to offer a MySuper product (which will include at least one MySuper investment option), the start date is the date on which the investment option first became available to members and began earning an investment return. The start date for the MySuper investment option may be after the authorisation date for a new MySuper product.</p> <p><i>Example: An RSE licensee is granted authorisation to offer a MySuper product on 1 October 2015. The product is first offered on 3 November 2015. Report the start date in item 10 as 03/11/2015.</i></p>
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Interpretation

For the purposes of these instructions:

- ***lifecycle exception*** has the meaning given in section 29TC(2) of the SIS Act;
- ***lifecycle MySuper product*** means a MySuper product to which a lifecycle exception applies;
- ***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;
- ***MySuper investment option*** means¹:
 - (a) for a non-lifecycle MySuper product – the investment option underlying the investment strategy for that product; and
 - (b) for a lifecycle MySuper product – the investment option underlying each lifecycle stage of that product;
- ***MySuper product*** has the meaning given in section 10(1) of the SIS Act;
- ***non-lifecycle MySuper product*** means a MySuper product to which a lifecycle exception does not apply;
- ***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 fund²;
- ***RSE licensee*** has the meaning given in section 10(1) of the SIS Act; and
- ***SIS Act*** means *Superannuation Industry (Supervision) Act 1993*.

¹ Refer to *Reporting Standard SRS 001.0 Profile and Structure (Baseline)* (SRS 001.0) for obligations to report information about MySuper investment options to APRA on 30 June each year.

² 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.