



# Financial Sector (Collection of Data) (reporting standard) determination No. 40 of 2015

## Reporting Standard SRS 702.0 Investment Performance

### *Financial Sector (Collection of Data) Act 2001*

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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. 26 of 2014, 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 July 2016.

This instrument commences on date of registration on the Federal Register of Legislative Instruments.

Dated: 10 December 2015

[Signed]

Steven John 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 19 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 *Prudential Standard SPS 530 Investment Governance*, section 348A of the *Superannuation Industry (Supervision) Act 1993* and is relevant to establishing content for disclosure-related requirements administered by the Australian Securities and Investments Commission.

#### 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*, publication for the purposes of section 348A of the *Superannuation Industry (Supervision) Act 1993* and for the purposes of disclosure-related requirements administered by the Australian Securities and Investments Commission (ASIC). It may also be used by ASIC.

#### 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.<sup>1</sup>

<sup>1</sup> 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

4. This Reporting Standard applies for reporting periods ending on or after 1 July 2016.

### **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:
    - (i) for reporting periods ending on or after 1 July 2016 but before 1 July 2017 – within 35 calendar days after the end of the quarter to which the information relates<sup>2</sup>; and
    - (ii) for reporting periods ending on or after 1 July 2017 – within 28 calendar days after the end of the quarter to which the information relates; and
  - (b) in the case of annual information, within three months after the end of the year ending 30 June to which the information relates; and

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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. 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'.

<sup>2</sup> 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.

- (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.<sup>3</sup> 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:
- (a) obtain from the agent a copy of the completed form with the information provided to APRA; and
  - (b) retain the completed copy.

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

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 licensee<sup>4</sup>;

**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** means<sup>5</sup>:

- (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;

<sup>4</sup> Refer to *Prudential Standard SPS 510 Governance*.

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

**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<sup>6</sup>;

**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*.

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<sup>6</sup> 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

<b>Australian Business Number</b>	<b>Institution Name</b>
<b>Reporting Period</b>	<b>Scale Factor</b>
	<b>Reporting Consolidation</b>

### 1. Investment fees, costs and taxes

	<b>Dollar value (1)</b>	<b>Percentage value (2)</b>
1.1. Investment fees		
1.2. Indirect cost ratio investment costs		
1.3. Total investment fees and indirect cost ratio investment costs		
1.3.1. <i>of which:</i> Direct investment manager: investment management base fees		
1.3.2. <i>of which:</i> Direct investment manager: investment management performance based fees		
1.3.3. <i>of which:</i> Underlying investment manager: investment management base fees		
1.3.4. <i>of which:</i> Underlying investment manager: investment management performance based fees		
1.4. Representative member investment fees and costs		
1.5. Taxes on investment income after investment fees and costs		
1.6. Representative member taxes on investment income after investment fees and costs		

### 2. Administration fees, costs and taxes

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



**3. Advice fees, costs and taxes**

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

**4. Net investment return, net return and representative member fees, costs and taxes**

	<b>Percentage value (1)</b>	<b>Representative member (2)</b>
4.1. Net investment return – for the quarter		
4.2. Net investment return – year to date		
4.3. Net return		
4.4. Representative member fees and costs		
4.5. Representative member fees, costs and taxes		

**5. 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* (SIS Act). Information reported in SRF 702.0 is also required for the purposes of the Australian Securities and Investments Commission (ASIC).

The information required to be reported on SRF 702.0 in respect of each calendar quarter is information that is collected, in part, for the purposes of disclosure-related requirements administered by ASIC (i.e. s. 29QC of the SIS Act applies to this data). Note that information required to be reported in respect of each annual period ending 30 June is not collected for the purposes of disclosure-related requirements.

### 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 when reporting in respect of each annual period ending 30 June.

Do not report in accordance with the Australian Accounting Standards when reporting in respect of each calendar quarter.

Whilst the information reported in respect of each calendar quarter is not required to be reported in accordance with the Australian Accounting Standards, an RSE licensee must ensure that the information reported in respect of the end of each quarter is the most accurate information the RSE licensee has available by the due date.<sup>1</sup> This may, for example, include some fee and cost information provided to the RSE licensee after the end of the quarter. An RSE licensee will comply with the requirement to report the most accurate information available to it by the due date if they report the unit price or crediting rate as at the reporting date. Where the unit price or crediting rate has been required to be revised in accordance with the RSE licensee's unit pricing or crediting rate policies, the RSE licensee must report that revised price or rate.

Where an RSE licensee is reporting in respect of an annual period ending 30 June, the valuation of any accrued amount must be undertaken in accordance with the Australian

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<sup>1</sup> For the purposes of these instructions, 'due date' means the relevant date under paragraph 9 or, if applicable, paragraph 10 of *Reporting Standard SRS 702.0 Investment Performance*.

Accounting Standards. This means that an RSE licensee must report items on SRF 702.0 in respect of an annual period ending 30 June 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.

Certain items in SRF 702.0 are to be reported on an ***APRA-look through basis***. Reporting on an ***APRA-look through basis*** means:

- (a) where the ***ultimate investment*** is held directly by the RSE licensee, reporting that investment;
- (b) where the ***ultimate investment*** is held by a ***person connected with the RSE licensee***, reporting that investment; and
- (c) where the ***ultimate investment*** is not held by the RSE licensee or a ***person connected with the RSE licensee***, reporting ***the most proximate investment***, of a person connected with the RSE licensee, to the ***ultimate investment***.<sup>2</sup>

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.

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<sup>2</sup> Subsection 13(4B) of the *Financial Sector (Collection of Data) Act 2001* means that a contract between the RSE licensee or a person connected with the RSE licensee such as a related body corporate or relevant custodian (the first party), and a person connected with the RSE licensee (the second party), under which assets or assets derived from assets of the registrable superannuation entity are invested, is taken to include (1) a term requiring the first party to notify the second party that the assets are or are derived from a registrable superannuation entity, and (2) a term requiring the second party, if so notified, to provide the information required by this reporting standard of which they are aware.

## 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 (PDS).

SRF 702.0 collects information about the actual experience of the RSE with respect to those fees and costs that were disclosed in a PDS and reported under *Reporting Standard SRS 703.0 Fees Disclosed*.

For the purposes of these instructions, fees and costs must be reported ‘gross of tax obligations’ where ‘gross of tax obligations’ refers to gross of income tax, GST and stamp duty consistent with the manner in which they are required to be disclosed in Product Disclosure Statements, where applicable. Reference: Schedule 10 and Schedule 10D of the Corporations Regulations. This means the fees and costs must be reported prior to taking into account any benefit of a tax deduction relating to a fee that is passed on to a member either as a reduction in tax on contributions or through the deduction of a fee that is lower than what is reported to take account of the tax deduction.

SRF 702.0 requires an RSE licensee to report information about the *indirect cost ratio* (ICR) split 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.

**APRA-look through basis:** report item 1.1 to item 1.6 inclusive on a non *APRA-look through basis* other than item 1.3.1 to item 1.3.4 inclusive, which must be reported on an *APRA-look through basis*.

<b>Item 1</b>	<p>For item 1.1 to item 1.3.4 inclusive and item 1.5, 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 1.1 to item 1.3.4 inclusive and item 1.5, 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>investment fees</i> and <i>indirect cost ratio investment costs</i> must be mutually exclusive.</p>
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	<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 total investment fees and indirect cost ratio investment costs charged as a dollar amount per member in item 1.3 column 1 as the sum of <i>investment fees</i> charged as a dollar amount per member reported in item 1.1 column 1 and <i>indirect cost ratio investment costs</i> charged as a dollar amount per member reported in item 1.2 column 1. If no <i>investment fees</i> or <i>indirect cost ratio investment costs</i> were charged as a dollar amount per member, leave item 1.3 column 1 blank.</p> <p>Report total investment fees and indirect cost ratio investment costs charged as a percentage of member balance in item 1.3 column 2 as the sum of <i>investment fees</i> charged as a percentage of member balance reported in item 1.1 column 2 and <i>indirect cost ratio investment costs</i> charged as a percentage of member balance reported in item 1.2 column 2. If no <i>investment fees</i> or <i>indirect cost ratio investment costs</i> were charged as a percentage of member balance, leave item 1.3 column 2 blank.</p> <p>Report the portion of total investment fees and indirect cost ratio investment costs that are: <i>direct investment manager: investment management base fees</i> in item 1.3.1, <i>direct investment manager: investment management performance based fees</i> in item 1.3.2, <i>underlying investment manager: investment management base fees</i> in item 1.3.3, <i>underlying investment manager: investment management performance based fees</i> in item 1.3.4. Note that the sum of item 1.3.1 to item 1.3.4 inclusive may be less than or equal to item 1.3.</p> <p>Item 1.4 is a derived item. Report the value of the total investment fees and indirect cost ratio investment costs reported in item 1.3 that would be charged for a <i>representative member</i> in item 1.4.</p> <ul style="list-style-type: none"> <li>• Calculate the value reported in item 1.4 column 1 as the sum of: item 1.3 column 1 and (item 1.3 column 2 divided by 100, multiplied by 50000); and</li> <li>• Calculate the value reported in item 1.4 column 2 as the sum of: (item 1.3 column 1 divided by 50000, multiplied by 100) and item 1.3 column 2.</li> </ul> <p>Report <i>taxes on investment income after investment fees and costs</i> in item 1.5 as an accrual movement of realised and unrealised taxes.</p> <p>Item 1.6 is a derived item. Report the value of the <i>taxes on investment income after investment fees and costs</i> reported in item 1.5 that would be charged for a <i>representative member</i> in item 1.6.</p> <ul style="list-style-type: none"> <li>• Calculate the value reported in item 1.6 column 1 as the sum of: item 1.5 column 1 and (item 1.5 column 2 divided by 100, multiplied by 50000); and</li> <li>• Calculate the value reported in item 1.6 column 2 as the sum of: (item 1.5 column 1 divided by 50000, multiplied by 100) and item 1.5 column 2.</li> </ul>
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<b><i>Investment fee</i></b>	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.
<b><i>Direct investment manager</i></b>	Represents the primary or first level of management of investment portfolios.
<b><i>Investment management base fees</i></b>	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.
<b><i>Investment management performance based fees</i></b>	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.
<b><i>Underlying investment manager</i></b>	Represents all subsequent levels of management of investment portfolios, beyond or further than the primary or first level of management.
<b><i>Indirect cost ratio</i></b>	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.
<b><i>Indirect cost ratio investment costs</i></b>	Represents the portion of the indirect cost ratio that relates to investment costs. These costs must be shown gross of tax obligations.
<b><i>Taxes on investment income after investment fees and costs</i></b>	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.
<b><i>Representative member</i></b>	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.

<b>Item 2</b>	<p>For item 2.1, item 2.2 and item 2.4, 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, item 2.2 inclusive and item 2.4, 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> and <i>indirect cost ratio 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>Item 2.3 is a derived item. Report the sum of the <i>administration fees</i> reported in item 2.1 and <i>indirect cost ratio administration costs</i> reported in item 2.2 that would be charged for a <i>representative member</i> in item 2.3.</p> <ul style="list-style-type: none"> <li>• Calculate the value reported in item 2.3 column 1 as the sum of: item 2.1 column 1 and item 2.2 column 1 and (item 2.1 column 2 divided by 100, multiplied by 50000 and item 2.2 column 2 divided by 100, multiplied by 50000); and</li> <li>• Calculate the value reported in item 2.3 column 2 as the sum of: (item 2.1 column 1 divided by 50000, multiplied by 100 and item 2.2 column 1 divided by 50000, multiplied by 100) and item 2.1 column 2 and item 2.2 column 2.</li> </ul> <p>Report <i>administration-related tax expense/benefit</i> in item 2.4. Report a benefit as a negative number.</p> <p>Item 2.5 is a derived item. Report the value of the <i>administration-related tax expense/benefit</i> reported in item 2.4 that would be charged for a <i>representative member</i> in item 2.5.</p> <ul style="list-style-type: none"> <li>• Calculate the value reported in item 2.5 column 1 as the sum of: item 2.4 column 1 and (item 2.4 column 2 divided by 100, multiplied by 50000); and</li> <li>• Calculate the value reported in item 2.5 column 2 as the sum of: (item 2.4 column 1 divided by 50000, multiplied by 100) and item 2.4 column 2.</li> </ul>
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<b><i>Administration fees</i></b>	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.
<b><i>Indirect cost ratio administration costs</i></b>	Represents the portion of the indirect cost ratio relating to administration costs. These costs must be shown gross of tax obligations.
<b><i>Administration related tax expense/benefit</i></b>	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.

<b>Item 3</b>	<p>For item 3.1, item 3.2 and item 3.4, 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, item 3.2 and item 3.4, 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 <b><i>advice fees</i></b> and <b><i>indirect cost ratio advice costs</i></b> must be mutually exclusive.</p> <p>Only report collectively charged <b><i>advice fees</i></b> and <b><i>indirect cost ratio advice costs</i></b> 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 <b><i>advice fees</i></b> in item 3.1.</p> <p>Report <b><i>indirect cost ratio advice costs</i></b> in item 3.2.</p> <p>Item 3.3 is a derived item. Report the sum of <b><i>advice fees</i></b> reported in item 3.1 and <b><i>indirect cost ratio advice costs</i></b> reported in item 3.2 that would be charged for a <b><i>representative member</i></b> in item 3.3.</p> <ul style="list-style-type: none"> <li>• Calculate the value reported in item 3.3 column 1 as the sum of: item 3.1 column 1 and item 3.2 column 1 and (item 3.1 column 2 divided by 100, multiplied by 50000 and item 3.2 column 2 divided by 100, multiplied by 50000); and</li> <li>• Calculate the value reported in item 3.3 column 2 as the sum of: (item 3.1 column 1 divided by 50000, multiplied by 100 and item 3.2</li> </ul>
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	<p>column 1 divided by 50000, multiplied by 100) and item 3.1 column 2 and item 3.2 column 2.</p> <p>Report <i>advice related tax expense/benefit</i> in item 3.4. Report a benefit as a negative number.</p> <p>Item 3.5 is a derived item. Report the value of the <i>advice related tax expense/benefit</i> reported in item 3.4 that would be charged for a <i>representative member</i> in item 3.5.</p> <ul style="list-style-type: none"> <li>• Calculate the value reported in item 3.5 column 1 as the sum of: item 3.4 column 1 and (item 3.4 column 2 divided by 100, multiplied by 50000); and</li> <li>• Calculate the value reported in item 3.5 column 2 as the sum of: (item 3.4 column 1 divided by 50000, multiplied by 100) and item 3.4 column 2.</li> </ul>
<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>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, net return and representative member fees, costs and taxes

Item 4 collects the net investment return, the net return and representative member fees, costs and taxes.

**Reporting basis:** report item 4.1 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 4.2 to item 4.5 inclusive 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 as a percentage of cash flow adjusted assets; report item 4.1 column 2, item 4.2 column 2 and item 4.3 column 2 as dollars and cents on a per member basis; report item 4.4 and item 4.5 as a dollar amount on a per member basis.

<b>Item 4</b>	<p>Report the <i>net investment return</i> for the quarter in item 4.1 column 1 as the return on investments after deducting <i>investment fees</i>, <i>indirect cost ratio investment costs</i> and <i>taxes on investment income after investment fees and costs</i>.</p> <p>Item 4.1 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 4.1 column 2 by</p>
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	<p>multiplying item 4.1 column 1 by 50,000 and dividing by 100.</p> <p>Report the <i>net investment return</i> for the year to date in item 4.2 column 1 as the return on investments after deducting <i>investment fees, indirect cost ratio investment costs</i> and <i>taxes on investment income after investment fees and costs</i>.</p> <p>Item 4.2 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 4.2 column 2 by multiplying item 4.2 column 1 by 50,000 and dividing by 100.</p> <p>Report <i>net return</i> in item 4.3 column 1 as:</p> <ul style="list-style-type: none"> <li>• the percentage value of <i>net investment return</i> for a <i>representative member</i> for the year to date reported in item 4.2 column 1; minus</li> <li>• the percentage value of administration fees and costs for a <i>representative member</i> reported in item 2.3 column 2; minus</li> <li>• the percentage value of <i>administration-related tax expense/benefit</i> for a <i>representative member</i> reported in item 2.5 column 2; minus</li> <li>• the percentage value of advice fees and costs for a <i>representative member</i> reported in item 3.3 column 2; and minus</li> <li>• the percentage value of <i>advice-related tax expense/benefit</i> for a <i>representative member</i> reported in item 3.5 column 2.</li> </ul> <p>Report <i>net return</i> in item 4.3 column 2 as:</p> <ul style="list-style-type: none"> <li>• the dollar amount of <i>net investment return</i> for the year to date reported in item 4.2 column 2; minus</li> <li>• the dollar amount of administration fees and costs of a <i>representative member</i> reported in item 2.3 column 1; minus</li> <li>• the dollar amount of <i>administration-related tax expense/benefit</i> for a <i>representative member</i> reported in item 2.5 column 1; minus</li> <li>• the dollar amount of advice fees and costs for a <i>representative member</i> reported in item 3.3 column 1; and minus</li> <li>• the dollar amount of <i>advice-related tax expense/benefit</i> for a <i>representative member</i> reported in item 3.5 column 1.</li> </ul> <p>Report the total fees and costs for a <i>representative member</i> in item 4.4 as the sum of total investment fees and costs for a <i>representative member</i> reported in item 1.4 column 1, total administration fees and costs for a <i>representative member</i> reported in item 2.3 column 1 and total advice fees and costs for a <i>representative member</i> reported in item 3.3 column 1.</p> <p>Report the total fees, costs and taxes for a representative member in item 4.5 as the sum of total fees and costs reported in item 4.4, <i>taxes on investment income</i> for a <i>representative member</i> reported in item 1.6 column 1, <i>administration-related tax expense/benefit</i> for a <i>representative member</i> reported in item 2.5 column 1 and <i>advice-related tax expense/benefit</i> for a <i>representative member</i> reported in item 3.5 column 1.</p>
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<b>Net investment return</b>	Represents the time-weighted rate of return on investments, net of investment-related fees, costs and taxes, adjusted for cash flows as they occur.
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### Start date of reporting period for new MySuper investment options

Item 5 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 item 1 to item 4 inclusive 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 5 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 5 as DD/MM/YYYY.

<b>Item 5</b>	<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 5; otherwise, leave item 5 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;
- **the most proximate investment** means the closest investment, in the relevant chain of

investments, to the ultimate investment;<sup>3</sup>

- **MySuper investment option** means<sup>4</sup>:
  - (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;
- **person connected with an RSE licensee** has the meaning in subsection 13(4C) of the *Financial Sector (Collection of Data) Act 2001*, namely:
  - (a) a related body corporate of the RSE licensee; or
  - (b) a custodian in relation to assets, or assets derived from assets, of the RSE licensee's RSEs, and in relation to the RSE licensee or a related body corporate of the RSE licensee; or
  - (c) a person who, under a contract or other arrangement with:
    - (i) the RSE licensee; or
    - (ii) a related body corporate of the RSE licensee; or
    - (iii) a custodian in relation to assets, or assets derived from assets, of the RSE licensee's RSEs, and in relation to the RSE licensee or a related body corporate of the RSE licensee;

invests assets, or assets derived from assets, of the RSE licensee's RSEs;
- **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<sup>5</sup>;

<sup>3</sup> For example, if an RSE licensee invests in a managed investment scheme, the responsible entity of which is unrelated to the RSE licensee, the responsible entity will still be 'a person connected with the RSE licensee', under paragraph (c) of the definition of that term. If the managed investment scheme in turn invests in a private equity vehicle, the trustee of which is not in any way related to the RSE licensee, the trustee of the private equity vehicle will not be a person connected with the RSE licensee. If the private equity vehicle has invested exclusively in shares, the shares will be the ultimate investment. The most proximate investment of a person connected with the RSE licensee will be the managed investment scheme's investment in the private equity vehicle. Accordingly, the managed investment scheme's investment in the private equity vehicle must be reported.

<sup>4</sup> 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.

<sup>5</sup> 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

- *RSE licensee* has the meaning given in section 10(1) of the SIS Act;
- *SIS Act* means *Superannuation Industry (Supervision) Act 1993*; and
- *ultimate investment* means an investment of assets, or assets derived from assets, of an RSE of an RSE licensee excluding an investment in an interposed entity.

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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.