



# MLC MasterKey Unit Trust

## Financial Report

### For the year ended 31 May 2015

**Preparation date**  
10 September 2015

**Issued by** MLC Investments Limited  
ABN 30 002 641 661 AFSL 230705



# Annual Financial Report

Dear Investor,

I am pleased to present the reports for the financial year ended 31 May 2015 for MLC MasterKey Unit Trust.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kathy Vincent', with a stylized, cursive script.

Kathy Vincent  
General Manager  
MasterKey and Wrap Platforms

If you have any questions about the Annual Financial Report, please call us on 132 652 Monday to Friday 8 am – 6 pm, AEST.

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The MLC MasterKey Unit Trust consists of 18 separate schemes:

**MLC MasterKey Unit Trust Accelerated Growth Portfolio**  
ARSN 102 215 725

**MLC MasterKey Unit Trust Share Portfolio**  
ARSN 097 220 945

**MLC MasterKey Unit Trust Growth Portfolio**  
ARSN 087 944 438

**MLC MasterKey Unit Trust Balanced Portfolio**  
ARSN 087 944 625

**MLC MasterKey Unit Trust Conservative Growth Portfolio**  
ARSN 097 221 077

**MLC MasterKey Unit Trust Income Portfolio**  
ARSN 087 940 592

**MLC MasterKey Unit Trust Cash Fund**  
ARSN 087 940 467

**MLC MasterKey Unit Trust Property Securities Fund**  
ARSN 087 944 652

**MLC MasterKey Unit Trust IncomeBuilder™**  
ARSN 087 944 287

**MLC MasterKey Unit Trust Share Index Fund**  
ARSN 087 939 919

**MLC MasterKey Unit Trust Australian Share Fund**  
ARSN 087 945 293

**MLC MasterKey Unit Trust Global Share Fund**  
ARSN 087 943 682

**MLC MasterKey Unit Trust MLC - Platinum Global Fund**  
ARSN 087 940 065

**MLC MasterKey Unit Trust Australian Share Growth Style Fund**  
ARSN 106 465 418

**MLC MasterKey Unit Trust Australian Share Value Style Fund**  
ARSN 106 465 383

**MLC MasterKey Unit Trust Global Share Growth Style Fund**  
ARSN 106 465 356

**MLC MasterKey Unit Trust Global Share Value Style Fund**  
ARSN 106 465 454

**MLC MasterKey Unit Trust Bond Portfolio**  
ARSN 112 925 274

## Directors' report

The Directors of MLC Investments Limited, the Responsible Entity of the following Schemes (the 'Schemes'):

MLC MasterKey Unit Trust Accelerated Growth Portfolio (MLC Horizon 7 Accelerated Growth Portfolio)	MLC MasterKey Unit Trust Share Portfolio (MLC Horizon 6 Share Portfolio)
MLC MasterKey Unit Trust Growth Portfolio (MLC Horizon 5 Growth Portfolio)	MLC MasterKey Unit Trust Balanced Portfolio (MLC Horizon 4 Balanced Portfolio)
MLC MasterKey Unit Trust Conservative Growth Portfolio (MLC Horizon 3 Conservative Growth Portfolio)	MLC MasterKey Unit Trust Income Portfolio (MLC Horizon 2 Income Portfolio)
MLC MasterKey Unit Trust Cash Fund (Cash Fund)	MLC MasterKey Unit Trust Property Securities Fund (Property Securities Fund)
MLC MasterKey Unit Trust IncomeBuilder™ (IncomeBuilder)	MLC MasterKey Unit Trust Share Index Fund (Share Index Fund)
MLC MasterKey Unit Trust Australian Share Fund (Australian Share Fund)	MLC MasterKey Unit Trust Global Share Fund (Global Share Fund)
MLC MasterKey Unit Trust MLC - Platinum Global Fund (MLC - Platinum Global Fund)	MLC MasterKey Unit Trust Australian Share Growth Style Fund (Australian Share Growth Style Fund)
MLC MasterKey Unit Trust Australian Share Value Style Fund (Australian Share Value Style Fund)	MLC MasterKey Unit Trust Global Share Growth Style Fund (Global Share Growth Style Fund)
MLC MasterKey Unit Trust Global Share Value Style Fund (Global Share Value Style Fund)	MLC MasterKey Unit Trust Bond Portfolio (MLC Horizon 1 Bond Portfolio)

present their report together with the financial report of the Schemes for the year ended 31 May 2015 and the independent audit report thereon.

## Directors of the Responsible Entity

The names of the persons who were Directors of MLC Investments Limited during or since the end of the year are as follows:

<b>Name</b>	<b>Appointment / Resignation Date</b>
S C Birkenleigh	Appointed 27 February 2012/Resigned 7 July 2014
P Coad	Appointed 22 August 2013/Resigned 7 July 2014
S Dave	Appointed 7 July 2014/ Resigned 30 June 2015
J G Duffield	Appointed 24 August 2011
J L Flavell	Appointed 7 July 2014/Resigned 23 January 2015
P Gupta	Appointed 1 September 2012
D M Hackett	Appointed 29 January 2014/Resigned 7 July 2014
A Hagger	Appointed 22 May 2013/Resigned 7 July 2014
N J Milne	Appointed 17 December 2014/ Resigned 3 June 2015
G J Mulcahy	Appointed 7 July 2014
A W Rothery	Appointed 14 April 2009/Resigned 31 October 2014
E Rubin	Appointed 22 May 2013/Resigned 7 July 2014
M F Snowden	Appointed 25 August 2009/Resigned 7 July 2014
G J Symons	Appointed 14 April 2009/Resigned 7 July 2014
G A Tomlinson	Appointed 19 February 2001/Resigned 18 December 2014

The registered office of MLC Investments Limited is located at Ground Floor, MLC Building, 105-153 Miller St, North Sydney NSW 2060.

## Principal activities

The Schemes are unlisted registered managed investment schemes domiciled in Australia

The Schemes invest and transact in money market securities, equities, unlisted managed investment schemes and derivatives in accordance with the provisions of the Constitutions of the Schemes. Investment activities include the use of hedging instruments in the MLC - Platinum Global Fund to reduce the volatility of investment returns due to currency exchange rate fluctuations.

The Schemes did not have any employees during the year (2014: Nil).

There have been no significant changes to the activities of the Schemes during the year.

The Schemes are for profit entities for the purposes of preparing financial statements.

## Results and review of operations

The results of the operations of the Schemes are disclosed in the Statements of Profit or Loss and Other Comprehensive Income. These results are affected by the performance of the markets to which the individual Schemes have exposure.

For details in relation to the Schemes' investment exposure and strategy, information can be obtained from the investment fund profiles located on the MasterKey website at [mlc.com.au](http://mlc.com.au) or alternatively in the Product Disclosure Statement.

## Distributions

The distributions for the year ended 31 May 2015 were as follows:

	\$'000	c/unit
MLC Horizon 7 Accelerated Growth Portfolio	514	2.62
MLC Horizon 6 Share Portfolio	8,345	3.10
MLC Horizon 5 Growth Portfolio	16,746	4.10
MLC Horizon 4 Balanced Portfolio	56,781	4.86
MLC Horizon 3 Conservative Growth Portfolio	18,296	2.53
MLC Horizon 2 Income Portfolio	3,211	2.36
Property Securities Fund	4,130	3.00
IncomeBuilder	213,294	23.25
Share Index Fund	17,837	13.23
Australian Share Fund	5,521	7.92
Global Share Fund	1,092	2.01
MLC - Platinum Global Fund	147,925	30.52
Australian Share Growth Style Fund	395	4.82
Australian Share Value Style Fund	490	4.61
	<b>Whole Dollars \$</b>	<b>c/unit</b>
Global Share Growth Style Fund	44,747	3.20
Global Share Value Style Fund	51,993	0.82
MLC Horizon 1 Bond Portfolio	28,555	0.76
	<b>\$'000</b>	<b>Annualised % rate</b>
Cash Fund	1,450	1.58

## Units on issue

Units on issue as at year end and movements during the year are shown in Note 4 to the financial statements.

The total assets of the Schemes are set out in the Statements of Financial Position. The basis for valuation of the Schemes' assets is disclosed in Note 1 to the financial statements.

## State of affairs

In the opinion of the Responsible Entity, there were no significant changes in the state of affairs of the Schemes that occurred during the year unless otherwise disclosed.

## Likely developments

The Schemes will continue to pursue their policy of competitive returns through a selection process that identifies investment managers in each asset class. Further information about likely developments in the operations of the Schemes and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Schemes.

## Auditor's independence

The Directors received a declaration of independence from the auditor of the Schemes, a copy of which is attached to the Directors' report on page 6.

## Events subsequent to the balance date

Except as disclosed in the financial report, there has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to significantly affect the operations of the Schemes, the results of those operations, or the state of affairs of the Schemes, in future financial years.

## Interests of the Responsible Entity

Units held by MLC Investments Limited and its related parties in the Schemes during the financial year ended 31 May 2015 are detailed in Note 9 to the financial statements.

Fees paid to the Responsible Entity during the financial year ended 31 May 2015 are detailed in Note 9 to the financial statements.

## Environmental regulation

The operations of the Schemes are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

#### Indemnities and insurance premiums for Officers or Auditors

##### *Indemnification*

The Schemes have not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer of the Responsible Entity or an auditor of the Schemes during the year.

##### *Insurance premiums*

During the period the ultimate parent company of the Responsible Entity, National Australia Bank Limited, has paid, or agreed to pay, premiums in respect of its officers for liability and legal expenses, insurance contracts, and premiums in respect of such insurance contracts, for the financial year ended 31 May 2015. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the officers of the Responsible Entity.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

#### Rounding

With the exception of Global Share Growth Style Fund, Global Share Value Style Fund and MLC Horizon 1 Bond Portfolio, the Schemes meet the criteria set out in Class Order 98/100 issued by the Australian Securities and Investments Commission, and in accordance with that Class Order, amounts in the financial report and the Directors' report have been rounded off to the nearest thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors of MLC Investments Limited:

Director: \_\_\_\_\_

Signature: \_\_\_\_\_

Dated at Sydney this 22 day of July 2015

## Auditor's Independence Declaration to the Directors of MLC Investments Limited, as Responsible Entity for MLC MasterKey Unit Trust

In relation to our audit of the financial report of the MLC MasterKey Unit Trust consisting of the Schemes listed below for the financial year ended 31 May 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

MLC MasterKey Unit Trust Accelerated Growth Portfolio

MLC MasterKey Unit Trust Growth Portfolio

MLC MasterKey Unit Trust Conservative Growth Portfolio

MLC MasterKey Unit Trust Cash Fund

MLC MasterKey Unit Trust IncomeBuilder™

MLC MasterKey Unit Trust Australian Share Fund

MLC MasterKey Unit Trust MLC - Platinum Global Fund

MLC MasterKey Unit Trust Australian Share Value Style Fund

MLC MasterKey Unit Trust Global Share Value Style Fund

MLC MasterKey Unit Trust Share Portfolio

MLC MasterKey Unit Trust Balanced Portfolio

MLC MasterKey Unit Trust Income Portfolio

MLC MasterKey Unit Trust Property Securities Fund

MLC MasterKey Unit Trust Share Index Fund

MLC MasterKey Unit Trust Global Share Fund

MLC MasterKey Unit Trust Australian Share Growth Style Fund

MLC MasterKey Unit Trust Global Share Growth Style Fund

MLC MasterKey Unit Trust Bond Portfolio



Ernst & Young



Rita Da Silva  
Partner  
22 July 2015



MLC MasterKey Unit Trust  
Statements of Profit or Loss and Other Comprehensive Income  
For the year ended 31 May 2015

		MLC Horizon 7 Accelerated Growth Portfolio		MLC Horizon 6 Share Portfolio		MLC Horizon 5 Growth Portfolio		MLC Horizon 4 Balanced Portfolio	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Investment income</b>									
Dividend and distribution income	2, 9(h)	948	543	14,314	9,194	27,624	17,482	91,501	56,461
Interest income		4	4	18	24	34	42	103	103
Changes in the fair value of financial assets and liabilities at fair value through profit or loss	12	3,418	3,575	31,670	31,363	49,157	48,579	126,924	129,203
Other income		-	-	-	-	-	-	-	-
<b>Total investment income</b>		<b>4,370</b>	<b>4,122</b>	<b>46,002</b>	<b>40,581</b>	<b>76,815</b>	<b>66,103</b>	<b>218,528</b>	<b>185,767</b>
<b>Expenses</b>									
Responsible Entity's fees	9(e)	361	346	4,373	4,003	8,139	7,554	25,784	23,743
Performance fees		-	-	18	13	37	25	102	78
Other expenses		-	-	-	-	-	-	-	-
<b>Total operating expenses</b>		<b>361</b>	<b>346</b>	<b>4,391</b>	<b>4,016</b>	<b>8,176</b>	<b>7,579</b>	<b>25,886</b>	<b>23,821</b>
<b>Net operating profit/(loss)</b>		<b>4,009</b>	<b>3,776</b>	<b>41,611</b>	<b>36,565</b>	<b>68,639</b>	<b>58,524</b>	<b>192,642</b>	<b>161,946</b>
<b>Financing costs</b>									
Distributions	5	514	272	8,345	4,334	16,746	8,407	56,781	27,556
<b>Net profit/(loss)</b>		<b>3,495</b>	<b>3,504</b>	<b>33,266</b>	<b>32,231</b>	<b>51,893</b>	<b>50,117</b>	<b>135,861</b>	<b>134,390</b>
Other comprehensive income		-	-	-	-	-	-	-	-
Items reclassified to profit or loss		-	-	-	-	-	-	-	-
<b>Change in net assets attributable to unitholders</b>	4	<b>3,495</b>	<b>3,504</b>	<b>33,266</b>	<b>32,231</b>	<b>51,893</b>	<b>50,117</b>	<b>135,861</b>	<b>134,390</b>
		MLC Horizon 3 Conservative Growth Portfolio		MLC Horizon 2 Income Portfolio		Cash Fund		Property Securities Fund	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Investment income</b>									
Dividend and distribution income	2, 9(h)	31,547	19,799	5,790	5,126	-	-	5,688	4,906
Interest income		54	62	14	17	2,388	2,776	10	11
Changes in the fair value of financial assets and liabilities at fair value through profit or loss	12	46,069	36,585	8,027	5,398	-	-	22,337	947
Other income		-	-	-	-	-	-	-	-
<b>Total investment income</b>		<b>77,670</b>	<b>56,446</b>	<b>13,831</b>	<b>10,541</b>	<b>2,388</b>	<b>2,776</b>	<b>28,035</b>	<b>5,864</b>
<b>Expenses</b>									
Responsible Entity's fees	9(e)	10,991	8,946	2,072	2,184	969	1,087	1,605	1,575
Performance fees		44	29	-	-	-	-	-	-
Other expenses		-	-	1	-	2	-	1	-
<b>Total operating expenses</b>		<b>11,035</b>	<b>8,975</b>	<b>2,073</b>	<b>2,184</b>	<b>971</b>	<b>1,087</b>	<b>1,606</b>	<b>1,575</b>
<b>Net operating profit/(loss)</b>		<b>66,635</b>	<b>47,471</b>	<b>11,758</b>	<b>8,357</b>	<b>1,417</b>	<b>1,689</b>	<b>26,429</b>	<b>4,289</b>
<b>Financing costs</b>									
Distributions	5	18,296	9,510	3,211	2,735	1,450	1,689	4,130	3,584
<b>Net profit/(loss)</b>		<b>48,339</b>	<b>37,961</b>	<b>8,547</b>	<b>5,622</b>	<b>(33)</b>	<b>-</b>	<b>22,299</b>	<b>705</b>
Other comprehensive income		-	-	-	-	-	-	-	-
Items reclassified to profit or loss		-	-	-	-	-	-	-	-
<b>Change in net assets attributable to unitholders</b>	4	<b>48,339</b>	<b>37,961</b>	<b>8,547</b>	<b>5,622</b>	<b>(33)</b>	<b>-</b>	<b>22,299</b>	<b>705</b>

The above Statements of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.

MLC MasterKey Unit Trust  
Statements of Profit or Loss and Other Comprehensive Income  
For the year ended 31 May 2015

		IncomeBuilder		Share Index Fund		Australian Share Fund		Global Share Fund	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Investment income</b>									
Dividend and distribution income	2, 9(h)	124,171	114,269	14,680	14,496	7,760	7,351	2,192	1,667
Interest income		3,224	3,477	16	19	11	13	6	7
Changes in the fair value of financial assets and liabilities at fair value through profit or loss	12	258,277	267,410	17,281	38,598	6,334	11,861	20,815	16,195
Other income		-	-	-	-	-	-	-	-
<b>Total investment income</b>		<b>385,672</b>	<b>385,156</b>	<b>31,977</b>	<b>53,113</b>	<b>14,105</b>	<b>19,225</b>	<b>23,013</b>	<b>17,869</b>
<b>Expenses</b>									
Responsible Entity's fees	9(e)	49,298	45,076	4,453	4,474	2,207	2,435	1,541	1,563
Performance fees		-	-	-	-	-	-	-	-
Other expenses		-	-	1	-	-	-	-	-
<b>Total operating expenses</b>		<b>49,298</b>	<b>45,076</b>	<b>4,454</b>	<b>4,474</b>	<b>2,207</b>	<b>2,435</b>	<b>1,541</b>	<b>1,563</b>
<b>Net operating profit/(loss)</b>		<b>336,374</b>	<b>340,080</b>	<b>27,523</b>	<b>48,639</b>	<b>11,898</b>	<b>16,790</b>	<b>21,472</b>	<b>16,306</b>
<b>Financing costs</b>									
Distributions	5	213,294	125,158	17,837	18,240	5,521	4,932	1,092	708
<b>Net profit/(loss)</b>		<b>123,080</b>	<b>214,922</b>	<b>9,686</b>	<b>30,399</b>	<b>6,377</b>	<b>11,858</b>	<b>20,380</b>	<b>15,598</b>
Other comprehensive income		-	-	-	-	-	-	-	-
Items reclassified to profit or loss		-	-	-	-	-	-	-	-
<b>Change in net assets attributable to unitholders</b>	4	<b>123,080</b>	<b>214,922</b>	<b>9,686</b>	<b>30,399</b>	<b>6,377</b>	<b>11,858</b>	<b>20,380</b>	<b>15,598</b>

		MLC - Platinum Global Fund		Australian Share Growth Style Fund		Australian Share Value Style Fund		Global Share Growth Style Fund	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 Whole Dollars \$	2014 Whole Dollars \$
<b>Investment income</b>									
Dividend and distribution income	2, 9(h)	14,440	16,758	574	402	683	531	53,044	29,302
Interest income		378	358	2	2	2	3	391	459
Changes in the fair value of financial assets and liabilities at fair value through profit or loss	12	266,640	200,189	381	1,194	593	1,219	478,350	293,999
Other income		-	-	-	-	-	-	-	-
<b>Total investment income</b>		<b>281,458</b>	<b>217,305</b>	<b>957</b>	<b>1,598</b>	<b>1,278</b>	<b>1,753</b>	<b>531,785</b>	<b>323,760</b>
<b>Expenses</b>									
Responsible Entity's fees	9(e)	23,859	24,098	177	181	191	206	32,231	30,369
Performance fees		-	-	-	-	-	-	-	-
Other expenses		6	2	-	-	-	-	20	8
<b>Total operating expenses</b>		<b>23,865</b>	<b>24,100</b>	<b>177</b>	<b>181</b>	<b>191</b>	<b>206</b>	<b>32,251</b>	<b>30,377</b>
<b>Net operating profit/(loss)</b>		<b>257,593</b>	<b>193,205</b>	<b>780</b>	<b>1,417</b>	<b>1,087</b>	<b>1,547</b>	<b>499,534</b>	<b>293,383</b>
<b>Financing costs</b>									
Distributions	5	147,925	-	395	224	490	328	44,747	23,519
<b>Net profit/(loss)</b>		<b>109,668</b>	<b>193,205</b>	<b>385</b>	<b>1,193</b>	<b>597</b>	<b>1,219</b>	<b>454,787</b>	<b>269,864</b>
Other comprehensive income		-	-	-	-	-	-	-	-
Items reclassified to profit or loss		-	-	-	-	-	-	-	-
<b>Change in net assets attributable to unitholders</b>	4	<b>109,668</b>	<b>193,205</b>	<b>385</b>	<b>1,193</b>	<b>597</b>	<b>1,219</b>	<b>454,787</b>	<b>269,864</b>

The above Statements of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.

MLC MasterKey Unit Trust  
Statements of Profit or Loss and Other Comprehensive Income  
For the year ended 31 May 2015

		Global Share Value Style Fund		MLC Horizon 1 Bond Portfolio	
	Notes	2015 Whole Dollars \$	2014 Whole Dollars \$	2015 Whole Dollars \$	2014 Whole Dollars \$
<b>Investment income</b>					
Dividend and distribution income	2, 9(h)	<b>166,627</b>	159,226	<b>88,923</b>	147,948
Interest income		<b>1,324</b>	1,607	<b>817</b>	1,084
Changes in the fair value of financial assets and liabilities at fair value through profit or loss	12	<b>1,110,010</b>	1,162,626	<b>35,294</b>	32,920
Other income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total investment income</b>		<b><u>1,277,961</u></b>	<u>1,323,459</u>	<b><u>125,034</u></b>	<u>181,952</u>
<b>Expenses</b>					
Responsible Entity's fees	9(e)	<b>113,872</b>	113,905	<b>59,507</b>	75,090
Performance fees		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other expenses		<b>73</b>	87	<b>147</b>	124
<b>Total operating expenses</b>		<b><u>113,945</u></b>	<u>113,992</u>	<b><u>59,654</u></b>	<u>75,214</u>
<b>Net operating profit/(loss)</b>		<b><u>1,164,016</u></b>	<u>1,209,467</u>	<b><u>65,380</u></b>	<u>106,738</u>
<b>Financing costs</b>					
Distributions	5	<b><u>51,993</u></b>	<u>64,893</u>	<b><u>28,555</u></b>	<u>72,903</u>
<b>Net profit/(loss)</b>		<b><u>1,112,023</u></b>	<u>1,144,574</u>	<b><u>36,825</u></b>	<u>33,835</u>
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Items reclassified to profit or loss		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in net assets attributable to unitholders</b>	4	<b><u>1,112,023</u></b>	<u>1,144,574</u>	<b><u>36,825</u></b>	<u>33,835</u>

The above Statements of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.

**MLC MasterKey Unit Trust**  
**Statements of Financial Position**  
As at 31 May 2015

		MLC Horizon 7 Accelerated Growth Portfolio		MLC Horizon 6 Share Portfolio		MLC Horizon 5 Growth Portfolio		MLC Horizon 4 Balanced Portfolio	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Assets</b>									
Cash and cash equivalents	11(b)	334	86	1,797	431	2,878	733	9,165	3,038
Receivables	7	949	1	11,332	2	20,836	2	67,612	9
Financial assets designated as held at fair value through profit or loss	6,9(h)	22,475	21,587	286,046	271,223	538,807	504,238	1,723,712	1,630,074
Financial assets held for trading		-	-	-	-	-	-	-	-
<b>Total assets</b>		<b>23,758</b>	<b>21,674</b>	<b>299,175</b>	<b>271,656</b>	<b>562,521</b>	<b>504,973</b>	<b>1,800,489</b>	<b>1,633,121</b>
<b>Liabilities</b>									
Accounts payable and accrued expenses	8	29	27	372	333	693	605	2,200	1,960
Financial liabilities held for trading	10(c)	-	-	-	-	-	-	-	-
Distribution payable	8	514	-	8,345	-	15,888	-	51,864	2
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>543</b>	<b>27</b>	<b>8,717</b>	<b>333</b>	<b>16,581</b>	<b>605</b>	<b>54,064</b>	<b>1,962</b>
<b>Net assets attributable to unitholders</b>	4	<b>23,215</b>	<b>21,647</b>	<b>290,458</b>	<b>271,323</b>	<b>545,940</b>	<b>504,368</b>	<b>1,746,425</b>	<b>1,631,159</b>

		MLC Horizon 3 Conservative Growth Portfolio		MLC Horizon 2 Income Portfolio		Cash Fund		Property Securities Fund	
	Notes	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Assets</b>									
Cash and cash equivalents	11(b)	3,894	2,323	1,332	560	19,075	20,839	1,170	704
Receivables	7	21,510	3	2,944	2	50	59	1,359	2
Financial assets designated as held at fair value through profit or loss	6,9(h)	764,976	647,987	151,593	165,504	67,324	77,365	113,680	106,162
Financial assets held for trading		-	-	-	-	-	-	-	-
<b>Total assets</b>		<b>790,380</b>	<b>650,313</b>	<b>155,869</b>	<b>166,066</b>	<b>86,449</b>	<b>98,263</b>	<b>116,209</b>	<b>106,868</b>
<b>Liabilities</b>									
Accounts payable and accrued expenses	8	950	781	159	169	84	72	126	121
Financial liabilities held for trading	10(c)	-	-	-	-	-	-	-	-
Distribution payable	8	16,366	-	1,977	-	297	18	1,220	-
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>17,316</b>	<b>781</b>	<b>2,136</b>	<b>169</b>	<b>381</b>	<b>90</b>	<b>1,346</b>	<b>121</b>
<b>Net assets attributable to unitholders</b>	4	<b>773,064</b>	<b>649,532</b>	<b>153,733</b>	<b>165,897</b>	<b>86,068</b>	<b>98,173</b>	<b>114,863</b>	<b>106,747</b>

The above Statements of Financial Position are to be read in conjunction with the accompanying notes.

**MLC MasterKey Unit Trust**  
**Statements of Financial Position**  
As at 31 May 2015

		<b>IncomeBuilder</b>		<b>Share Index Fund</b>		<b>Australian Share Fund</b>		<b>Global Share Fund</b>	
	Notes	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
<b>Assets</b>									
Cash and cash equivalents	11(b)	<b>46,223</b>	24,944	<b>5,809</b>	1,102	<b>1,806</b>	962	<b>462</b>	265
Receivables	7	<b>21,775</b>	37,422	<b>5,636</b>	2	<b>4,670</b>	2	<b>2,183</b>	1
Financial assets designated as held at fair value through profit or loss	6,9(h)	<b>2,678,149</b>	2,448,708	<b>332,705</b>	352,765	<b>123,538</b>	139,743	<b>100,048</b>	92,183
Financial assets held for trading		-	-	-	-	-	-	-	-
<b>Total assets</b>		<b><u>2,746,147</u></b>	<u>2,511,074</u>	<b><u>344,150</u></b>	<u>353,869</u>	<b><u>130,014</u></b>	<u>140,707</u>	<b><u>102,693</u></b>	<u>92,449</u>
<b>Liabilities</b>									
Accounts payable and accrued expenses	8	<b>4,572</b>	15,709	<b>356</b>	366	<b>165</b>	182	<b>152</b>	140
Financial liabilities held for trading	10(c)	-	-	-	-	-	-	-	-
Distribution payable	8	<b>161,171</b>	-	<b>12,098</b>	-	<b>4,076</b>	-	<b>1,092</b>	1
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b><u>165,743</u></b>	<u>15,709</u>	<b><u>12,454</u></b>	<u>366</u>	<b><u>4,241</u></b>	<u>182</u>	<b><u>1,244</u></b>	<u>141</u>
<b>Net assets attributable to unitholders</b>	4	<b><u>2,580,404</u></b>	<u>2,495,365</u>	<b><u>331,696</u></b>	<u>353,503</u>	<b><u>125,773</u></b>	<u>140,525</u>	<b><u>101,449</u></b>	<u>92,308</u>
		<b>MLC - Platinum Global Fund</b>		<b>Australian Share Growth Style Fund</b>		<b>Australian Share Value Style Fund</b>		<b>Global Share Growth Style Fund</b>	
	Notes	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 Whole Dollars \$</b>	<b>2014 Whole Dollars \$</b>
<b>Assets</b>									
Cash and cash equivalents	11(b)	<b>76,468</b>	72,075	<b>152</b>	105	<b>207</b>	129	<b>35,799</b>	21,271
Receivables	7	<b>8,039</b>	15,931	<b>331</b>	1	<b>416</b>	1	<b>53,159</b>	108
Financial assets designated as held at fair value through profit or loss	6,9(h)	<b>1,062,092</b>	995,805	<b>10,134</b>	10,599	<b>10,774</b>	11,883	<b>2,050,773</b>	1,882,422
Financial assets held for trading	10(c)	<b>71,663</b>	3,629	-	-	-	-	-	-
<b>Total assets</b>		<b><u>1,218,262</u></b>	<u>1,087,440</u>	<b><u>10,617</u></b>	<u>10,705</u>	<b><u>11,397</u></b>	<u>12,013</u>	<b><u>2,139,731</u></b>	<u>1,903,801</u>
<b>Liabilities</b>									
Accounts payable and accrued expenses	8	<b>5,541</b>	9,573	<b>15</b>	20	<b>15</b>	17	<b>2,922</b>	13,466
Financial liabilities held for trading	10(c)	<b>5,267</b>	3,609	-	-	-	-	-	-
Distribution payable	8	<b>147,925</b>	-	<b>280</b>	-	<b>361</b>	-	<b>44,747</b>	-
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b><u>158,733</u></b>	<u>13,182</u>	<b><u>295</u></b>	<u>20</u>	<b><u>376</u></b>	<u>17</u>	<b><u>47,669</u></b>	<u>13,466</u>
<b>Net assets attributable to unitholders</b>	4	<b><u>1,059,529</u></b>	<u>1,074,258</u>	<b><u>10,322</u></b>	<u>10,685</u>	<b><u>11,021</u></b>	<u>11,996</u>	<b><u>2,092,062</u></b>	<u>1,890,335</u>

The above Statements of Financial Position are to be read in conjunction with the accompanying notes.

**MLC MasterKey Unit Trust**  
**Statements of Financial Position**  
As at 31 May 2015

		<b>Global Share Value Style Fund</b>		<b>MLC Horizon 1 Bond Portfolio</b>	
	Notes	<b>2015 Whole Dollars \$</b>	2014 Whole Dollars \$	<b>2015 Whole Dollars \$</b>	2014 Whole Dollars \$
<b>Assets</b>					
Cash and cash equivalents	11(b)	<b>79,317</b>	70,241	<b>30,007</b>	39,109
Receivables	7	<b>167,018</b>	366	<b>21,148</b>	312
Financial assets designated as held at fair value through profit or loss	6,9(h)	<b>7,343,863</b>	7,068,854	<b>3,384,337</b>	4,516,822
Financial assets held for trading		-	-	-	-
<b>Total assets</b>		<b><u>7,590,198</u></b>	<u>7,139,461</u>	<b><u>3,435,492</u></b>	<u>4,556,243</u>
<b>Liabilities</b>					
Accounts payable and accrued expenses	8	<b>10,528</b>	12,342	<b>4,363</b>	5,600
Financial liabilities held for trading	10(c)	-	-	-	-
Distribution payable	8	<b>51,993</b>	62	<b>11,532</b>	3
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b><u>62,521</u></b>	<u>12,404</u>	<b><u>15,895</u></b>	<u>5,603</u>
<b>Net assets attributable to unitholders</b>	4	<b><u>7,527,677</u></b>	<u>7,127,057</u>	<b><u>3,419,597</u></b>	<u>4,550,640</u>

The above Statements of Financial Position are to be read in conjunction with the accompanying notes.

**MLC MasterKey Unit Trust**  
**Statements of Changes in Net Assets Attributable to Unitholders**  
**For the year ended 31 May 2015**

	<b>MLC Horizon 7 Accelerated Growth Portfolio</b>		<b>MLC Horizon 6 Share Portfolio</b>		<b>MLC Horizon 5 Growth Portfolio</b>		<b>MLC Horizon 4 Balanced Portfolio</b>	
	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
<b>Net assets attributable to unitholders at the beginning of the financial year</b>	<b>21,647</b>	20,771	<b>271,323</b>	243,818	<b>504,368</b>	463,298	<b>1,631,159</b>	1,453,663
Change in net assets attributable to unitholders	<b>3,495</b>	3,504	<b>33,266</b>	32,231	<b>51,893</b>	50,117	<b>135,861</b>	134,390
Applications for units	<b>1,323</b>	1,534	<b>15,828</b>	25,620	<b>21,861</b>	38,005	<b>145,954</b>	144,927
Redemptions of units	<b>(3,250)</b>	(4,162)	<b>(29,959)</b>	(30,346)	<b>(32,182)</b>	(47,052)	<b>(166,549)</b>	(101,821)
<b>Net assets attributable to unitholders at the end of the financial year</b>	<b>23,215</b>	21,647	<b>290,458</b>	271,323	<b>545,940</b>	504,368	<b>1,746,425</b>	1,631,159
	<b>MLC Horizon 3 Conservative Growth Portfolio</b>		<b>MLC Horizon 2 Income Portfolio</b>		<b>Cash Fund</b>		<b>Property Securities Fund</b>	
	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
<b>Net assets attributable to unitholders at the beginning of the financial year</b>	<b>649,532</b>	515,158	<b>165,897</b>	178,839	<b>98,173</b>	106,989	<b>106,747</b>	119,233
Change in net assets attributable to unitholders	<b>48,339</b>	37,961	<b>8,547</b>	5,622	<b>(33)</b>	-	<b>22,299</b>	705
Applications for units	<b>108,453</b>	132,488	<b>10,243</b>	13,627	<b>182,844</b>	200,705	<b>3,374</b>	3,563
Redemptions of units	<b>(33,260)</b>	(36,075)	<b>(30,954)</b>	(32,191)	<b>(194,916)</b>	(209,521)	<b>(17,557)</b>	(16,754)
<b>Net assets attributable to unitholders at the end of the financial year</b>	<b>773,064</b>	649,532	<b>153,733</b>	165,897	<b>86,068</b>	98,173	<b>114,863</b>	106,747
	<b>IncomeBuilder</b>		<b>Share Index Fund</b>		<b>Australian Share Fund</b>		<b>Global Share Fund</b>	
	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
<b>Net assets attributable to unitholders at the beginning of the financial year</b>	<b>2,495,365</b>	2,247,054	<b>353,503</b>	344,960	<b>140,525</b>	144,666	<b>92,308</b>	90,746
Change in net assets attributable to unitholders	<b>123,080</b>	214,922	<b>9,686</b>	30,399	<b>6,377</b>	11,858	<b>20,380</b>	15,598
Applications for units	<b>207,266</b>	249,788	<b>14,162</b>	25,197	<b>3,037</b>	6,382	<b>1,510</b>	2,410
Redemptions of units	<b>(245,307)</b>	(216,399)	<b>(45,655)</b>	(47,053)	<b>(24,166)</b>	(22,381)	<b>(12,749)</b>	(16,446)
<b>Net assets attributable to unitholders at the end of the financial year</b>	<b>2,580,404</b>	2,495,365	<b>331,696</b>	353,503	<b>125,773</b>	140,525	<b>101,449</b>	92,308

The above Statements of Changes in Net Assets Attributable to Unitholders are to be read in conjunction with the accompanying notes.

**MLC MasterKey Unit Trust**  
**Statements of Changes in Net Assets Attributable to Unitholders**  
**For the year ended 31 May 2015**

	<b>MLC - Platinum Global Fund</b>		<b>Australian Share Growth Style Fund</b>		<b>Australian Share Value Style Fund</b>		<b>Global Share Growth Style Fund</b>	
	<b>2015</b>	2014	<b>2015</b>	2014	<b>2015</b>	2014	<b>2015</b>	2014
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>Whole Dollars \$</b>	Whole Dollars \$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>	<b>1,074,258</b>	1,020,709	<b>10,685</b>	10,319	<b>11,996</b>	12,224	<b>1,890,335</b>	1,739,393
Change in net assets attributable to unitholders	<b>109,668</b>	193,205	<b>385</b>	1,193	<b>597</b>	1,219	<b>454,787</b>	269,864
Applications for units	<b>24,892</b>	13,256	<b>304</b>	355	<b>381</b>	385	<b>220,163</b>	153,026
Redemptions of units	<b>(149,289)</b>	(152,912)	<b>(1,052)</b>	(1,182)	<b>(1,953)</b>	(1,832)	<b>(473,223)</b>	(271,948)
<b>Net assets attributable to unitholders at the end of the financial year</b>	<b>1,059,529</b>	1,074,258	<b>10,322</b>	10,685	<b>11,021</b>	11,996	<b>2,092,062</b>	1,890,335
	<b>Global Share Value Style Fund</b>		<b>MLC Horizon 1 Bond Portfolio</b>					
	<b>2015</b>	2014	<b>2015</b>	2014				
	<b>Whole Dollars \$</b>	Whole Dollars \$	<b>Whole Dollars \$</b>	Whole Dollars \$				
<b>Net assets attributable to unitholders at the beginning of the financial year</b>	<b>7,127,057</b>	6,836,835	<b>4,550,640</b>	5,460,324				
Change in net assets attributable to unitholders	<b>1,112,023</b>	1,144,574	<b>36,825</b>	33,835				
Applications for units	<b>249,884</b>	335,832	<b>600,347</b>	702,452				
Redemptions of units	<b>(961,287)</b>	(1,190,184)	<b>(1,768,215)</b>	(1,645,971)				
<b>Net assets attributable to unitholders at the end of the financial year</b>	<b>7,527,677</b>	7,127,057	<b>3,419,597</b>	4,550,640				

The above Statements of Changes in Net Assets Attributable to Unitholders are to be read in conjunction with the accompanying notes.



**MLC MasterKey Unit Trust**  
**Statements of Cash Flows**  
**For the year ended 31 May 2015**

		<b>MLC Horizon 7 Accelerated Growth Portfolio</b>		<b>MLC Horizon 6 Share Portfolio</b>		<b>MLC Horizon 5 Growth Portfolio</b>		<b>MLC Horizon 4 Balanced Portfolio</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	Notes	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>									
Dividends and distribution income received		-	-	-	56	-	106	-	338
Interest received		4	4	18	22	34	44	102	103
Responsible Entity's fees paid		(358)	(339)	(4,347)	(3,907)	(8,078)	(7,380)	(25,609)	(23,167)
Performance fees paid		-	-	(6)	(8)	(11)	(16)	(39)	(51)
Payment of other expenses		-	-	-	-	-	-	-	-
<b>Net cash provided by/(used in) operating activities</b>	11(a)	<b>(354)</b>	<b>(335)</b>	<b>(4,335)</b>	<b>(3,837)</b>	<b>(8,055)</b>	<b>(7,246)</b>	<b>(25,546)</b>	<b>(22,777)</b>
<b>Cash flows from investing activities</b>									
Proceeds from sale of investments		2,699	3,300	30,732	31,917	49,685	79,089	205,875	257,154
Purchases of investments		(170)	(100)	(10,900)	(18,756)	(28,305)	(54,565)	(148,690)	(248,738)
<b>Net cash provided by/(used in) investing activities</b>		<b>2,529</b>	<b>3,200</b>	<b>19,832</b>	<b>13,161</b>	<b>21,380</b>	<b>24,524</b>	<b>57,185</b>	<b>8,416</b>
<b>Cash flows from financing activities</b>									
Applications received		1,323	1,311	15,828	21,696	21,065	30,246	141,574	120,622
Redemptions paid		(3,250)	(4,162)	(29,959)	(30,346)	(32,182)	(47,052)	(166,549)	(101,821)
Distributions paid		-	(49)	-	(410)	(63)	(648)	(537)	(3,251)
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,927)</b>	<b>(2,900)</b>	<b>(14,131)</b>	<b>(9,060)</b>	<b>(11,180)</b>	<b>(17,454)</b>	<b>(25,512)</b>	<b>15,550</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>248</b>	<b>(35)</b>	<b>1,366</b>	<b>264</b>	<b>2,145</b>	<b>(176)</b>	<b>6,127</b>	<b>1,189</b>
Cash and cash equivalents at the beginning of the financial year		86	121	431	167	733	909	3,038	1,849
Effects of exchange rate changes on cash		-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	11(b)	<b>334</b>	<b>86</b>	<b>1,797</b>	<b>431</b>	<b>2,878</b>	<b>733</b>	<b>9,165</b>	<b>3,038</b>

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

**MLC MasterKey Unit Trust**  
**Statements of Cash Flows**  
For the year ended 31 May 2015

		<b>MLC Horizon 3 Conservative Growth Portfolio</b>		<b>MLC Horizon 2 Income Portfolio</b>		<b>Cash Fund</b>		<b>Property Securities Fund</b>	
		<b>2015</b>	2014	<b>2015</b>	2014	<b>2015</b>	2014	<b>2015</b>	2014
	Notes	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>									
Dividends and distribution income received		-	122	-	-	-	-	-	-
Interest received		52	61	14	16	2,397	2,825	10	11
Responsible Entity's fees paid		(10,850)	(8,660)	(2,083)	(2,149)	(977)	(1,071)	(1,600)	(1,545)
Performance fees paid		(16)	(18)	-	-	-	-	-	-
Payment of other expenses		-	-	(1)	-	(1)	-	(1)	-
<b>Net cash provided by/(used in) operating activities</b>	11(a)	<b>(10,814)</b>	(8,495)	<b>(2,070)</b>	(2,133)	<b>1,419</b>	1,754	<b>(1,591)</b>	(1,534)
<b>Cash flows from investing activities</b>									
Proceeds from sale of investments		43,898	93,636	29,525	54,457	294,462	224,786	19,350	18,420
Purchases of investments		(104,776)	(171,743)	(4,739)	(31,830)	(284,422)	(214,310)	(201)	-
<b>Net cash provided by/(used in) investing activities</b>		<b>(60,878)</b>	(78,107)	<b>24,786</b>	22,627	<b>10,040</b>	10,476	<b>19,149</b>	18,420
<b>Cash flows from financing activities</b>									
Applications received		106,629	123,591	9,421	11,850	181,817	199,184	1,652	1,461
Redemptions paid		(33,260)	(36,075)	(30,954)	(32,191)	(194,916)	(209,521)	(17,557)	(16,754)
Distributions paid		(106)	(613)	(411)	(958)	(124)	(168)	(1,187)	(1,482)
<b>Net cash provided by/(used in) financing activities</b>		<b>73,263</b>	86,903	<b>(21,944)</b>	(21,299)	<b>(13,223)</b>	(10,505)	<b>(17,092)</b>	(16,775)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,571</b>	301	<b>772</b>	(805)	<b>(1,764)</b>	1,725	<b>466</b>	111
Cash and cash equivalents at the beginning of the financial year		2,323	2,022	560	1,365	20,839	19,114	704	593
Effects of exchange rate changes on cash		-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	11(b)	<b>3,894</b>	2,323	<b>1,332</b>	560	<b>19,075</b>	20,839	<b>1,170</b>	704

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

**MLC MasterKey Unit Trust**  
**Statements of Cash Flows**  
**For the year ended 31 May 2015**

		<b>IncomeBuilder</b>		<b>Share Index Fund</b>		<b>Australian Share Fund</b>		<b>Global Share Fund</b>	
		<b>2015</b>	2014	<b>2015</b>	2014	<b>2015</b>	2014	<b>2015</b>	2014
	Notes	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>									
Dividend and distribution income received		<b>123,665</b>	114,475	-	-	-	-	-	-
Interest received		<b>3,221</b>	3,486	<b>17</b>	20	<b>11</b>	13	<b>6</b>	7
Responsible Entity's fees paid		<b>(49,023)</b>	(44,150)	<b>(4,464)</b>	(4,390)	<b>(2,224)</b>	(2,391)	<b>(1,530)</b>	(1,534)
Performance fees paid		-	-	-	-	-	-	-	-
Payment of other expenses		-	-	<b>(1)</b>	-	-	-	-	-
<b>Net cash provided by/(used in) operating activities</b>	11(a)	<b>77,863</b>	73,811	<b>(4,448)</b>	(4,370)	<b>(2,213)</b>	(2,378)	<b>(1,524)</b>	(1,527)
<b>Cash flows from investing activities</b>									
Proceeds from sale of investments		<b>735,583</b>	478,637	<b>46,387</b>	45,310	<b>25,630</b>	23,539	<b>13,480</b>	16,120
Purchases of investments		<b>(702,003)</b>	(484,994)	-	(500)	-	-	<b>(520)</b>	-
<b>Net cash provided by/(used in) investing activities</b>		<b>33,580</b>	(6,357)	<b>46,387</b>	44,810	<b>25,630</b>	23,539	<b>12,960</b>	16,120
<b>Cash flows from financing activities</b>									
Applications received		<b>161,831</b>	138,444	<b>10,820</b>	14,752	<b>1,963</b>	2,684	<b>1,510</b>	1,795
Redemptions paid		<b>(245,307)</b>	(216,399)	<b>(45,655)</b>	(47,053)	<b>(24,166)</b>	(22,381)	<b>(12,749)</b>	(16,446)
Distributions paid		<b>(6,688)</b>	(13,814)	<b>(2,397)</b>	(7,795)	<b>(370)</b>	(1,234)	-	(93)
<b>Net cash provided by/(used in) financing activities</b>		<b>(90,164)</b>	(91,769)	<b>(37,232)</b>	(40,096)	<b>(22,573)</b>	(20,931)	<b>(11,239)</b>	(14,744)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>21,279</b>	(24,315)	<b>4,707</b>	344	<b>844</b>	230	<b>197</b>	(151)
Cash and cash equivalents at the beginning of the financial year		<b>24,944</b>	49,259	<b>1,102</b>	758	<b>962</b>	732	<b>265</b>	416
Effects of exchange rate changes on cash		-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	11(b)	<b>46,223</b>	24,944	<b>5,809</b>	1,102	<b>1,806</b>	962	<b>462</b>	265

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

**MLC MasterKey Unit Trust**  
**Statements of Cash Flows**  
**For the year ended 31 May 2015**

		<b>MLC - Platinum Global Fund</b>		<b>Australian Share Growth Style Fund</b>		<b>Australian Share Value Style Fund</b>		<b>Global Share Growth Style Fund</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>Whole Dollars \$</b>	<b>Whole Dollars \$</b>
<b>Cash flows from operating activities</b>									
Dividends and distribution income received		<b>14,781</b>	16,300	-	-	-	-	-	-
Interest received		<b>385</b>	364	<b>2</b>	3	<b>2</b>	3	<b>384</b>	450
Responsible Entity's fees paid		<b>(23,987)</b>	(23,288)	<b>(182)</b>	(172)	<b>(192)</b>	(203)	<b>(42,780)</b>	(18,569)
Performance fees paid		-	-	-	-	-	-	-	-
Payment of other expenses		<b>(6)</b>	-	-	-	-	-	<b>(16)</b>	(17)
<b>Net cash provided by/(used in) operating activities</b>	11(a)	<b>(8,827)</b>	(6,624)	<b>(180)</b>	(169)	<b>(190)</b>	(200)	<b>(42,412)</b>	(18,136)
<b>Cash flows from investing activities</b>									
Proceeds from sale of investments		<b>591,755</b>	757,926	<b>1,089</b>	1,230	<b>2,210</b>	1,980	<b>465,000</b>	265,000
Purchases of investments		<b>(455,632)</b>	(589,091)	-	(20)	<b>(240)</b>	-	<b>(155,000)</b>	(107,000)
<b>Net cash provided by/(used in) investing activities</b>		<b>136,123</b>	168,835	<b>1,089</b>	1,210	<b>1,970</b>	1,980	<b>310,000</b>	158,000
<b>Cash flows from financing activities</b>									
Applications received		<b>24,892</b>	13,256	<b>211</b>	171	<b>285</b>	144	<b>220,163</b>	134,547
Redemptions paid		<b>(149,289)</b>	(152,912)	<b>(1,052)</b>	(1,182)	<b>(1,953)</b>	(1,832)	<b>(473,223)</b>	(271,948)
Distributions paid		-	-	<b>(21)</b>	(40)	<b>(34)</b>	(87)	-	(5,040)
<b>Net cash provided by/(used in) financing activities</b>		<b>(124,397)</b>	(139,656)	<b>(862)</b>	(1,051)	<b>(1,702)</b>	(1,775)	<b>(253,060)</b>	(142,441)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,899</b>	22,555	<b>47</b>	(10)	<b>78</b>	5	<b>14,528</b>	(2,577)
Cash and cash equivalents at the beginning of the financial year		<b>72,075</b>	50,967	<b>105</b>	115	<b>129</b>	124	<b>21,271</b>	23,848
Effects of exchange rate changes on cash		<b>1,494</b>	(1,447)	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	11(b)	<b>76,468</b>	72,075	<b>152</b>	105	<b>207</b>	129	<b>35,799</b>	21,271

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

**MLC MasterKey Unit Trust**  
**Statements of Cash Flows**  
For the year ended 31 May 2015

		<b>Global Share Value Style Fund</b>		<b>MLC Horizon 1 Bond Portfolio</b>	
	Notes	<b>2015 Whole Dollars \$</b>	<b>2014 Whole Dollars \$</b>	<b>2015 Whole Dollars \$</b>	<b>2014 Whole Dollars \$</b>
<b>Cash flows from operating activities</b>					
Dividends and distribution income received		-	-	-	-
Interest received		<b>1,299</b>	1,584	<b>812</b>	1,077
Responsible Entity's fees paid		<b>(115,715)</b>	(108,766)	<b>(60,746)</b>	(74,363)
Performance fees paid		-	-	-	-
Payment of other expenses		<b>(104)</b>	(58)	<b>(147)</b>	(135)
<b>Net cash provided by/(used in) operating activities</b>	11(a)	<b>(114,520)</b>	(107,240)	<b>(60,081)</b>	(73,421)
<b>Cash flows from investing activities</b>					
Proceeds from sale of investments		<b>834,999</b>	1,075,000	<b>1,917,869</b>	1,588,000
Purchases of investments		-	(50,000)	<b>(682,000)</b>	(518,000)
<b>Net cash provided by/(used in) investing activities</b>		<b>834,999</b>	1,025,000	<b>1,235,869</b>	1,070,000
<b>Cash flows from financing activities</b>					
Applications received		<b>249,884</b>	295,074	<b>586,576</b>	643,165
Redemptions paid		<b>(961,287)</b>	(1,190,184)	<b>(1,768,215)</b>	(1,645,971)
Distributions paid		-	(24,135)	<b>(3,251)</b>	(13,617)
<b>Net cash provided by/(used in) financing activities</b>		<b>(711,403)</b>	(919,245)	<b>(1,184,890)</b>	(1,016,423)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9,076</b>	(1,485)	<b>(9,102)</b>	(19,844)
Cash and cash equivalents at the beginning of the financial year		<b>70,241</b>	71,726	<b>39,109</b>	58,953
Effects of exchange rate changes on cash		-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	11(b)	<b>79,317</b>	70,241	<b>30,007</b>	39,109

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial report of the Schemes for the financial year ended 31 May 2015 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 22 July 2015.

### (a) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

### (b) Basis of preparation

The Schemes' financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on the basis of historical costs, except for financial assets and financial liabilities held at fair value and held for trading, that have been measured at fair value.

The Statements of Financial Position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets and liabilities at fair value and net assets attributable to unitholders.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The financial statements are presented in Australian Dollars, and all values are rounded to the nearest \$'000 except where otherwise indicated.

### (c) Basis of consolidation

The Schemes are investment entities and, as such, do not consolidate any entities subject to their control. Instead, interests in controlled entities are classified at fair value through profit or loss, and measured at fair value. The Schemes do not hold a controlling interest in any of their underlying investments and therefore are not required to provide additional disclosures.

### (d) Unit prices

The unit price for the units of the Schemes is calculated as at the close of business on each business day.

### (e) Terms and conditions on units

Each unit issued confers upon the unitholders of each Scheme an equal interest in the Scheme, and is of equal value. A unit does not confer any interest in any particular asset or investment of each Scheme. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- (i) have their units redeemed;
- (ii) receive income distributions;
- (iii) attend and vote at meetings of unitholders; and
- (iv) participate in the termination and winding up of the Scheme.

The rights, obligations and restrictions attached to any unit of a Scheme are identical in all respects.

### (f) Financial assets and liabilities held at fair value through profit or loss

The Schemes have classified all of their investments as designated at fair value through profit or loss except derivatives which are held for trading for risk management purposes. Securities designated as at fair value through profit or loss are initially recognised at fair value.

Investments are valued at their fair value as at reporting date. Gains and losses arising from changes in the fair value of the financial assets designated as held at fair value through profit or loss are included in the Statements of Profit or Loss and Other Comprehensive Income in the period in which they arise.

### (g) Financial assets/liabilities held for trading

Derivative financial instruments are categorised for accounting purposes as held for trading, as the Schemes do not designate any derivatives as hedges in a hedging relationship. Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value with movements taken to the Statements of Profit or Loss and Other Comprehensive Income. Fair values are obtained from quoted market prices in active markets and valuation techniques, including discounted cash flow models and options pricing models. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

#### (i) Futures contracts

Futures contracts are contractual obligations to buy or sell financial instruments on a future date at a specified price established on an organised market. Futures contracts are collateralised by cash and cash equivalents or by other assets ("initial margin"). Subsequent payments, known as "variation margin," are made or received by the Scheme each day, depending on the daily fluctuations in the fair value of the underlying security. The futures contracts are marked to market daily.

#### (ii) Foreign Exchange Forward Contracts

The value of a foreign exchange forward contract (forward) fluctuates with changes in currency exchange rates. The forward is marked to market daily.

#### (iii) Options

The current fair value of an option listed on a traded exchange is valued at the last sale price. In the case of domestic options, if the bid price is greater than the last sale price, it is valued at the bid price. If the ask price is less than the last sale price, it is valued at the ask price.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) Fair value measurement**

Assets and liabilities measured at fair value in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement in its entirety as detailed below:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(i) Significant accounting judgements, estimates, or assumptions**

The Schemes may make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements.

*Estimates and assumptions*

Estimates are continually evaluated and based on historical experience, available information and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Fair value of financial assets and liabilities held through profit or loss*

Fair value is the price that would be received from disposing an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date.

The Schemes measure investments in financial assets and financial liabilities at fair value through profit or loss. Management applies judgement in selecting valuation techniques where there is no market price available for an instrument. Further details on the determination of fair values of financial instruments is set out in Note 10(g).

*Fair value of financial assets held for trading*

The Schemes have assessed the impact of credit value adjustments to their derivative positions to comply with the requirements of AASB 13, and concluded that there are no adjustments to the valuation of derivatives.

*Judgements*

(i) The Schemes meet the definition criteria of an investment entity under AASB 10 and therefore are required to measure their interests in controlled entities at fair value through profit or loss. The criteria which define an investment entity are as follows:

(a) An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;

(b) An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and

(c) An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

(ii) The Schemes have assessed whether their investments in unlisted managed investment schemes should be classified as structured entities. A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. The Schemes have considered the voting rights and other similar rights and concluded on whether these rights are the dominant factor in determining control. The Schemes have concluded that their investments in unlisted managed investment schemes meet the definition of structured entities as the voting rights of these unlisted managed investment schemes are not substantive in nature.

**(j) Cash and cash equivalents**

Cash and cash equivalents in the Statements of Financial Position comprise cash at bank, demand deposits, futures margin, short term deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, such as units held in a cash trust.

**(k) Receivables**

Receivables may include amounts for dividends, interest, distributions, outstanding settlements and other income and are measured initially at fair value plus transaction costs. Amounts are generally received within 30 days of being recorded as receivable. Given the short-term nature of most receivables, the recoverable amount approximates fair value.

**(l) Accounts payable and accrued expenses**

Payables include outstanding settlements and accrued expenses owing by the Schemes which are unpaid as at balance date. They are measured initially at fair value plus transaction costs. Given the short-term nature of most payables, the nominal amount payable approximates fair value.

**(m) Foreign currency transactions**

Transactions during the year denominated in foreign currency have been translated at the exchange rate prevailing at the transaction date. Overseas investments and monetary items held, together with any accrued income, are translated at the exchange rate prevailing at the year end.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in the Statements of Profit or Loss and Other Comprehensive Income as part of the 'Changes in the fair value of financial assets and liabilities at fair value through profit or loss'.

**(n) Income and expenses**

Revenue is brought to account on an accrual basis except where otherwise stated.

Dividend and distribution income, from listed securities and unlisted managed investment schemes, are recognised on the date the shares or trust units are quoted ex dividend/distribution. Income on fixed interest securities and money market securities is recognised on an ex interest accrual basis.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(n) Income and expenses (continued)**

In the Cash Fund, interest income on discount securities is brought to account on a straight line basis and is derived from interest earned and amortised premium or discount to face value on investments.

Changes in the fair value of investments are recognised as income and are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or cost (if the investment was acquired during the year).

Expenses are brought to account on an accrual basis.

The Responsible Entity is entitled to receive a fee, calculated in accordance with the Schemes' Constitutions, for the provision of management services to the Schemes. The Responsible Entity is entitled to be reimbursed, under the Schemes' Constitutions, for certain expenses incurred in administering the Schemes. The amount reimbursed has been calculated in accordance with the Schemes' Constitutions.

In some Schemes, the Responsible Entity pays rebates to the Schemes to reduce the effect of the management fee paid indirectly via the Schemes' investments in the JANA Corporate Investment Trust.

Performance fees are incurred or paid by the MLC Horizon 4 Balanced Portfolio, MLC Horizon 3 Conservative Growth Portfolio, MLC Horizon 5 Growth Portfolio and the MLC Horizon 6 Share Portfolio for their investment allocations into the Low Correlation Strategy Trust, as outlined in the Product Disclosure Statement.

Other expenses also include government duties and bank interest expense. Auditors' remuneration has not been charged against the Schemes' income as this cost is borne by the Responsible Entity.

**(o) Transfers to/from net assets attributable to unitholders**

Unrealised gains and losses arising on movements in the fair value of assets, unrealised foreign currency movements on other assets, accrued dividends and interest not yet payable to the Schemes are transferred to net assets attributable to unitholders. They are included in the determination of distributable income when assessable for taxation purposes. The taxable portion of realised capital gains is included in distributable income (net of any realised capital losses) by transfer from net assets attributable to unitholders. Non assessable income and net capital losses carried forward are also reflected as movements against components of net assets attributable to unitholders for the current financial year.

**(p) Taxation**

Under current legislation the Schemes are not subject to income tax as unitholders are presently entitled to the taxable income (including assessable realised net capital gains), which is distributed each year.

The unit price is based upon fair values of underlying assets and thus may include a share of unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed.

Net realised capital losses are not distributed to unitholders, but are retained to be offset against any future realised capital gains. Where realised assessable capital gains exceed realised capital losses, the excess is distributed to unitholders as assessable income for taxation purposes.

**(q) Distributions to unitholders**

The income of the Schemes is accumulated and reinvested or paid to unitholders on the last Sunday of August, November, February and May, except for the MLC Horizon 7 Accelerated Growth Portfolio, MLC Horizon 6 Share Portfolio, Global Share Fund, MLC - Platinum Global Fund, Global Share Growth Style Fund and Global Share Value Style Fund which reinvested or paid income to unitholders on the last Sunday of May only.

Undistributed income/(loss) includes income earned and expenses not yet paid since the last distribution date to 31 May 2015 and realised capital losses which are retained to offset future realised capital gains. These are not distributed but held for distributions in future periods.

Distributable income does not include unrealised gains and losses arising on movements in the fair value of investments; as such, unrealised gains and losses are transferred to net assets attributable to unitholders and are not assessable or distributable until realised.

The Cash Fund's income distributions are based on an interest rate determined daily, and expressed as an annual rate for the distribution period.

The remaining Schemes express distributions as cents per unit for the distribution period.

**(r) Goods and services tax**

Responsible Entity fees and other expenses are recognised net of the amount of goods and services tax ('GST') recoverable from the Australian Taxation Office ('ATO') as a reduced input tax credit ('RITC').

Creditors and accruals are stated with the amount of GST included.

The net amount of GST recoverable from the ATO is included in payables in the Statements of Financial Position.

**(s) Derecognition of financial instruments**

The derecognition of financial instruments takes place when the Schemes no longer control the contractual rights of a financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

**(t) Capital management**

The Responsible Entity manages its net assets attributable to unitholders as capital (refer note 4), notwithstanding that net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Schemes are subject to daily applications and redemptions at the discretion of unitholders.

The Responsible Entity monitors the level of applications and redemptions relative to the liquid assets in the Schemes.

In order to maintain or adjust the capital structure, the Responsible Entity may return capital to unitholders. The Schemes do not have any externally imposed capital requirements.



## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (u) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities due to mandatory distributions. The units can be put back to the Schemes at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to put the units back to the Schemes.

### (v) Application of accounting standards

#### *Changes in Accounting Policy*

Since 1 June 2014, the Schemes have adopted the following mandatory new and amended Australian Accounting Standards:

*AASB 1053 Application of Tiers of Australian Accounting Standards, and 'AASB 2012-3 Amendments to Australian Accounting Standard – Offsetting*

The adoption of the above mandatory new and amended accounting standards is not considered to have had a material impact on the financial statements.

#### Australian Accounting Standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Schemes for the annual reporting period ended 31 May 2015. The impact of these standards and interpretations has been assessed, to the extent applicable to the Schemes and are discussed below.

#### *AASB 9 Financial Instruments*

This standard makes changes to the way financial assets are classified for the purpose of determining their measurement basis. AASB 9 applies to annual reporting periods beginning on or after 1 January 2018 and will therefore apply to the Schemes from 1 June 2018. The Schemes do not intend to early adopt AASB 9 as permitted by the standard. The application of the standard is not expected to change the measurement basis of any of the Schemes current financial instruments.

#### *AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception*

This Amendment to Australian Accounting Standards' provides further clarity to the exemption from consolidation of subsidiaries under AASB 10 Consolidated Financial Statement that meet the definition of investment entity. The standard is not mandatory until 1 January 2016. The impact of the amendment to the managed investment schemes is not yet determined.

## NOTE 2 - DIVIDEND AND DISTRIBUTION INCOME

The Schemes receive distribution income from their underlying investments in unlisted managed investment schemes, which is detailed in Note 9(h), except for Income Builder and Platinum Global Fund which is detailed in the table below:

	IncomeBuilder		MLC - Platinum Global Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Dividend/Scheme distribution income:</b>				
Listed equities and unit trusts	<u>124,171</u>	114,269	<u>14,440</u>	16,758
	<u>124,171</u>	114,269	<u>14,440</u>	16,758

## NOTE 3 - AUDITOR'S REMUNERATION

The audit of the Schemes' is conducted by Ernst & Young. The Responsible Entity pays the cost of the audit fees being \$11,000 for audit and review of the financial reports, and \$2,374 for Compliance Plan audits for each of the Schemes. The Cash Fund, IncomeBuilder and Platinum Global Fund receive additional assurance services from the auditor being the Specified Assertions audit for their direct investments, as stated in the table below:

	Cash Fund		IncomeBuilder		MLC - Platinum Global Fund	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
<b>Auditor of the Scheme:</b>						
Other assurance engagements	<u>1,250</u>	1,250	<u>5,750</u>	5,775	<u>3,000</u>	2,250
	<u>1,250</u>	1,250	<u>5,750</u>	5,775	<u>3,000</u>	2,250

**NOTE 4 - NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

**Movements in number of units on issue and net assets attributable to unitholders during the year:**

	MLC Horizon 7 Accelerated Growth Portfolio		MLC Horizon 6 Share Portfolio		MLC Horizon 5 Growth Portfolio		MLC Horizon 4 Balanced Portfolio	
	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000
<b>Net assets attributable to unitholders</b>								
<b>Balance at 31 May 2013</b>	20,771	24,170	243,818	289,347	463,298	425,323	1,453,663	1,153,459
Applications	1,534	1,588	25,620	27,902	38,005	32,405	144,927	108,588
Redemptions	(4,162)	(4,383)	(30,346)	(34,088)	(47,052)	(40,897)	(101,821)	(77,312)
Change in net assets attributable to unitholders	3,504	-	32,231	-	50,117	-	134,390	-
<b>Balance at 31 May 2014</b>	21,647	21,375	271,323	283,161	504,368	416,831	1,631,159	1,184,735
Applications	1,323	1,210	15,828	15,718	21,861	17,167	145,954	100,548
Redemptions	(3,250)	(2,968)	(29,959)	(29,691)	(32,182)	(25,603)	(166,549)	(117,139)
Change in net assets attributable to unitholders	3,495	-	33,266	-	51,893	-	135,861	-
<b>Balance at 31 May 2015</b>	<b>23,215</b>	<b>19,617</b>	<b>290,458</b>	<b>269,188</b>	<b>545,940</b>	<b>408,395</b>	<b>1,746,425</b>	<b>1,168,144</b>

	MLC Horizon 3 Conservative Growth Portfolio		MLC Horizon 2 Income Portfolio		Cash Fund		Property Securities Fund	
	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000
<b>Net assets attributable to unitholders</b>								
<b>Balance at 31 May 2013</b>	515,158	555,008	178,839	168,276	106,989	106,923	119,233	169,842
Applications	132,488	136,834	13,627	12,683	200,705	200,704	3,563	5,128
Redemptions	(36,075)	(37,532)	(32,191)	(29,982)	(209,521)	(209,525)	(16,754)	(24,338)
Change in net assets attributable to unitholders	37,961	-	5,622	-	-	-	705	-
<b>Balance at 31 May 2014</b>	649,532	654,310	165,897	150,977	98,173	98,102	106,747	150,632
Applications	108,453	105,350	10,243	9,037	182,844	182,844	3,374	4,151
Redemptions	(33,260)	(32,290)	(30,954)	(27,349)	(194,916)	(194,916)	(17,557)	(21,978)
Change in net assets attributable to unitholders	48,339	-	8,547	-	(33)	-	22,299	-
<b>Balance at 31 May 2015</b>	<b>773,064</b>	<b>727,370</b>	<b>153,733</b>	<b>132,665</b>	<b>86,068</b>	<b>86,030</b>	<b>114,863</b>	<b>132,805</b>

	IncomeBuilder		Share Index Fund		Australian Share Fund		Global Share Fund	
	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000
<b>Net assets attributable to unitholders</b>								
<b>Balance at 31 May 2013</b>	2,247,054	918,325	344,960	154,862	144,666	89,959	90,746	70,835
Applications	249,788	95,376	25,197	10,538	6,382	3,683	2,410	1,667
Redemptions	(216,399)	(83,646)	(47,053)	(19,794)	(22,381)	(13,171)	(16,446)	(11,105)
Change in net assets attributable to unitholders	214,922	-	30,399	-	11,858	-	15,598	-
<b>Balance at 31 May 2014</b>	2,495,365	930,055	353,503	145,606	140,525	80,471	92,308	61,397
Applications	207,266	74,032	14,162	5,760	3,037	1,710	1,510	908
Redemptions	(245,307)	(87,700)	(45,655)	(18,414)	(24,166)	(13,519)	(12,749)	(7,977)
Change in net assets attributable to unitholders	123,080	-	9,686	-	6,377	-	20,380	-
<b>Balance at 31 May 2015</b>	<b>2,580,404</b>	<b>916,387</b>	<b>331,696</b>	<b>132,952</b>	<b>125,773</b>	<b>68,662</b>	<b>101,449</b>	<b>54,328</b>

**NOTE 4 - NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)**

**Movements in number of units on issue and net assets attributable to unitholders during the year: (continued)**

	MLC - Platinum Global Fund		Australian Share Growth Style Fund		Australian Share Value Style Fund		Global Share Growth Style Fund	
	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	Whole Dollar \$	No.
<b>Net assets attributable to unitholders</b>								
<b>Balance at 31 May 2013</b>	1,020,709	618,831	10,319	9,427	12,224	13,615	1,739,393	1,700,907
Applications	13,256	7,148	355	297	385	394	153,026	128,394
Redemptions	(152,912)	(82,815)	(1,182)	(1,011)	(1,832)	(1,924)	(271,948)	(235,134)
Change in net assets attributable to unitholders	193,205	-	1,193	-	1,219	-	269,864	-
<b>Balance at 31 May 2014</b>	1,074,258	543,164	10,685	8,713	11,996	12,085	1,890,335	1,594,167
Applications	24,892	11,710	304	245	381	375	220,163	159,228
Redemptions	(149,289)	(70,131)	(1,052)	(839)	(1,953)	(1,942)	(473,223)	(354,824)
Change in net assets attributable to unitholders	109,668	-	385	-	597	-	454,787	-
<b>Balance at 31 May 2015</b>	<b>1,059,529</b>	<b>484,743</b>	<b>10,322</b>	<b>8,119</b>	<b>11,021</b>	<b>10,518</b>	<b>2,092,062</b>	<b>1,398,571</b>

	Global Share Value Style Fund		MLC Horizon 1 Bond Portfolio	
	Whole Dollars \$	No.	Whole Dollars \$	No.
<b>Net assets attributable to unitholders</b>				
<b>Balance at 31 May 2013</b>	6,836,835	7,904,365	5,460,324	5,499,304
Applications	335,832	347,341	702,452	705,038
Redemptions	(1,190,184)	(1,237,584)	(1,645,971)	(1,648,931)
Change in net assets attributable to unitholders	1,144,574	-	33,835	-
<b>Balance at 31 May 2014</b>	7,127,057	7,014,122	4,550,640	4,555,411
Applications	249,884	234,477	600,347	599,264
Redemptions	(961,287)	(908,235)	(1,768,215)	(1,762,201)
Change in net assets attributable to unitholders	1,112,023	-	36,825	-
<b>Balance at 31 May 2015</b>	<b>7,527,677</b>	<b>6,340,364</b>	<b>3,419,597</b>	<b>3,392,474</b>

All units in the Schemes are of the same class and therefore carry equal rights.

**NOTE 5 - DISTRIBUTIONS**

Distributions paid during the year by the Schemes were as follows:

	MLC Horizon 7 Accelerated Growth Portfolio		MLC Horizon 6 Share Portfolio		MLC Horizon 5 Growth Portfolio		MLC Horizon 4 Balanced Portfolio	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2015</b>								
August	-	-	-	-	83	0.02	1,655	0.14
November	-	-	-	-	734	0.18	3,031	0.26
February	-	-	-	-	43	0.01	231	0.02
May	514	2.62	8,345	3.10	15,886	3.89	51,864	4.44
	<b>514</b>	<b>2.62</b>	<b>8,345</b>	<b>3.10</b>	<b>16,746</b>	<b>4.10</b>	<b>56,781</b>	<b>4.86</b>
<b>2014</b>								
August	-	-	-	-	84	0.02	1,149	0.10
November	-	-	-	-	503	0.12	1,500	0.13
February	-	-	-	-	83	0.02	235	0.02
May	272	1.28	4,334	1.55	7,737	1.88	24,672	2.11
	<b>272</b>	<b>1.28</b>	<b>4,334</b>	<b>1.55</b>	<b>8,407</b>	<b>2.04</b>	<b>27,556</b>	<b>2.36</b>

**NOTE 5 - DISTRIBUTIONS (continued)**

Distributions paid during the year by the Schemes were as follows:

	MLC Horizon 3 Conservative Growth Portfolio		MLC Horizon 2 Income Portfolio		Cash Fund		Property Securities Fund	
	\$'000	c/unit	\$'000	c/unit	\$'000	Annualised % Rate	\$'000	c/unit
<b>2015</b>								
August	675	0.10	469	0.32	425	1.69	983	0.68
November	1,255	0.18	423	0.30	384	1.69	630	0.45
February	-	-	342	0.25	331	1.67	1,297	0.95
May	16,366	2.25	1,977	1.49	310	1.28	1,220	0.92
	<u>18,296</u>	<u>2.53</u>	<u>3,211</u>	<u>2.36</u>	<u>1,450</u>	<u>1.58</u>	<u>4,130</u>	<u>3.00</u>
<b>2014</b>								
August	684	0.12	491	0.30	498	1.90	596	0.36
November	714	0.12	365	0.23	430	1.66	338	0.21
February	253	0.04	481	0.31	384	1.59	1,777	1.14
May	7,859	1.22	1,398	0.93	377	1.59	873	0.58
	<u>9,510</u>	<u>1.50</u>	<u>2,735</u>	<u>1.77</u>	<u>1,689</u>	<u>1.69</u>	<u>3,584</u>	<u>2.29</u>
	IncomeBuilder		Share Index Fund		Australian Share Fund		Global Share Fund	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2015</b>								
August	12,832	1.40	1,154	0.81	131	0.17	-	-
November	21,513	2.33	3,183	2.29	1,008	1.38	-	-
February	17,778	1.93	1,402	1.03	306	0.43	-	-
May	161,171	17.59	12,098	9.10	4,076	5.94	1,092	2.01
	<u>213,294</u>	<u>23.25</u>	<u>17,837</u>	<u>13.23</u>	<u>5,521</u>	<u>7.92</u>	<u>1,092</u>	<u>2.01</u>
<b>2014</b>								
August	16,381	1.80	1,109	0.73	121	0.14	-	-
November	17,167	1.89	3,290	2.22	1,144	1.36	-	-
February	18,644	2.05	1,616	1.11	131	0.16	-	-
May	72,966	8.06	12,225	8.56	3,536	4.46	708	1.16
	<u>125,158</u>	<u>13.80</u>	<u>18,240</u>	<u>12.62</u>	<u>4,932</u>	<u>6.12</u>	<u>708</u>	<u>1.16</u>
	MLC - Platinum Global Fund		Australian Share Growth Style Fund		Australian Share Value Style Fund		Global Share Growth Style Fund	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	Whole Dollars \$	c/unit
<b>2015</b>								
August	-	-	12	0.14	21	0.18	-	-
November	-	-	88	1.04	68	0.62	-	-
February	-	-	13	0.17	40	0.38	-	-
May	147,925	30.52	282	3.47	361	3.43	44,747	3.20
	<u>147,925</u>	<u>30.52</u>	<u>395</u>	<u>4.82</u>	<u>490</u>	<u>4.61</u>	<u>44,747</u>	<u>3.20</u>
<b>2014</b>								
August	-	-	4	0.04	33	0.25	-	-
November	-	-	93	1.03	72	0.57	-	-
February	-	-	18	0.21	43	0.35	-	-
May	-	-	109	1.26	180	1.50	23,519	1.49
	<u>-</u>	<u>-</u>	<u>224</u>	<u>2.54</u>	<u>328</u>	<u>2.67</u>	<u>23,519</u>	<u>1.49</u>
	Global Share Value Style Fund		MLC Horizon 1 Bond Portfolio					
	Whole Dollars \$	c/unit	Whole Dollars \$	c/unit				
<b>2015</b>								
August	-	-	10,275	0.25				
November	-	-	5,700	0.14				
February	-	-	1,048	0.03				
May	51,993	0.82	11,532	0.34				
	<u>51,993</u>	<u>0.82</u>	<u>28,555</u>	<u>0.76</u>				
<b>2014</b>								
August	-	-	13,715	0.26				
November	-	-	12,207	0.24				
February	-	-	3,894	0.08				
May	64,893	0.89	43,087	0.95				
	<u>64,893</u>	<u>0.89</u>	<u>72,903</u>	<u>1.53</u>				

NOTE 6 - FINANCIAL ASSETS DESIGNATED AS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	MLC Horizon 7 Accelerated Growth Portfolio		MLC Horizon 6 Share Portfolio		MLC Horizon 5 Growth Portfolio		MLC Horizon 4 Balanced Portfolio	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>22,475</u>	<u>21,587</u>	<u>286,046</u>	<u>271,223</u>	<u>538,807</u>	<u>504,238</u>	<u>1,723,712</u>	<u>1,630,074</u>
<b>Total financial assets designated as held at fair value through profit or loss</b>	<u>22,475</u>	<u>21,587</u>	<u>286,046</u>	<u>271,223</u>	<u>538,807</u>	<u>504,238</u>	<u>1,723,712</u>	<u>1,630,074</u>
	MLC Horizon 3 Conservative Growth Portfolio		MLC Horizon 2 Income Portfolio		Cash Fund		Property Securities Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Money market securities</b>								
Money market securities	-	-	-	-	67,324	77,365	-	-
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>764,976</u>	<u>647,987</u>	<u>151,593</u>	<u>165,504</u>	<u>-</u>	<u>-</u>	<u>113,680</u>	<u>106,162</u>
<b>Total financial assets designated as held at fair value through profit or loss</b>	<u>764,976</u>	<u>647,987</u>	<u>151,593</u>	<u>165,504</u>	<u>67,324</u>	<u>77,365</u>	<u>113,680</u>	<u>106,162</u>
	IncomeBuilder		Share Index Fund		Australian Share Fund		Global Share Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Money market securities</b>								
Money market securities	82,671	43,864	-	-	-	-	-	-
<b>Listed equities</b>								
Shares and units listed on a stock exchange	2,595,478	2,404,844	-	-	-	-	-	-
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>-</u>	<u>-</u>	<u>332,705</u>	<u>352,765</u>	<u>123,538</u>	<u>139,743</u>	<u>100,048</u>	<u>92,183</u>
<b>Total financial assets designated as held at fair value through profit or loss</b>	<u>2,678,149</u>	<u>2,448,708</u>	<u>332,705</u>	<u>352,765</u>	<u>123,538</u>	<u>139,743</u>	<u>100,048</u>	<u>92,183</u>
	MLC - Platinum Global Fund		Australian Share Growth Style Fund		Australian Share Value Style Fund		Global Share Growth Style Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 Whole Dollars \$	2014 Whole Dollars \$
<b>Money market securities</b>								
Money market securities	861	-	-	-	-	-	-	-
<b>Listed equities</b>								
Shares and units listed on a stock exchange	1,060,906	995,805	-	-	-	-	-	-
<b>Unlisted equities</b>								
Shares and units not listed on the stock exchange	325	-	-	-	-	-	-	-
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>-</u>	<u>-</u>	<u>10,134</u>	<u>10,599</u>	<u>10,774</u>	<u>11,883</u>	<u>2,050,773</u>	<u>1,882,422</u>
<b>Total financial assets designated as held at fair value through profit or loss</b>	<u>1,062,092</u>	<u>995,805</u>	<u>10,134</u>	<u>10,599</u>	<u>10,774</u>	<u>11,883</u>	<u>2,050,773</u>	<u>1,882,422</u>
	Global Share Value Style Fund		MLC Horizon 1 Bond Portfolio					
	2015 Whole Dollars \$	2014 Whole Dollars \$	2015 Whole Dollars \$	2014 Whole Dollars \$				
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>7,343,863</u>	<u>7,068,854</u>	<u>3,384,337</u>	<u>4,516,822</u>				
<b>Total financial assets designated as held at fair value through profit or loss</b>	<u>7,343,863</u>	<u>7,068,854</u>	<u>3,384,337</u>	<u>4,516,822</u>				

Units held in unlisted managed investment schemes are detailed in Note 9(h).

NOTE 7 - RECEIVABLES

	MLC Horizon 7 Accelerated Growth Portfolio		MLC Horizon 6 Share Portfolio		MLC Horizon 5 Growth Portfolio		MLC Horizon 4 Balanced Portfolio	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Outstanding settlements	-	-	-	-	-	-	-	-
Dividend and distributions receivable	948	-	11,330	-	20,833	-	67,602	-
Other receivables	1	1	2	2	3	2	10	9
	<u>949</u>	<u>1</u>	<u>11,332</u>	<u>2</u>	<u>20,836</u>	<u>2</u>	<u>67,612</u>	<u>9</u>
	MLC Horizon 3 Conservative Growth Portfolio		MLC Horizon 2 Income Portfolio		Cash Fund		Property Securities Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Outstanding settlements	-	-	-	-	-	-	-	-
Dividend and distributions receivable	21,504	-	2,942	-	-	-	1,358	-
Other receivables	6	3	2	2	50	59	1	2
	<u>21,510</u>	<u>3</u>	<u>2,944</u>	<u>2</u>	<u>50</u>	<u>59</u>	<u>1,359</u>	<u>2</u>
	IncomeBuilder		Share Index Fund		Australian Share Fund		Global Share Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Outstanding settlements	-	16,157	-	-	-	-	-	-
Dividend and distributions receivable	21,759	21,252	5,634	-	4,668	-	2,182	-
Other receivables	16	13	2	2	2	2	1	1
	<u>21,775</u>	<u>37,422</u>	<u>5,636</u>	<u>2</u>	<u>4,670</u>	<u>2</u>	<u>2,183</u>	<u>1</u>
	MLC - Platinum Global Fund		Australian Share Growth Style Fund		Australian Share Value Style Fund		Global Share Growth Style Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 Whole Dollars \$	2014 Whole Dollars \$
Outstanding settlements	3,028	10,572	-	-	-	-	-	-
Dividend and distributions receivable	4,985	5,326	331	-	415	-	53,044	-
Other receivables	26	33	-	1	1	1	115	108
	<u>8,039</u>	<u>15,931</u>	<u>331</u>	<u>1</u>	<u>416</u>	<u>1</u>	<u>53,159</u>	<u>108</u>
	Global Share Value Style Fund		MLC Horizon 1 Bond Portfolio					
	2015 Whole Dollars \$	2014 Whole Dollars \$	2015 Whole Dollars \$	2014 Whole Dollars \$				
Outstanding settlements	-	-	-	-				
Dividend and distributions receivable	166,627	-	20,831	-				
Other receivables	391	366	317	312				
	<u>167,018</u>	<u>366</u>	<u>21,148</u>	<u>312</u>				

NOTE 8 - ACCOUNTS PAYABLE & ACCRUED EXPENSES

	MLC Horizon 7 Accelerated Growth Portfolio		MLC Horizon 6 Share Portfolio		MLC Horizon 5 Growth Portfolio		MLC Horizon 4 Balanced Portfolio	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Outstanding settlements	-	-	-	-	-	-	1	-
Amounts owing for performance fees	-	-	18	5	35	9	91	27
Amounts owing to Responsible Entity	29	27	354	328	658	596	2,108	1,933
Distributions payable	514	-	8,345	-	15,888	-	51,864	2
	<u>543</u>	<u>27</u>	<u>8,717</u>	<u>333</u>	<u>16,581</u>	<u>605</u>	<u>54,064</u>	<u>1,962</u>
	MLC Horizon 3 Conservative Growth Portfolio		MLC Horizon 2 Income Portfolio		Cash Fund		Property Securities Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Outstanding settlements	-	-	-	-	19	-	-	-
Amounts owing for performance fees	38	10	-	-	-	-	-	-
Amounts owing to Responsible Entity	912	771	159	169	65	72	126	121
Distributions payable	16,366	-	1,977	-	297	18	1,220	-
	<u>17,316</u>	<u>781</u>	<u>2,136</u>	<u>169</u>	<u>381</u>	<u>90</u>	<u>1,346</u>	<u>121</u>
	IncomeBuilder		Share Index Fund		Australian Share Fund		Global Share Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Outstanding settlements	1,144	12,555	-	-	-	-	1	-
Amounts owing for performance fees	-	-	-	-	-	-	-	-
Amounts owing to Responsible Entity	3,428	3,154	356	366	165	182	151	140
Distributions payable	161,171	-	12,098	-	4,076	-	1,092	1
	<u>165,743</u>	<u>15,709</u>	<u>12,454</u>	<u>366</u>	<u>4,241</u>	<u>182</u>	<u>1,244</u>	<u>141</u>
	MLC - Platinum Global Fund		Australian Share Growth Style Fund		Australian Share Value Style Fund		Global Share Growth Style Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 Whole Dollars \$	2014 Whole Dollars \$
Outstanding settlements	3,246	7,151	-	-	-	-	4	-
Amounts owing for performance fees	-	-	-	-	-	-	-	-
Amounts owing to Responsible Entity	2,295	2,422	15	20	15	17	2,918	13,466
Distributions payable	147,925	-	280	-	361	-	44,747	-
	<u>153,466</u>	<u>9,573</u>	<u>295</u>	<u>20</u>	<u>376</u>	<u>17</u>	<u>47,669</u>	<u>13,466</u>
	Global Share Value Style Fund		MLC Horizon 1 Bond Portfolio					
	2015 Whole Dollars \$	2014 Whole Dollars \$	2015 Whole Dollars \$	2014 Whole Dollars \$				
Outstanding settlements	30	-	2	-				
Amounts owing for performance fees	-	-	-	-				
Amounts owing to Responsible Entity	10,498	12,342	4,361	5,600				
Distributions payable	51,993	62	11,532	3				
	<u>62,521</u>	<u>12,404</u>	<u>15,895</u>	<u>5,603</u>				

## **NOTE 9 - RELATED PARTIES**

### **(a) Responsible Entity**

The Responsible Entity of each of the Schemes is MLC Investments Limited ABN 30 002 641 661, whose immediate and ultimate holding companies are MLC Holdings Limited ABN 32 003 113 068 and National Australia Bank Limited ABN 12 004 044 937 respectively.

The Responsible Entity is incorporated and domiciled in Australia.

### **(b) Key management personnel**

#### **Directors**

The names of persons who were Directors of MLC Investments Limited at any time during the financial year were as follows:

<b>Name</b>	<b>Appointment / Resignation Date</b>
S C Birkenleigh	Appointed 27 February 2012/Resigned 7 July 2014
P Coad	Appointed 22 August 2013/Resigned 7 July 2014
S Dave	Appointed 7 July 2014/ Resigned 30 June 2015
J G Duffield	Appointed 24 August 2011
J L Flavell	Appointed 7 July 2014/Resigned 23 January 2015
P Gupta	Appointed 1 September 2012
D M Hackett	Appointed 29 January 2014/Resigned 7 July 2014
A Hagger	Appointed 22 May 2013/Resigned 7 July 2014
N J Milne	Appointed 17 December 2014/ Resigned 3 June 2015
G J Mulcahy	Appointed 7 July 2014
A W Rothery	Appointed 14 April 2009/Resigned 31 October 2014
E Rubin	Appointed 22 May 2013/Resigned 7 July 2014
M F Snowden	Appointed 25 August 2009/Resigned 7 July 2014
G J Symons	Appointed 14 April 2009/Resigned 7 July 2014
G A Tomlinson	Appointed 19 February 2001/Resigned 18 December 2014

In addition to the Directors noted above, the Responsible Entity is considered to be a Key Management Personnel of the Schemes.

Key management personnel are paid by a related party of the Responsible Entity. Payments made from the Schemes to the Responsible Entity do not include any amounts directly attributable to key management personnel remuneration.

### **(c) Other related party transactions with the Schemes**

From time to time the Directors of MLC Investments Limited, or their Director related entities, may invest into or withdraw from the Schemes. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors.

### **(d) Amounts payable to/(receivable from) the Responsible Entity**

The net amounts of payables to MLC Investments Limited by the Schemes at balance date are shown in the table below:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
MLC Horizon 7 Accelerated Growth Portfolio	<b>29,151</b>	26,818
MLC Horizon 6 Share Portfolio	<b>353,651</b>	327,799
MLC Horizon 5 Growth Portfolio	<b>657,960</b>	596,473
MLC Horizon 4 Balanced Portfolio	<b>2,108,162</b>	1,933,324
MLC Horizon 3 Conservative Growth Portfolio	<b>911,554</b>	770,759
MLC Horizon 2 Income Portfolio	<b>158,600</b>	169,321
Cash Fund	<b>64,520</b>	72,164
Property Securities Fund	<b>125,708</b>	120,860
IncomeBuilder	<b>3,428,416</b>	3,153,843
Share Index Fund	<b>355,894</b>	366,441
Australian Share Fund	<b>164,709</b>	181,553
Global Share Fund	<b>151,316</b>	140,429
MLC - Platinum Global Fund	<b>2,294,569</b>	2,421,902
Australian Share Growth Style Fund	<b>15,429</b>	20,301
Australian Share Value Style Fund	<b>15,254</b>	17,227
Global Share Growth Style Fund	<b>2,918</b>	13,466
Global Share Value Style Fund	<b>10,498</b>	12,342
MLC Horizon 1 Bond Portfolio	<b>4,361</b>	5,600

### **(e) Responsible Entity's fees**

The Responsible Entity's fees have been calculated in accordance with the Schemes' Constitutions. Total fees paid and payable (net of rebates where applicable) are as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
MLC Horizon 7 Accelerated Growth Portfolio	<b>360,822</b>	346,340
MLC Horizon 6 Share Portfolio	<b>4,372,761</b>	4,003,378
MLC Horizon 5 Growth Portfolio	<b>8,139,405</b>	7,553,540
MLC Horizon 4 Balanced Portfolio*	<b>25,784,143</b>	23,743,347
MLC Horizon 3 Conservative Growth Portfolio*	<b>10,991,261</b>	8,946,172
MLC Horizon 2 Income Portfolio*	<b>2,072,405</b>	2,183,808
Cash Fund	<b>969,249</b>	1,086,600
Property Securities Fund	<b>1,604,725</b>	1,574,892
IncomeBuilder	<b>49,297,763</b>	45,076,464
Share Index Fund	<b>4,452,994</b>	4,474,120
Australian Share Fund	<b>2,207,340</b>	2,435,486
Global Share Fund	<b>1,540,701</b>	1,563,097



**NOTE 9 - RELATED PARTIES (continued)**

**(e) Responsible Entity's fees**

	2015 \$	2014 \$
MLC - Platinum Global Fund	23,858,884	24,098,077
Australian Share Growth Style Fund	177,383	181,077
Australian Share Value Style Fund	191,235	206,355
Global Share Growth Style Fund	32,231	30,369
Global Share Value Style Fund	113,872	113,905
MLC Horizon 1 Bond Portfolio*	59,507	75,090

\*The Scheme received a rebate from the Responsible Entity to reduce the effect of management fees paid.

**(f) Expense reimbursement**

The Responsible Entity is entitled, under the Schemes' Constitutions, to be reimbursed for certain expenses incurred in administering the Schemes. The basis on which the expenses are reimbursable is defined in the Constitutions.

**(g) Interests in unconsolidated structured entities**

The Schemes' maximum exposure to loss from their investments in unlisted managed investment schemes, which have been assessed to be structured entities, are restricted to their fair value which are disclosed in Note 9(h). The Schemes have not sponsored or provided support, financial or otherwise to the unlisted managed investment schemes they hold.

**(h) Related party investments**

The Schemes may purchase and sell units in other unlisted managed investment schemes managed by MLC Investments Limited or its related parties in the ordinary course of business at application and redemption prices calculated in accordance with the Constitutions.

Details of both shares in National Australia Bank Limited and units in other managed investment schemes operated by the Responsible Entity held by the Schemes are set out below. Cash and cash equivalents in the Statements of Financial Position for all the Schemes are held with the National Australia Bank Limited.

The principal activities of all the below named Schemes is to invest and transact in money market securities, listed equities, fixed interest securities, unlisted managed investment schemes, unlisted property trusts, other debt instruments and derivatives in accordance with the provisions of the Schemes' Constitutions. Investment activities may include the use of hedging instruments to reduce the volatility of investment returns.

The Schemes are unlisted registered managed investment schemes and along with their related parties are domiciled in Australia.

Managed Investment Schemes / Shares	Number of units/shares held	Interest held in the Scheme %	Fair value of investment \$	Distributions received/ receivable \$
<b>MLC Horizon 7 Accelerated Growth Portfolio</b>				
<b>2015</b>				
MLC Horizon 7 Trust	14,287,740	3.19	18,236,600	774,396
WM Pool - LTAR Part 1 NS Trust	10,666	0.33	1,010,616	141,147
WM Sector - Global Equities (Hedged) Trust	33,706	0.36	3,227,823	32,520
	<u>14,332,112</u>		<u>22,475,039</u>	<u>948,063</u>
<b>2014</b>				
MLC Horizon 7 Trust	16,205,513	3.35	17,521,401	491,410
WM Pool - LTAR Part 1 NS Trust	11,782	0.42	1,075,330	29,069
WM Sector - Global Equities (Hedged) Trust	35,178	0.45	2,990,274	22,413
	<u>16,252,473</u>		<u>21,587,005</u>	<u>542,892</u>
<b>MLC Horizon 6 Share Portfolio</b>				
<b>2015</b>				
Low Correlation Strategy Trust	4,982,956	0.63	5,691,418	41,757
WM Sector - Australian Equities - Diversified Strategy	1,005,431	1.15	112,870,981	6,593,322
WM Pool - Equities Trust No. 37	39,098	0.58	5,319,109	612,828
WM Pool - Equities Trust No. 47	163,039	1.04	27,648,355	3,129,424
WM Pool - Global Properties Trust	50,650	0.49	5,908,510	175,888
WM Sector - Global Equities (Hedged) Trust	467,738	5.05	44,792,383	451,273
WM Sector - Global Equities (Unhedged) Trust	474,557	0.80	71,240,528	1,553,367
WM Pool - LTAR Part 1 NS Trust	132,715	4.10	12,575,152	1,756,303
	<u>7,316,184</u>		<u>286,046,436</u>	<u>14,314,162</u>
<b>2014</b>				
Low Correlation Strategy Trust	2,272,261	0.31	2,467,400	56,383
WM Sector - Australian Equities - Diversified Strategy	1,032,470	1.07	111,228,463	4,811,718
WM Pool - Equities Trust No. 37	42,534	0.70	5,235,896	412,104
WM Pool - Equities Trust No. 47	186,464	0.90	27,204,001	2,062,864
WM Pool - Global Properties Trust	54,536	0.51	5,521,558	68,842
WM Sector - Global Equities (Hedged) Trust	526,108	6.69	44,721,505	335,205
WM Sector - Global Equities (Unhedged) Trust	535,791	0.76	64,384,644	1,164,193
WM Pool - LTAR Part 1 NS Trust	114,577	4.06	10,457,609	282,694
	<u>4,764,741</u>		<u>271,221,076</u>	<u>9,194,003</u>

**NOTE 9 - RELATED PARTIES (continued)**

**(h) Related party investments (continued)**

Managed Investment Schemes / Shares	Number of units/shares held	Interest held in the Scheme %	Fair value of investment \$	Distributions received/ receivable \$
<b>MLC Horizon 5 Growth Portfolio</b>				
<b>2015</b>				
Low Correlation Strategy Trust	9,348,605	1.18	10,677,761	79,813
Antares Enhanced Cash Trust	8,663,493	0.18	8,904,156	-
WM Sector - Australian Equities - Diversified Strategy	1,672,550	1.92	187,762,673	10,974,028
WM Sector - Diversified Debt (All) Trust	240,599	0.73	25,237,298	1,304,682
WM Sector - Diversified Debt (Short) Trust	42,126	0.15	4,297,724	35,651
WM Pool - Equities Trust No. 18	46,641	0.70	5,474,679	144,317
WM Pool - Equities Trust No. 29	46,678	1.41	5,236,844	507,987
WM Pool - Equities Trust No. 37	42,387	0.63	5,766,556	664,379
WM Pool - Equities Trust No. 47	307,861	1.96	52,207,357	5,909,175
WM Pool - Equities Trust No. 73	37,940	1.72	3,807,695	108,252
WM Pool - Fixed Interest Trust No.5	57,462	1.06	6,280,221	370,120
WM Pool - Fixed Interest Trust No. 23	245,776	1.16	25,600,350	1,305,337
WM Pool - Global Properties Trust	193,859	1.89	22,614,227	673,194
WM Sector - Global Equities (Hedged) Trust	509,036	5.50	48,747,253	491,118
WM Sector - Global Equities (Unhedged) Trust	673,222	1.14	101,064,168	2,203,658
WM Pool - LTAR Part 1 NS Trust	164,879	5.09	15,622,735	2,181,942
WM Pool - NSIM Australian Fixed Interest (A) Trust	43,749	0.27	4,535,615	369,022
WM Pool - UBS Australian Fixed Interest (A) Trust	4,819,907	0.29	4,969,459	301,612
	<u>27,156,770</u>		<u>538,806,771</u>	<u>27,624,287</u>
<b>2014</b>				
Low Correlation Strategy Trust	4,343,163	0.60	4,716,149	106,558
Antares Enhanced Cash Trust	-	0.00	-	145,945
WM Sector - Australian Equities - Diversified Strategy	1,685,537	1.74	181,583,680	8,032,335
WM Sector - Diversified Debt (All) Trust	365,835	0.95	37,750,423	1,123,216
WM Sector - Diversified Debt (Short) Trust	-	-	-	-
WM Pool - Equities Trust No. 18	45,697	0.72	4,785,099	-
WM Pool - Equities Trust No. 29	43,785	1.20	4,605,508	155,778
WM Pool - Equities Trust No. 37	48,124	0.79	5,924,012	466,264
WM Pool - Equities Trust No. 47	343,445	1.66	50,106,492	3,799,547
WM Pool - Equities Trust No. 73	37,061	1.75	3,715,598	-
WM Pool - Fixed Interest Trust No.5	50,463	1.00	5,721,947	244,824
WM Pool - Fixed Interest Trust No. 23	239,523	1.13	24,759,454	324,786
WM Pool - Global Properties Trust	205,556	1.93	20,811,915	259,478
WM Sector - Global Equities (Hedged) Trust	528,051	6.71	44,886,640	336,442
WM Sector - Global Equities (Unhedged) Trust	745,615	1.06	89,598,626	1,620,108
WM Pool - LTAR Part 1 NS Trust	164,879	5.84	15,048,733	406,804
WM Pool - NSIM Australian Fixed Interest (A) Trust	49,124	0.28	5,104,348	208,608
WM Pool - UBS Australian Fixed Interest (A) Trust	4,979,339	0.28	5,121,718	251,990
	<u>13,875,197</u>		<u>504,240,342</u>	<u>17,482,683</u>
<b>MLC Horizon 4 Balanced Portfolio</b>				
<b>2015</b>				
Low Correlation Strategy Trust	22,235,801	2.82	25,397,220	196,803
Antares Enhanced Cash Trust	27,243,585	0.57	28,000,385	177,356
WM Sector - Australian Equities - Diversified Strategy	4,516,170	5.18	506,991,273	29,554,394
WM Sector - Diversified Debt (All) Trust	2,071,751	6.27	217,313,175	9,869,771
WM Sector - Diversified Debt (Short) Trust	503,776	1.84	51,395,371	868,792
WM Pool - Equities Trust No. 18	126,013	1.90	14,791,319	389,911
WM Pool - Equities Trust No. 29	148,476	4.47	16,657,664	1,615,836
WM Pool - Equities Trust No. 37	131,673	1.95	17,913,500	2,063,860
WM Pool - Equities Trust No. 47	960,844	6.10	162,940,908	18,442,734
WM Pool - Equities Trust No. 59	323,974	8.93	34,458,379	2,362,918
WM Pool - Equities Trust No. 73	117,213	5.32	11,763,562	334,437
WM Pool - Fixed Interest Trust No.5	367,246	6.74	40,137,880	2,381,499
WM Pool - Fixed Interest Trust No.23	1,166,085	5.51	121,461,000	6,192,200
WM Pool - Global Properties Trust	599,117	5.85	69,888,635	2,081,979
WM Sector - Global Equities (Hedged) Trust	1,119,528	12.10	107,210,387	1,080,121
WM Sector - Global Equities (Unhedged) Trust	1,430,765	2.42	214,786,483	4,683,322
WM Pool - LTAR Part 1 NS Trust	522,294	16.12	49,488,807	6,911,832
WM Pool - NSIM Australian Fixed Interest (A) Trust	155,614	0.96	16,133,022	1,262,757
WM Pool - UBS Australian Fixed Interest (A) Trust	16,472,179	0.99	16,983,278	1,030,768
	<u>80,212,104</u>		<u>1,723,712,248</u>	<u>91,501,290</u>

**NOTE 9 - RELATED PARTIES (continued)**

**(h) Related party investments (continued)**

Managed Investment Schemes / Shares	Number of units/shares held	Interest held in the Scheme %	Fair value of investment \$	Distributions received/ receivable \$
<b>MLC Horizon 4 Balanced Portfolio (continued) 2014</b>				
Low Correlation Strategy Trust	13,608,450	1.87	14,777,130	338,810
Antares Enhanced Cash Trust	-	0.00	-	506,149
WM Sector - Australian Equities - Diversified Strategy	4,710,046	4.86	507,415,484	22,121,394
WM Sector - Diversified Debt (All) Trust	2,273,702	5.88	234,622,877	6,589,427
WM Sector - Diversified Debt (Short) Trust	353,108	1.52	35,586,172	1,192,594
WM Pool - Equities Trust No. 18	126,013	1.99	13,195,405	-
WM Pool - Equities Trust No. 29	157,402	4.31	16,556,302	560,005
WM Pool - Equities Trust No. 37	131,673	2.16	16,208,834	1,275,757
WM Pool - Equities Trust No. 47	1,120,113	5.40	163,417,693	12,391,873
WM Pool - Equities Trust No. 59	158,069	6.37	16,031,300	541,613
WM Pool - Equities Trust No. 73	114,496	5.40	11,479,037	-
WM Pool - Fixed Interest Trust No.5	323,070	6.41	36,632,754	1,567,365
WM Pool - Fixed Interest Trust No.23	1,105,715	5.21	114,297,629	1,523,093
WM Pool - Global Properties Trust	642,436	6.02	65,044,667	810,962
WM Sector - Global Equities (Hedged) Trust	1,399,839	17.79	118,992,481	891,894
WM Sector - Global Equities (Unhedged) Trust	1,514,455	2.16	181,988,176	3,290,682
WM Pool - LTAR Part 1 NS Trust	565,271	20.02	51,593,102	1,394,686
WM Pool - NSIM Australian Fixed Interest (A) Trust	151,580	0.85	15,750,222	651,255
WM Pool - UBS Australian Fixed Interest (A) Trust	16,026,591	0.90	16,484,856	813,799
	44,482,029		1,630,074,121	56,461,358
<b>MLC Horizon 3 Conservative Growth Portfolio 2015</b>				
Low Correlation Strategy Trust	9,721,926	1.23	11,104,160	96,232
Antares Enhanced Cash Trust	40,945,178	0.85	42,082,595	762,315
WM Sector - Australian Equities - Diversified Strategy	1,333,153	1.53	149,661,568	8,583,895
WM Sector - Diversified Debt (All) Trust	817,618	2.47	85,762,784	3,843,312
WM Sector - Diversified Debt (Short) Trust	1,551,340	5.66	158,268,184	3,044,280
WM Pool - Equities Trust No. 18	61,423	0.93	7,209,709	190,054
WM Pool - Equities Trust No. 29	62,684	1.89	7,032,573	682,178
WM Pool - Equities Trust No. 37	55,519	0.82	7,553,085	870,210
WM Pool - Equities Trust No. 47	263,959	1.68	44,762,412	5,066,507
WM Pool - Equities Trust No. 58	64,703	3.45	6,789,330	387,080
WM Pool - Equities Trust No. 59	137,110	3.78	14,583,163	997,730
WM Pool - Equities Trust No. 73	58,852	2.67	5,906,401	144,890
WM Pool Fixed Interest Trust No.5	120,582	2.21	13,178,914	742,982
WM Pool Fixed Interest Trust No.23	581,268	2.74	60,545,692	3,042,020
WM Pool - Global Properties Trust	216,347	2.11	25,237,480	750,585
WM Sector - Global Equities (Hedged) Trust	346,654	3.75	33,196,913	334,452
WM Sector - Global Equities (Unhedged) Trust	613,515	1.04	92,100,846	2,008,217
	56,951,831		764,975,809	31,546,939
<b>2014</b>				
Low Correlation Strategy Trust	5,236,584	0.72	5,686,296	121,073
Antares Enhanced Cash Trust	26,360,400	0.62	27,071,155	1,109,761
WM Sector - Australian Equities - Diversified Strategy	1,275,174	1.32	137,375,096	5,812,346
WM Sector - Diversified Debt (All) Trust	830,369	2.15	85,685,589	2,306,067
WM Sector - Diversified Debt (Short) Trust	1,279,882	5.52	128,986,248	3,256,133
WM Pool - Equities Trust No. 18	61,423	0.97	6,431,815	-
WM Pool - Equities Trust No. 29	62,684	1.72	6,593,422	223,018
WM Pool - Equities Trust No. 37	49,860	0.82	6,137,691	483,082
WM Pool - Equities Trust No. 47	271,890	1.31	39,667,145	3,007,937
WM Pool - Equities Trust No. 58	63,756	6.20	6,474,765	150,919
WM Pool - Equities Trust No. 59	127,937	5.15	12,975,330	433,406
WM Pool - Equities Trust No. 73	47,800	2.25	4,792,285	-
WM Pool Fixed Interest Trust No.5	96,420	1.91	10,933,014	467,740
WM Pool Fixed Interest Trust No.23	505,372	2.38	52,240,196	691,653
WM Pool - Global Properties Trust	183,859	1.72	18,615,152	232,089
WM Sector - Global Equities (Hedged) Trust	305,077	3.88	25,932,898	194,377
WM Sector - Global Equities (Unhedged) Trust	602,393	0.86	72,388,022	1,308,909
	37,360,880		647,986,119	19,798,510

**NOTE 9 - RELATED PARTIES (continued)**  
**(h) Related party investments (continued)**

Managed Investment Schemes / Shares	Number of units/shares held	Interest held in the Scheme	Fair value of investment	Distributions received/ receivable
		%	\$	\$
<b>MLC Horizon 2 Income Portfolio</b>				
<b>2015</b>				
Antares Enhanced Cash Trust	16,171,593	0.34	16,620,824	388,422
WM Sector - Diversified Debt (All) Trust	97,289	0.29	10,204,984	513,429
WM Sector - Diversified Debt (Short) Trust	570,309	2.08	58,183,078	1,228,345
WM Pool - Equities Trust No. 58	29,058	1.55	3,049,027	176,672
WM Pool - Equities Trust No. 73	12,797	0.58	1,284,276	36,512
WM Pool Fixed Interest Trust No.5	16,170	0.30	1,767,235	114,291
WM Pool Fixed Interest Trust No.23	145,615	0.69	15,167,431	810,556
WM Pool - Global Properties Trust	49,299	0.48	5,750,841	171,572
WM Sector - Global Equities (Hedged) Trust	17,318	0.19	1,658,410	16,708
WM Sector - Global Equities (Unhedged) Trust	42,590	0.07	6,393,559	139,409
WM Sector - Property Securities Trust	190,406	1.80	14,160,097	723,896
IncomeBuilder™	6,165,250	0.67	17,353,724	1,470,418
	<u>23,507,694</u>		<u>151,593,486</u>	<u>5,790,230</u>
<b>2014</b>				
Antares Enhanced Cash Trust	14,333,726	0.33	14,720,206	591,578
WM Sector - Diversified Debt (All) Trust	141,007	0.36	14,550,457	440,032
WM Sector - Diversified Debt (Short) Trust	624,900	2.69	62,977,316	1,755,662
WM Pool - Equities Trust No. 58	35,348	3.44	3,589,740	85,274
WM Pool - Equities Trust No. 73	12,500	0.59	1,253,213	-
WM Pool Fixed Interest Trust No.5	16,864	0.33	1,912,158	81,822
WM Pool Fixed Interest Trust No.23	160,132	0.76	16,552,777	235,506
WM Pool - Global Properties Trust	63,108	0.59	6,389,505	79,770
WM Sector - Global Equities (Hedged) Trust	19,473	0.25	1,655,259	12,407
WM Sector - Global Equities (Unhedged) Trust	56,869	0.08	6,833,827	123,568
WM Sector - Property Securities Trust	244,967	2.13	14,910,161	677,190
IncomeBuilder™	7,518,850	0.81	20,159,925	1,043,670
	<u>23,227,744</u>		<u>165,504,544</u>	<u>5,126,479</u>
<b>Property Securities Fund</b>				
<b>2015</b>				
WM Sector - Property Securities Trust	<u>1,528,616</u>	<u>14.46</u>	<u>113,679,807</u>	<u>5,688,481</u>
<b>2014</b>				
WM Sector - Property Securities Trust	<u>1,744,193</u>	<u>15.14</u>	<u>106,162,227</u>	<u>4,905,974</u>
<b>IncomeBuilder</b>				
<b>2015</b>				
National Australia Bank Limited	<u>7,636,285</u>	<u>0.29</u>	<u>262,077,301</u>	<u>13,649,470</u>
<b>2014</b>				
National Australia Bank Limited	<u>6,949,406</u>	<u>0.30</u>	<u>232,179,654</u>	<u>14,474,374</u>
<b>Share Index Fund</b>				
<b>2015</b>				
WM Pool - Equities Trust No. 30	<u>246,083,895</u>	<u>19.69</u>	<u>332,704,933</u>	<u>14,680,133</u>
<b>2014</b>				
WM Pool - Equities Trust No. 30	<u>274,220,479</u>	<u>23.00</u>	<u>352,766,000</u>	<u>14,496,294</u>
<b>Australian Share Fund</b>				
<b>2015</b>				
WM Pool - Equities Trust No. 41	<u>1,080,216</u>	<u>9.23</u>	<u>123,538,035</u>	<u>7,760,017</u>
<b>2014</b>				
WM Pool - Equities Trust No. 41	<u>1,280,669</u>	<u>9.62</u>	<u>139,741,927</u>	<u>7,350,737</u>
<b>Global Share Fund</b>				
<b>2015</b>				
WM Sector - Global Equities (Unhedged) Trust	<u>666,456</u>	<u>1.13</u>	<u>100,048,386</u>	<u>2,191,845</u>
<b>2014</b>				
WM Sector - Global Equities (Unhedged) Trust	<u>767,120</u>	<u>1.09</u>	<u>92,182,834</u>	<u>1,666,836</u>
<b>MLC - Platinum Global Fund</b>				
<b>2015</b>				
Cash Fund	<u>4,007,797</u>	<u>4.64</u>	<u>4,009,600</u>	<u>69,035</u>
<b>2014</b>				
Cash Fund	<u>5,877,948</u>	<u>5.99</u>	<u>5,878,777</u>	<u>96,449</u>

**NOTE 9 - RELATED PARTIES (continued)**  
**(h) Related party investments (continued)**

Managed Investment Schemes / Shares	Number of units/shares held	Interest held in the Scheme	Fair value of investment	Distributions received/ receivable
		%	\$	\$
<b>Australian Share Growth Style Fund</b>				
<b>2015</b>				
WM Sector - Australian Equities Growth Trust	<u>77,899</u>	<u>17.26</u>	<u>10,134,125</u>	<u>574,227</u>
<b>2014</b>				
WM Sector - Australian Equities Growth Trust	<u>84,397</u>	<u>16.03</u>	<u>10,599,485</u>	<u>401,825</u>
<b>Australian Share Value Style Fund</b>				
<b>2015</b>				
WM Sector - Australian Equities Value Trust	<u>99,889</u>	<u>19.16</u>	<u>10,774,152</u>	<u>683,034</u>
<b>2014</b>				
WM Sector - Australian Equities Value Trust	<u>116,154</u>	<u>18.63</u>	<u>11,882,942</u>	<u>530,537</u>
<b>Global Share Growth Style Fund</b>				
<b>2015</b>				
WM Sector - Global Equities Growth Trust	<u>11,872</u>	<u>7.46</u>	<u>2,050,773</u>	<u>53,044</u>
<b>2014</b>				
WM Sector - Global Equities Growth Trust	<u>13,934</u>	<u>9.06</u>	<u>1,882,422</u>	<u>29,302</u>
<b>Global Share Value Style Fund</b>				
<b>2015</b>				
WM Sector - Global Equities Value Trust	<u>58,363</u>	<u>15.60</u>	<u>7,343,863</u>	<u>166,627</u>
<b>2014</b>				
WM Sector - Global Equities Value Trust	<u>65,697</u>	<u>16.98</u>	<u>7,068,854</u>	<u>159,226</u>
<b>MLC Horizon 1 Bond Portfolio</b>				
<b>2015</b>				
Antares Enhanced Cash Trust	<u>812,129</u>	<u>0.02</u>	<u>834,689</u>	<u>26,350</u>
WM Sector - Diversified Debt (Short) Trust	<u>17,485</u>	<u>0.06</u>	<u>1,783,842</u>	<u>40,359</u>
WM Pool - Fixed Interest Trust No.5	<u>712</u>	<u>0.01</u>	<u>77,807</u>	<u>6,049</u>
WM Pool - Fixed Interest Trust No.7	<u>1,617</u>	<u>0.02</u>	<u>162,113</u>	<u>13</u>
WM Pool - Fixed Interest Trust No.9	<u>22</u>	<u>0.10</u>	<u>869</u>	<u>4,229</u>
WM Pool - Fixed Interest Trust No.17	<u>3,366</u>	<u>0.08</u>	<u>343,060</u>	<u>10,834</u>
WM Pool - Fixed Interest Trust No.22	<u>1,830</u>	<u>0.02</u>	<u>181,957</u>	<u>1,089</u>
	<u>837,161</u>		<u>3,384,337</u>	<u>88,923</u>
<b>2014</b>				
Antares Enhanced Cash Trust	1,063,905	0.02	1,092,592	40,347
WM Sector - Diversified Debt (Short) Trust	23,565	0.10	2,374,912	69,340
WM Pool - Fixed Interest Trust No.5	943	0.02	106,950	4,577
WM Pool - Fixed Interest Trust No.7	2,324	0.04	223,122	14,190
WM Pool - Fixed Interest Trust No.9	2,646	0.07	266,553	6,572
WM Pool - Fixed Interest Trust No.17	4,466	0.22	452,693	12,922
WM Pool - Fixed Interest Trust No.22	-	0.00	-	-
	<u>1,097,849</u>		<u>4,516,822</u>	<u>147,948</u>

From time to time, the Schemes may invest in money market securities issued or guaranteed by National Australia Bank Limited. These investments are in the normal course of business and on normal terms and conditions. Details of these investments held by the Schemes are set out below:

Cash Fund	Fair value of investment \$
<b>2015</b>	
Money Market Securities - National Australia Bank Limited	<u>15,603,686</u>
<b>2014</b>	
Money Market Securities - National Australia Bank Limited	<u>19,024,237</u>

**NOTE 9 - RELATED PARTIES (continued)**

**(h) Related party investments (continued)**

From time to time, the Schemes may invest in money market securities issued or guaranteed by National Australia Bank Limited. These investments are in the normal course of business and on normal terms and conditions. Details of these investments held by the Schemes are set out below:

IncomeBuilder	Fair value of investment \$
<b>2015</b>	
Money Market Securities - National Australia Bank Limited	38,860,135
<b>2014</b>	
Money Market Securities - National Australia Bank Limited	19,945,089

**(i) Unitholder investing activities**

Details of holdings in the MLC MasterKey Unit Trust by MLC Investments Limited and its related parties or other Schemes managed by MLC Investments Limited and its related parties are set out below:

MLC Investments Limited and its related parties	Number of units/shares held	Interest held in the Scheme %	Fair value of investment \$	Distributions received/ receivable \$
<b>MLC Horizon 7 Accelerated Growth Portfolio</b>				
<b>2015</b>				
MLC MasterKey Investment Service	10,080,331	51.38	11,922,564	264,105
NULIS Nominees (Australia) Limited	-	-	-	1,735
<b>2014</b>				
MLC MasterKey Investment Service	11,644,709	54.48	11,792,582	148,718
NULIS Nominees (Australia) Limited	90,051	0.42	91,195	1,153
<b>MLC Horizon 6 Share Portfolio</b>				
<b>2015</b>				
MLC Investment Trust	168,488,135	62.59	181,803,621	5,078,089
MLC MasterKey Investment Service	59,820,910	22.22	64,548,510	1,854,448
NULIS Nominees (Australia) Limited	469,006	0.17	506,071	14,539
<b>2014</b>				
MLC Investment Trust	163,944,718	57.90	157,090,951	2,479,983
MLC MasterKey Investment Service	69,613,137	24.58	66,702,738	1,070,365
NULIS Nominees (Australia) Limited	475,727	0.17	455,837	7,374
<b>MLC Horizon 5 Growth Portfolio</b>				
<b>2015</b>				
MLC Investment Trust	284,469,272	69.66	380,277,881	11,323,409
MLC MasterKey Investment Service	48,312,647	11.83	64,584,238	1,987,712
NULIS Nominees (Australia) Limited	474,207	0.12	633,918	19,355
<b>2014</b>				
MLC Investment Trust	271,813,877	65.21	328,896,988	5,460,939
MLC MasterKey Investment Service	54,693,579	13.12	66,179,874	1,105,256
NULIS Nominees (Australia) Limited	430,319	0.10	520,690	8,779
<b>MLC Horizon 4 Balanced Portfolio</b>				
<b>2015</b>				
MLC Investment Trust	706,339,848	60.47	1,055,653,300	33,240,980
AUSMAQ Systems Limited	-	-	-	36
MLC Limited	105,935,253	9.07	158,324,495	5,045,351
MLC MasterKey Investment Service	115,462,186	9.88	172,562,878	5,625,815
NULIS Nominees (Australia) Limited	3,835,899	0.33	5,732,905	186,964
<b>2014</b>				
MLC Investment Trust	644,246,153	54.38	887,003,163	14,896,222
AUSMAQ Systems Limited	9,108	0.01	12,540	217
MLC Limited	124,522,092	10.51	171,442,995	2,867,753
MLC MasterKey Investment Service	122,402,870	10.33	168,525,728	2,880,664
NULIS Nominees (Australia) Limited	4,089,508	0.35	5,630,467	91,487
<b>MLC Horizon 3 Conservative Growth Portfolio</b>				
<b>2015</b>				
MLC Investment Trust	576,225,634	79.22	612,423,082	14,153,712
MLC MasterKey Investment Service	99,917,115	13.74	106,193,727	2,540,483
NULIS Nominees (Australia) Limited	142,513	0.02	151,465	3,612
<b>2014</b>				
MLC Investment Trust	478,887,795	73.19	475,388,191	6,890,468
MLC MasterKey Investment Service	109,101,333	16.67	108,304,276	1,629,463
NULIS Nominees (Australia) Limited	-	0.00	-	312
<b>MLC Horizon 2 Income Portfolio</b>				
<b>2015</b>				
MLC MasterKey Investment Service	77,483,050	58.41	89,784,896	1,880,792
NULIS Nominees (Australia) Limited	152,018	0.11	176,154	3,588
<b>2014</b>				
MLC MasterKey Investment Service	88,317,222	58.50	97,044,797	1,609,386
NULIS Nominees (Australia) Limited	152,018	0.10	167,041	2,420

**NOTE 9 - RELATED PARTIES (continued)**

**(i) Unitholder investing activities (continued)**

MLC Investments Limited and its related parties	Number of units/shares held	Interest held in the Scheme %	Fair value of investment \$	Distributions received/ receivable \$
<b>Cash Fund</b>				
<b>2015</b>				
MLC MasterKey Unit Trust	4,007,797	4.66	4,009,600	69,035
MLC MasterKey Investment Service	49,936,370	58.05	49,958,842	802,338
NULIS Nominees (Australia) Limited	297	0.00	297	4
<b>2014</b>				
MLC MasterKey Unit Trust	5,877,948	5.99	5,878,777	96,449
MLC MasterKey Investment Service	49,721,152	50.68	49,728,163	876,212
NULIS Nominees (Australia) Limited	297	0.01	297	159
<b>Property Securities Fund</b>				
<b>2015</b>				
MLC MasterKey Investment Service	29,351,671	22.10	25,386,724	907,611
AUSMAQ Systems Limited	8,057	0.01	6,968	1,462
NULIS Nominees (Australia) Limited	1,989,748	1.50	1,720,965	61,163
<b>2014</b>				
MLC MasterKey Investment Service	32,871,914	21.82	23,295,216	786,347
AUSMAQ Systems Limited	144,412	0.10	102,340	3,610
NULIS Nominees (Australia) Limited	2,207,690	1.47	1,564,516	48,539
<b>IncomeBuilder</b>				
<b>2015</b>				
MLC Investment Trust	220,670,081	24.00	621,373,291	48,030,707
MLC MasterKey Unit Trust	6,549,955	0.71	18,443,674	1,470,418
MLC Limited	455,600,791	49.72	1,282,902,336	99,647,167
MLC MasterKey Investment Service	134,911,854	14.72	379,891,205	30,830,454
NULIS Nominees (Australia) Limited	3,716,750	0.41	10,465,802	843,952
<b>2014</b>				
MLC Investment Trust	199,992,329	21.50	536,585,252	26,303,673
MLC MasterKey Unit Trust	7,518,850	0.81	20,173,295	1,043,670
MLC Limited	423,736,927	45.56	1,136,898,534	56,808,671
MLC MasterKey Investment Service	143,057,418	15.38	383,827,224	19,680,894
NULIS Nominees (Australia) Limited	3,691,062	0.40	9,903,228	477,473
<b>Share Index Fund</b>				
<b>2015</b>				
MLC MasterKey Investment Service	84,989,055	63.92	212,035,367	11,393,625
NULIS Nominees (Australia) Limited	57,831	0.04	144,280	7,236
<b>2014</b>				
MLC MasterKey Investment Service	92,251,679	63.36	223,968,771	11,559,708
NULIS Nominees (Australia) Limited	52,784	0.04	128,150	6,096
<b>Australian Share Fund</b>				
<b>2015</b>				
MLC Limited	3,342	0.01	6,121	256
MLC MasterKey Investment Service	24,715,342	35.99	45,271,621	1,990,101
AUSMAQ Systems Limited	-	-	-	-
NULIS Nominees (Australia) Limited	584,761	0.85	1,071,120	46,796
<b>2014</b>				
MLC Limited	3,201	0.01	5,589	191
MLC MasterKey Investment Service	30,034,613	37.32	52,447,547	1,860,747
AUSMAQ Systems Limited	6,596	0.01	11,518	408
NULIS Nominees (Australia) Limited	626,743	0.78	1,094,442	31,278

**NOTE 9 - RELATED PARTIES (continued)**

**(i) Unitholder investing activities (continued)**

MLC Investments Limited and its related parties	Number of units/shares held	Interest held in the Scheme	Fair value of investment	Distributions received/ receivable
		%	\$	\$
<b>Global Share Fund</b>				
<b>2015</b>				
MLC Investment Trust	30,591,653	56.31	57,101,800	608,409
MLC Limited	1,425	0.01	2,660	28
MLC MasterKey Investment Service	7,650,786	14.08	14,280,812	153,781
NULIS Nominees (Australia) Limited	120,807	0.22	225,497	2,428
<b>2014</b>				
MLC Investment Trust	34,640,278	56.42	52,080,133	398,749
MLC Limited	1,410	0.01	2,120	16
MLC MasterKey Investment Service	8,810,447	14.35	13,246,120	102,093
NULIS Nominees (Australia) Limited	124,775	0.20	187,594	1,447
<b>MLC - Platinum Global Fund</b>				
<b>2015</b>				
MLC Investment Trust	61,752,879	12.74	134,976,588	16,550,082
MLC Limited	192,495,488	39.71	420,747,738	51,589,758
MLC MasterKey Investment Service	7,505,291	1.55	16,404,718	2,290,615
<b>2014</b>				
MLC Investment Trust	67,826,455	12.49	134,145,785	-
MLC Limited	193,206,284	35.57	382,119,463	-
MLC MasterKey Investment Service	8,690,882	1.60	17,188,650	-
<b>Australian Share Growth Style Fund</b>				
<b>2015</b>				
MLC MasterKey Investment Service	4,705,177	57.94	5,980,220	227,871
<b>2014</b>				
MLC MasterKey Investment Service	4,913,084	56.39	6,024,487	126,971
<b>Australian Share Value Style Fund</b>				
<b>2015</b>				
MLC MasterKey Investment Service	5,025,243	47.78	5,264,670	236,008
NULIS Nominees (Australia) Limited	132,160	1.26	138,457	6,093
<b>2014</b>				
MLC MasterKey Investment Service	6,135,878	50.77	6,090,662	168,087
NULIS Nominees (Australia) Limited	132,160	1.09	131,186	3,529
<b>Global Share Growth Style Fund</b>				
<b>2015</b>				
MLC MasterKey Investment Service	978,841	70.00	1,463,804	31,323
<b>2014</b>				
MLC MasterKey Investment Service	1,145,248	71.85	1,358,209	16,895
<b>Global Share Value Style Fund</b>				
<b>2015</b>				
MLC MasterKey Investment Service	4,059,742	64.03	4,817,771	33,290
NULIS Nominees (Australia) Limited	154,433	2.44	183,269	1,266
<b>2014</b>				
MLC MasterKey Investment Service	4,620,608	65.87	4,694,808	43,671
NULIS Nominees (Australia) Limited	154,433	2.20	156,913	1,374
<b>MLC Horizon 1 Bond Portfolio</b>				
<b>2015</b>				
MLC MasterKey Investment Service	3,392,474	100.00	3,419,597	28,555
<b>2014</b>				
MLC MasterKey Investment Service	4,555,411	100.00	4,550,640	72,903



## NOTE 10 - FINANCIAL RISK MANAGEMENT

### (a) Financial Risk Management Objectives, Policies and Processes

The Schemes' activities expose them to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk, equity price risk), liquidity and cash flow risk. The Schemes' overall risk management programme is aligned to the investment strategy of each Scheme as detailed in their Constitution and Product Disclosure Statement. It focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Schemes' financial performance. The Responsible Entity monitors the risk management framework, which is performed internally and reported on a quarterly basis. Certain Schemes may use derivative financial instruments to moderate certain risk exposures.

### (b) Credit Risk

The Schemes take on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

The Cash Fund and IncomeBuilder are the only Schemes with significant concentrations of exposure to counterparties as at 31 May 2015. Their concentrations are all held with authorised deposit-taking institutions. There is no exposure to an individual counterparty in excess of 24% of the net assets attributable to unitholders at 31 May 2015 (2014: not in excess of 26%).

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

The Schemes restrict their exposure to credit losses on trading derivative instruments by entering into master netting arrangements with counterparties (approved brokers). The credit risk associated with contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, there is the opportunity to settle outstandings on a net basis.

The Schemes minimise their exposure to credit risk on cash equivalents by only holding instruments with top-tier financial institutions.

In accordance with the Schemes' mandates, the Schemes' credit positions are monitored on a daily basis, and the Responsible Entity reviews this on a quarterly basis, including the credit worthiness of each counterparty (eg custodian etc). Credit quality of debt instruments is managed using Standard & Poor's rating categories, in accordance with the investment mandates of the Schemes.

The carrying amounts of financial assets best represent the maximum credit risk exposures at the year end date. The tables below show the credit quality by class of asset for debt instruments.

#### Cash Fund

##### 2015

	AAA to AA-	A+ to A-	BBB + to BBB -	Total
	\$'000	\$'000	\$'000	\$'000
Money market securities	60,348	6,976	-	67,324
Cash securities	12,879	-	-	12,879
Total	73,227	6,976	-	80,203

##### 2014

	AAA to AA-	A+ to A-	BBB + to BBB -	Total
	\$'000	\$'000	\$'000	\$'000
Money market securities	69,399	7,966	-	77,365
Cash securities	15,430	-	-	15,430
Total	84,829	7,966	-	92,795

#### IncomeBuilder

##### 2015

	AAA to AA-	A+ to A-	BBB + to BBB -	Total
	\$'000	\$'000	\$'000	\$'000
Money market securities	82,672	-	-	82,672
Cash securities	16,822	-	-	16,822
Total	99,494	-	-	99,494

##### 2014

	AAA to AA-	A+ to A-	BBB + to BBB -	Total
	\$'000	\$'000	\$'000	\$'000
Money market securities	43,864	-	-	43,864
Cash securities	22,892	-	-	22,892
Total	66,756	-	-	66,756

**NOTE 10 - FINANCIAL RISK MANAGEMENT (continued)**

**(c) Financial Assets and Liabilities Held for Trading**

Financial assets and financial liabilities are presented on a gross basis in the Statements of Financial Position as there is not an enforceable legal right to offset the recognised amounts. In the normal course of business, the Scheme also enters into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as default on contracts.

*Offsetting Financial Assets and Financial Liabilities*

	2015			2014		
	Amounts not offset		Net amount	Amounts not offset		Net amount
	Other financial instruments	Cash collateral		Other financial instruments	Cash collateral	
MLC - Platinum Global Fund	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
Foreign Exchange Forward Contracts	4,084	-	4,084	709	-	709
Options	67,579	8,161	75,740	410	-	410
Futures Contracts	-	-	-	2,510	-	2,510
Closing balance	71,663	8,161	79,824	3,629	-	3,629
<b>Financial liabilities</b>						
Foreign Exchange Forward Contracts	(3,807)	-	(3,807)	(3,106)	2,779	(327)
Options	-	-	-	-	-	-
Futures Contracts	(1,460)	-	(1,460)	(503)	-	(503)
Closing balance	(5,267)	-	(5,267)	(3,609)	2,779	(830)

**(d) Market Risk**

*(i) Currency Risk*

Currency risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate due to changes in foreign exchange rates.

The Schemes are exposed to foreign currency risk as a result of investments in financial instruments denominated in foreign currencies. Certain Schemes may enter into foreign currency contracts designed to either hedge some or all of this exposure, or alternatively increase exposure to preferred foreign currencies.

The reasonably possible change in currency rates as disclosed in this note are based on an analysis of the past 10 year volatility in various relevant exchange rates.

The following table summarises those Schemes' with direct exposure to foreign currency risk on their monetary assets and liabilities net of any applied foreign currency hedges at 31 May 2015. The analysis calculates the effect on the Statements of Profit or Loss and Other Comprehensive Income of the reasonably possible change in currency rate against the Australian dollar with all other variables held constant.

**MLC - Platinum Global Fund**

Currency	2015				2014			
	Change in currency rate		Effect on net profit attributable to unitholders \$'000		Change in currency rate		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
CAD	6%	-6%	1,330	(1,330)	6%	-5%	1,307	(1,089)
EUR	6%	-6%	2,353	(2,353)	6%	-7%	13,143	(15,334)
HKD	12%	-10%	19,044	(15,870)	8%	-10%	3,592	(4,489)
KRW	8%	-9%	1,780	(2,002)	7%	-9%	4,184	(5,379)
USD	11%	-10%	81,990	(74,536)	8%	-10%	39,452	(49,315)
INR	6%	-10%	3,798	(6,330)	3%	-10%	1,460	(4,865)
MYR	5%	-6%	513	(616)	5%	-6%	1,549	(1,859)
NOK	4%	-6%	2,255	(3,383)	3%	-6%	662	(1,324)
JPY	16%	-8%	2,490	(1,245)	16%	-8%	1,843	(1,037)
GBP	8%	-7%	304	(266)	7%	-7%	1,885	(1,885)
SEK	6%	-4%	1,387	(925)	6%	-4%	1,949	(1,299)
CHF	8%	-8%	1,114	(1,114)	6%	-8%	2,140	(2,854)
Other*	9%	-9%	1,140	(1,140)	9%	-9%	2,517	(2,517)
Total			119,498	(111,110)			75,683	(93,246)

\* Composed of monetary items denominated in various different currencies, the fair value of which do not individually exceed 2% of the net assets attributable to unitholders at 31 May 2015.

**NOTE 10 - FINANCIAL RISK MANAGEMENT (continued)**

**(d) Market Risk (continued)**

*(ii) Interest Rate Risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Schemes interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

The Schemes are exposed to varying levels of interest rate risk as a result of differences in their investment strategies. The risk focused investment process actively assesses the level of interest rate risk and seeks to manage the interest rate exposure accordingly.

The changes in interest rates as disclosed in this note are based on assumed fluctuations in interest rates on floating rate financial assets. These represent what is considered to be a reasonably possible change rather than extreme fluctuations that may occur from time to time. As such, actual future market movement may differ.

The following tables demonstrate the sensitivity of the Schemes' financial assets designated as held at fair value through profit or loss contained in the Statements of Financial Position to a reasonably possible change in interest rates on discount securities.

**Cash Fund**

Currency	2015				2014			
	Change in interest rate (basis points)		Effect on net profit attributable to unitholders \$'000		Change in interest rate (basis points)		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
AUD	100	(100)	(78)	78	100	(100)	(49)	49

**IncomeBuilder**

Currency	2015				2014			
	Change in interest rate (basis points)		Effect on net profit attributable to unitholders \$'000		Change in interest rate (basis points)		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
AUD	100	(100)	(154)	154	100	(100)	(51)	51

*(iii) Equity and Other Price Risk*

Equity and other price risk is the risk that the fair value of equities and unit prices decrease as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market.

To mitigate the impact of equity and other price risk the investment process ensures there is diversification of equity exposures within the Schemes.

Changes in price as disclosed in this note are based on an analysis of the yearly change in relevant market indices over the last 10 years. These represent what is considered to be a reasonably possible change rather than extreme fluctuations that may occur from time to time. As such, actual future market movement may differ.

The effect on the Statements of Profit or Loss and Other Comprehensive Income due to reasonably possible changes in market factors, as represented by the equity indices, with all other variables held constant are indicated in the following tables:

**MLC Horizon 7 Accelerated Growth Portfolio**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian equities	28%	-15%	2,660	(1,425)	28%	-15%	2,478	(1,328)
International equities	26%	-14%	3,373	(1,816)	26%	-14%	3,311	(1,783)
Total			6,033	(3,241)			5,789	(3,111)

**MLC Horizon 6 Share Portfolio**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian equities	28%	-15%	34,937	(18,716)	28%	-15%	31,136	(16,680)
International equities	26%	-14%	40,354	(21,729)	26%	-14%	40,195	(21,644)
Property equities	34%	-26%	2,062	(1,577)	33%	-26%	1,790	(1,410)
Total			77,353	(42,022)			73,121	(39,734)

**NOTE 10 - FINANCIAL RISK MANAGEMENT (continued)**

**(d) Market Risk (continued)**

*(iii) Equity and Other Price Risk (continued)*

**MLC Horizon 5 Growth Portfolio**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian equities	28%	-15%	58,400	(31,286)	28%	-15%	50,827	(27,229)
International equities	26%	-14%	55,728	(30,007)	26%	-14%	60,307	(32,473)
Property equities	34%	-26%	7,896	(6,038)	33%	-26%	4,992	(3,933)
Fixed interest	7%	-7%	6,487	(6,487)	7%	-7%	5,294	(5,294)
Total			128,511	(73,818)			121,420	(68,929)

**MLC Horizon 4 Balanced Portfolio**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian equities	28%	-15%	160,864	(86,177)	28%	-15%	146,055	(78,244)
International equities	26%	-14%	139,738	(75,243)	26%	-14%	139,860	(75,309)
Property equities	34%	-26%	25,259	(19,316)	33%	-26%	21,517	(16,953)
Fixed interest	7%	-7%	37,622	(37,622)	7%	-7%	35,373	(35,373)
Total			363,483	(218,358)			342,805	(205,879)

**MLC Horizon 3 Conservative Growth Portfolio**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian equities	28%	-15%	47,851	(25,634)	28%	-15%	38,102	(20,412)
International equities	26%	-14%	46,541	(25,061)	26%	-14%	42,119	(22,680)
Property equities	34%	-26%	8,323	(6,365)	33%	-26%	6,415	(5,054)
Fixed interest	7%	-7%	27,342	(27,342)	7%	-7%	23,133	(23,133)
Total			130,057	(84,402)			109,769	(71,279)

**MLC Horizon 2 Income Portfolio**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian equities	28%	-15%	5,195	(2,783)	28%	-15%	6,024	(3,227)
International equities	26%	-14%	2,010	(1,082)	26%	-14%	2,152	(1,159)
Property equities	34%	-26%	6,845	(5,234)	33%	-26%	7,646	(6,024)
Fixed interest	7%	-7%	7,362	(7,362)	7%	-7%	7,878	(7,878)
Total			21,412	(16,461)			23,700	(18,288)

**Property Securities Fund**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Property equities	34%	-26%	38,651	(29,557)	33%	-26%	35,033	(27,602)
Total			38,651	(29,557)			35,033	(27,602)

**NOTE 10 - FINANCIAL RISK MANAGEMENT (continued)**

**(d) Market Risk (continued)**

*(iii) Equity and Other Price Risk (continued)*

**IncomeBuilder**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian equities	28%	-15%	726,734	(389,322)	28%	-15%	673,356	(360,727)
Fixed interest	7%	-7%	5,786	(5,787)	7%	-7%	3,070	(3,070)
Total			732,520	(395,109)			676,426	(363,797)

**Share Index Fund**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian equities	28%	-15%	93,157	(49,906)	28%	-15%	98,774	(52,915)
Total			93,157	(49,906)			98,774	(52,915)

**Australian Share Fund**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian equities	28%	-15%	34,591	(18,531)	28%	-15%	39,128	(20,961)
Total			34,591	(18,531)			39,128	(20,961)

**Global Share Fund**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
International equities	26%	-14%	26,012	(14,007)	26%	-14%	23,968	(12,906)
Total			26,012	(14,007)			23,968	(12,906)

**MLC - Platinum Global Fund**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
International equities	26%	-14%	293,407	(157,988)	26%	-14%	259,016	(139,470)
Total			293,407	(157,988)			259,016	(139,470)

**Australian Share Growth Style Fund**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian equities	28%	-15%	2,838	(1,520)	28%	-15%	2,968	(1,590)
Total			2,838	(1,520)			2,968	(1,590)

**NOTE 10 - FINANCIAL RISK MANAGEMENT (continued)**

**(d) Market Risk (continued)**

*(iii) Equity and Other Price Risk (continued)*

**Australian Share Value Style Fund**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian equities	28%	-15%	3,017	(1,616)	28%	-15%	3,327	(1,782)
Total			3,017	(1,616)			3,327	(1,782)

**Global Share Growth Style Fund**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$		Change in price		Effect on net profit attributable to unitholders \$	
	+	-	+	-	+	-	+	-
International equities	26%	-14%	533,201	(287,108)	26%	-14%	489,430	(263,539)
Total			533,201	(287,108)			489,430	(263,539)

**Global Share Value Style Fund**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$		Change in price		Effect on net profit attributable to unitholders \$	
	+	-	+	-	+	-	+	-
International equities	26%	-14%	1,909,404	(1,028,141)	26%	-14%	1,837,902	(989,640)
Total			1,909,404	(1,028,141)			1,837,902	(989,640)

**MLC Horizon 1 Bond Portfolio**

Category	2015				2014			
	Change in price		Effect on net profit attributable to unitholders \$		Change in price		Effect on net profit attributable to unitholders \$	
	+	-	+	-	+	-	+	-
Fixed interest	7%	-7%	236,904	(236,904)	7%	-7%	316,178	(316,178)
Total			236,904	(236,904)			316,178	(316,178)

**(e) Liquidity and Cash Flow Risk**

The Schemes are exposed to daily cash redemptions of redeemable units. Therefore, they invest the majority of their assets either in unlisted schemes with daily redemptions, or in investments that are readily disposed of in an active market, which under normal market conditions are readily convertible to cash.

Net assets attributable to unitholders are repayable on demand, subject to redemption freeze provisions. In addition the Schemes' policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

In accordance with the Schemes' policies, the Schemes' liquidity position is monitored on a daily basis, and the Responsible Entity reviews this on a quarterly basis.

The Schemes' liabilities are expected to be settled within less than one month, except for amounts owing to the Responsible Entity which are expected to be settled within one to three months.

**(f) Derivatives**

The Schemes' derivative financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments. As at 31 May 2015, the overall direct market exposures were as follows:

**MLC - Platinum Global Fund**

	31 May 2015		31 May 2014	
	Contract amount \$'000	Fair value \$'000	Contract amount \$'000	Fair value \$'000
<b>Derivative instruments held for trading:</b>				
Futures Contracts	(102,767)	(1,460)	(92,466)	2,007
Foreign Exchange Forward Contracts	163	277	(2,356)	(2,397)
Options	43,067	67,579	215	410
	(59,537)	66,396	(94,607)	20

**NOTE 10 - FINANCIAL RISK MANAGEMENT (continued)**

**(g) Fair value of financial instruments**

The Schemes' financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table details how the fair values of these financial assets and financial liabilities, other than Level 1, are determined in particular, the valuation techniques applied where valuation techniques involve the use of non-market observable inputs.

Financial assets / (financial liabilities)	Fair Value Hierarchy	Valuation Techniques
Listed equities	2	Valued from observable inputs with primary pricing source not from a stock exchange.
Unlisted equities	2	Valued based on observable market data or vendor developed models.
Interest bearing securities	2	Valued by sourcing appropriate yield curves based on credit rating, security type and term to maturity.
Unlisted managed investment schemes	2	Valued at redemption price as established by the Responsible Entity of the underlying trust.
Options	2	Valued from independent valuations based on observable market data provided by pricing vendors.
Foreign Exchange Forward Contracts	2	Valued based on observable market data or vendor developed models.
Unlisted equities and options (suspended/stale priced)	3	Valued based on non-observable inputs not quoted in an active market.

All Schemes, except listed separately below, invest only in unlisted managed investment schemes which are classified as level 2, and there have been no transfers between level during the year.

**Cash Fund**

Financial Instruments	2015			2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest bearing securities	4,000	63,324	-	25,000	52,365	-
Total	4,000	63,324	-	25,000	52,365	-

There have been no transfers between the levels during the year.

**IncomeBuilder**

Financial Instruments	2015			2014		
	Level 1	Level 2	Level 3*	Level 1	Level 2	Level 3*
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Listed equity securities	2,595,478	-	-	2,404,844	-	-
Interest bearing securities	-	82,671	-	-	43,864	-
Total	2,595,478	82,671	-	2,404,844	43,864	-

\* Level 3 for the years ended 31 May 2014 and 31 May 2015 contain investments in BGP Holdings PLC, Virgin Australia International Holdings Pty Ltd and AET & D Holdings No 1 Pty Ltd which have nil market values. These investments are assessed for sensitivity to their unobservable inputs, and as the market value for these investments are nil, there is no impact to their fair value.

There have been no movements into or out of Level 2 and Level 3 for the year ended 31 May 2014 or 31 May 2015.

**MLC - Platinum Global Fund**

Financial Instruments	2015			2014		
	Level 1	Level 2	Level 3*	Level 1	Level 2	Level 3*
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Listed equity securities	1,045,855	15,051	-	990,450	5,355	-
Unlisted equity securities	-	325	-	-	-	-
Interest bearing securities	-	861	-	-	-	-
Foreign Exchange Forward Contracts	-	277	-	-	(2,397)	-
Futures Contracts	(1,460)	-	-	2,007	-	-
Options	5,096	62,483	-	410	-	-
Total	1,049,491	78,997	-	992,867	2,958	-

\* Level 3 for the year ended 31 May 2014 and 31 May 2015 contain stale priced investments in the Smith Investment Company with nil market value. These investments are assessed for sensitivity to their unobservable inputs, and as the market value for these investments are nil, there is no impact to their fair value.

There have been no other movements into or out of Level 2 and Level 3 for the year ended 31 May 2014 or 31 May 2015.

NOTE 11 - NOTES TO THE STATEMENTS OF CASH FLOWS

	MLC Horizon 7 Accelerated Growth		MLC Horizon 6 Share Portfolio		MLC Horizon 5 Growth Portfolio		MLC Horizon 4 Balanced Portfolio	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	4,009	3,776	41,611	36,565	68,639	58,524	192,642	161,946
Income reinvested	-	(543)	(2,986)	(9,139)	(6,790)	(17,375)	(23,899)	(56,122)
Changes in the fair value of investments	(3,418)	(3,575)	(31,670)	(31,363)	(49,157)	(48,579)	(126,924)	(129,203)
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in dividend receivables	(948)	-	(11,330)	-	(20,833)	-	(67,602)	-
(Increase)/decrease in other receivables	1	-	-	(1)	(1)	1	(1)	(2)
(Decrease)/increase in other accounts payable	2	7	40	101	87	183	238	604
<b>Net cash provided by/(used in) operating activities</b>	<b>(354)</b>	<b>(335)</b>	<b>(4,335)</b>	<b>(3,837)</b>	<b>(8,055)</b>	<b>(7,246)</b>	<b>(25,546)</b>	<b>(22,777)</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank, units in the Cash Fund and short term deposits at call. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	334	86	1,796	430	2,877	732	9,159	3,034
Cash on deposit - domestic	-	-	1	1	1	1	6	4
Cash on deposit - overseas	-	-	-	-	-	-	-	-
Futures margin	-	-	-	-	-	-	-	-
MLC MasterKey Unit Trust Cash Fund	-	-	-	-	-	-	-	-
	<b>334</b>	<b>86</b>	<b>1,797</b>	<b>431</b>	<b>2,878</b>	<b>733</b>	<b>9,165</b>	<b>3,038</b>

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	-	223	-	3,924	795	7,759	4,380	24,305
	<b>-</b>	<b>223</b>	<b>-</b>	<b>3,924</b>	<b>795</b>	<b>7,759</b>	<b>4,380</b>	<b>24,305</b>

	MLC Horizon 3 Conservative Growth		MLC Horizon 2 Income Portfolio		Cash Fund		Property Securities Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	66,635	47,471	11,758	8,357	1,417	1,689	26,429	4,289
Income reinvested	(10,043)	(19,677)	(2,848)	(5,127)	-	-	(4,330)	(4,906)
Changes in the fair value of investments	(46,069)	(36,585)	(8,027)	(5,398)	-	-	(22,337)	(947)
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in dividend receivables	(21,504)	-	(2,942)	-	-	-	(1,358)	-
(Increase)/decrease in other receivables	(2)	-	-	-	10	49	-	-
(Decrease)/increase in other accounts payable	169	296	(11)	35	(8)	16	5	30
<b>Net cash provided by/(used in) operating activities</b>	<b>(10,814)</b>	<b>(8,495)</b>	<b>(2,070)</b>	<b>(2,133)</b>	<b>1,419</b>	<b>1,754</b>	<b>(1,591)</b>	<b>(1,534)</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank, units in the Cash Fund and short term deposits at call. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	3,892	2,321	1,332	560	6,196	5,409	1,170	704
Cash on deposit - domestic	2	2	-	-	334	896	-	-
Money market cash	-	-	-	-	12,545	14,023	-	-
Futures margin	-	-	-	-	-	511	-	-
MLC MasterKey Unit Trust Cash Fund	-	-	-	-	-	-	-	-
	<b>3,894</b>	<b>2,323</b>	<b>1,332</b>	<b>560</b>	<b>19,075</b>	<b>20,839</b>	<b>1,170</b>	<b>704</b>

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	1,824	8,897	822	1,777	1,027	1,521	1,722	2,102
	<b>1,824</b>	<b>8,897</b>	<b>822</b>	<b>1,777</b>	<b>1,027</b>	<b>1,521</b>	<b>1,722</b>	<b>2,102</b>



**NOTE 11 - NOTES TO THE STATEMENTS OF CASH FLOWS (continued)**

	IncomeBuilder		Share Index Fund		Australian Share Fund		Global Share Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	336,374	340,080	27,523	48,639	11,898	16,790	21,472	16,306
Income reinvested	-	-	(9,045)	(14,496)	(3,092)	(7,351)	(10)	(1,667)
Changes in the fair value of investments	(258,277)	(267,410)	(17,281)	(38,598)	(6,334)	(11,861)	(20,815)	(16,195)
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in dividend receivables	(507)	206	(5,634)	-	(4,668)	-	(2,182)	-
(Increase)/decrease in other receivables	(2)	9	-	1	-	-	-	-
(Decrease)/increase in other accounts payable	275	926	(11)	84	(17)	44	11	29
<b>Net cash provided by/(used in) operating activities</b>	<b>77,863</b>	<b>73,811</b>	<b>(4,448)</b>	<b>(4,370)</b>	<b>(2,213)</b>	<b>(2,378)</b>	<b>(1,524)</b>	<b>(1,527)</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank, units in the Cash Fund and short term deposits at call. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	29,401	2,052	5,809	1,102	1,806	962	462	265
Cash on deposit - domestic	16,822	22,892	-	-	-	-	-	-
Cash on deposit - overseas	-	-	-	-	-	-	-	-
Futures margin	-	-	-	-	-	-	-	-
MLC MasterKey Unit Trust Cash Fund	-	-	-	-	-	-	-	-
	<b>46,223</b>	<b>24,944</b>	<b>5,809</b>	<b>1,102</b>	<b>1,806</b>	<b>962</b>	<b>462</b>	<b>265</b>

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	45,435	111,344	3,342	10,445	1,074	3,698	-	615
	<b>45,435</b>	<b>111,344</b>	<b>3,342</b>	<b>10,445</b>	<b>1,074</b>	<b>3,698</b>	<b>-</b>	<b>615</b>
	<b>MLC - Platinum Global Fund</b>		<b>Australian Share Growth Style Fund</b>		<b>Australian Share Value Style Fund</b>		<b>Global Share Growth Style Fund</b>	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Whole Dollars \$	Whole Dollars \$

**(a) Reconciliation of operating profit to net cash flows from operating activities**

Net operating profit/(loss)	257,593	193,205	780	1,417	1,087	1,547	499,534	293,383
Income reinvested	-	-	(243)	(401)	(268)	(531)	-	(29,302)
Changes in the fair value of investments	(266,640)	(200,189)	(381)	(1,194)	(593)	(1,219)	(478,350)	(293,999)
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in dividend receivables	341	(457)	(331)	-	(414)	-	(53,044)	-
(Increase)/decrease in other receivables	7	7	-	-	-	-	(7)	(10)
(Decrease)/increase in other accounts payable	(128)	810	(5)	9	(2)	3	(10,545)	11,792
<b>Net cash provided by/(used in) operating activities</b>	<b>(8,827)</b>	<b>(6,624)</b>	<b>(180)</b>	<b>(169)</b>	<b>(190)</b>	<b>(200)</b>	<b>(42,412)</b>	<b>(18,136)</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank, units in the Cash Fund and short term deposits at call. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	10,113	11,253	152	105	207	129	35,799	21,271
Cash on deposit - domestic	25,929	993	-	-	-	-	-	-
Cash on deposit - overseas	22,023	46,206	-	-	-	-	-	-
Futures margin	14,393	7,745	-	-	-	-	-	-
MLC MasterKey Unit Trust Cash Fund	4,010	5,878	-	-	-	-	-	-
	<b>76,468</b>	<b>72,075</b>	<b>152</b>	<b>105</b>	<b>207</b>	<b>129</b>	<b>35,799</b>	<b>21,271</b>

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	-	-	93	184	96	241	-	18,479
	<b>-</b>	<b>-</b>	<b>93</b>	<b>184</b>	<b>96</b>	<b>241</b>	<b>-</b>	<b>18,479</b>

**NOTE 11 - NOTES TO THE STATEMENTS OF CASH FLOWS (continued)**

	Global Share Value Style Fund		MLC Horizon 1 Bond Portfolio	
	2015 Whole Dollars \$	2014 Whole Dollars \$	2015 Whole Dollars \$	2014 Whole Dollars \$
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>				
Net operating profit/(loss)	1,164,016	1,209,467	65,380	106,738
Income reinvested	-	(159,226)	(68,093)	(147,948)
Changes in the fair value of investments	(1,110,010)	(1,162,626)	(35,294)	(32,920)
Changes in assets and liabilities during the financial year:				
(Increase)/decrease in dividend receivables	(166,627)	-	(20,831)	-
(Increase)/decrease in other receivables	(25)	(23)	(4)	(7)
(Decrease)/increase in other accounts payable	(1,874)	5,168	(1,239)	716
<b>Net cash provided by/(used in) operating activities</b>	<b>(114,520)</b>	<b>(107,240)</b>	<b>(60,081)</b>	<b>(73,421)</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank, units in the Cash Fund and short term deposits at call. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	79,317	70,241	30,007	39,109
Cash on deposit - domestic	-	-	-	-
Cash on deposit - overseas	-	-	-	-
Futures margin	-	-	-	-
MLC MasterKey Unit Trust Cash Fund	-	-	-	-
	<u>79,317</u>	<u>70,241</u>	<u>30,007</u>	<u>39,109</u>

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	-	40,758	13,771	59,287
	<u>-</u>	<u>40,758</u>	<u>13,771</u>	<u>59,287</u>

**NOTE 12 - CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

	IncomeBuilder		MLC - Platinum Global Fund	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Net changes in fair value on financial assets through profit or loss:				
Held for trading	(92)	-	55,293	(16,516)
Designated at fair value through profit or loss	<u>258,369</u>	<u>267,410</u>	<u>211,347</u>	<u>216,705</u>
	<u>258,277</u>	<u>267,410</u>	<u>266,640</u>	<u>200,189</u>

The changes in fair value of financial assets and liabilities for all other Schemes relate to instruments designated at fair value through profit or loss.

**NOTE 13 - EVENTS OCCURRING AFTER THE BALANCE DATE**

Except as disclosed in the financial report, there has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to significantly affect the operations of the Schemes, the results of those operations, or the state of affairs of the Schemes, in future financial years.

**NOTE 14 - COMMITMENTS AND CONTINGENT LIABILITIES**

The Schemes had no known commitments or contingent liabilities as at 31 May 2015 (2014: Nil).

**Directors' declaration**

In the opinion of the Directors of MLC Investments Limited, the Responsible Entity of the Schemes:

The financial statements and notes set out on pages 7 to 48, are in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the financial positions of the Schemes as at 31 May 2015 and of their performance for the year ended on that date;
- (b) complying with Accounting Standards and Corporations Regulations 2001;
- (c) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable; and
- (d) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1(a).

This declaration is made in accordance with a resolution of the Directors.

Director: P. Gupta

Signature: R. 71

Dated at Sydney this 22 day of July 2015

## Independent auditor's report to the unitholders of the MLC MasterKey Unit Trust:

MLC MasterKey Unit Trust Accelerated Growth Portfolio	MLC MasterKey Unit Trust Share Portfolio
MLC MasterKey Unit Trust Growth Portfolio	MLC MasterKey Unit Trust Balanced Portfolio
MLC MasterKey Unit Trust Conservative Growth Portfolio	MLC MasterKey Unit Trust Income Portfolio
MLC MasterKey Unit Trust Cash Fund	MLC MasterKey Unit Trust Property Securities Fund
MLC MasterKey Unit Trust IncomeBuilder™	MLC MasterKey Unit Trust Share Index Fund
MLC MasterKey Unit Trust Australian Share Fund	MLC MasterKey Unit Trust Global Share Fund
MLC MasterKey Unit Trust MLC - Platinum Global Fund	MLC MasterKey Unit Trust Australian Share Growth Style Fund
MLC MasterKey Unit Trust Australian Share Value Style Fund	MLC MasterKey Unit Trust Global Share Growth Style Fund
MLC MasterKey Unit Trust Global Share Value Style Fund	MLC MasterKey Unit Trust Bond Portfolio

We have audited the accompanying financial report of the MLC MasterKey Unit Trust consisting of the schemes listed above (the 'Schemes') which comprises the statements of financial position as at 31 May 2015, the statements of comprehensive income, statements of changes in net assets attributable to unitholders and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


## Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is attached to the directors' report.

## Auditor's Opinion

In our opinion:

1. the financial report of the Schemes is in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the financial position of the Schemes as at 31 May 2015 and of their performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).



Ernst & Young



Rita Da Silva  
Partner  
22 July 2015

## Your notes

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