



With you

Annual Report 2012

The Universal Super Scheme



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Issued by:
The Trustee, MLC Nominees Pty Limited (MLC)
ABN 93 002 814 959 AFSL 230702

for The Universal Super Scheme
ABN 44 928 361 101

This annual report is your update on how your money is invested and a reminder of some things you should know.

We've also included an update on how we manage individual investment options.

This is the annual report for The Universal Super Scheme and is relevant to:

MLC MasterKey Super & Pension	The Employee Retirement Plan
MLC MasterKey Super & Pension Fundamentals	MLC Capital Guaranteed Personal Super Savings Plan
MLC MasterKey Superannuation	MLC Capital Guaranteed Personal Super Bond
MLC MasterKey Business Super	MLC Maturity Growth Superannuation Plan
MLC MasterKey Personal Super	MLC Whole of Life Superannuation
MLC MasterKey Allocated Pension	MLC Endowment Superannuation
MLC MasterKey Term Allocated Pension	MLC Pure Endowment Superannuation
MLC Personal Superannuation	MLC Life Cover Super
MLC Super Pension Plan	MLC Super Group Insurance

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A year in review

With the market environment continuing to look uncertain in the near future, it's understandable people are keeping a close eye on their super.

Building greater transparency and trust in the financial service industry is a key priority for MLC and the Government. As a result, a number of legislative reforms are being introduced, which will ultimately benefit super members.

During this time of significant change, you'll be pleased to know we're working hard to make sure your interests are both protected and represented.

Thank you for choosing us to help you achieve your retirement goals.

A handwritten signature in black ink that reads "Geoff Webb". The signature is written in a cursive, flowing style.

Geoff Webb
Chairman
MLC Nominees Pty Limited

Looking out for your interests

The directors of the Trustee Board have a variety of work and life experiences which help them represent your interests.

Made up of executive and non-executive directors who are personally responsible for any decisions they make, their duties include:

- providing investment choice
- ensuring your interests are maintained, and
- keeping you informed of any changes.

The Trustee Board is liable for its activities and has professional indemnity insurance.

The Trustee Board has appointed MLC Limited to carry out the day-to-day investment management and administration of The Universal Super Scheme.

Meet the Board

The directors are:

Geoff Webb – Chairman

B Ec (Hons) 1970
AIA (UK)
AIAA (Australia)
FAICD, FAIM

Patrick Burroughs

BSSc (Hons) 1971
FCA, FAICD
Resigned 24 June 2012

Michael Clancy

B Bus (Finance and Economics) 1992
CFA 1997

Michael Fitzsimons

Diploma of Financial Services
ANZIIF

Peggy Haines

BA (Virginia) 1973
JD (Virginia) 1976
Diploma of Superannuation
Management (Macquarie) 1994
FAICD

Richard Morath

BA 1968
FIA (UK and Australia), ASIA

Richard Rassi

B Comm (UNSW) 1983
Certificate of Superannuation
Management (Macquarie) 1993
FCA, FAICD
Appointed 29 May 2012

John Reid

B Sc Mathematical Physics 1971
FIA (UK and Australia)

Nicole Smith

BFA 1990, CA
GAICD

Annual audit

Each year we are audited by an independent company. We're pleased to report we've met all our obligations and received a clean audit report. Because we invest in life insurance products, we don't need to show statements of assets and income or the auditor's report and accounts. However, you can easily get a copy of this information by calling us.

The MLC group of companies is the wealth management division of the National Australia Bank (NAB).

Some things you should know

Transfers to an Eligible Rollover Fund

We may transfer your account balance to an Eligible Rollover Fund if:

- your investment switching activity is deemed to be contrary to the interests of other members, or
- your account has been closed and you are eligible for a payment from MLC and we've not received any instructions from you, or
- other situations permitted under the law.

The Eligible Rollover Fund we currently use is the Australian Eligible Rollover Fund and it can be contacted on **1800 677 424**.

We'll advise you in writing to your last known address if we intend to transfer your account balance and will proceed if you don't respond with instructions regarding an alternative super fund.

Please note, a transfer to an Eligible Rollover Fund may be detrimental to you as the Eligible Rollover Fund may have a different fee structure, different investment strategies and may not offer insurance benefits.

Transfers to the Australian Taxation Office (ATO)

We're required by law to transfer your account balance to the ATO if:

- we've lost contact with you and your account balance is less than \$200, or
- your account has been inactive for five years, we haven't been able to contact you and, with the information reasonably available to us, we're satisfied that it will never be possible to pay the account balance to you, or
- you were a temporary resident and have departed Australia and you haven't claimed your benefit within six months of becoming eligible.

You will then have to contact the ATO to claim your benefit.

Surcharge assessment for prior years

The Superannuation Contributions Surcharge (surcharge) was removed in relation to contributions made from 1 July 2005. However a surcharge liability may still arise in respect of relevant contributions made in prior years.

The surcharge assessment may be sent to The Universal Super Scheme, in which case, the amount will generally be deducted from your account (unless it is a pension account) and paid to the ATO.

If you have withdrawn your account balance (in whole or part) or commenced a pension, the ATO may send the surcharge assessment to your new super arrangement or directly to you. Where you receive the assessment directly, you will be responsible for paying the surcharge to the ATO. If you have a pension account, you are generally able to ask us to pay you a lump sum in order to meet your surcharge liability.

If you have any questions about the surcharge please visit the ATO website at **ato.gov.au** or call **13 10 20**.

Resolving complaints

We can usually resolve complaints over the phone. If we can't or you're not satisfied with the outcome, please write to us. We'll work to resolve your complaint as soon as possible. If you're not satisfied with our decision you can get further advice from the Superannuation Complaints Tribunal by calling **1300 884 114**, or emailing **info@sct.gov.au**

More information is available on **sct.gov.au**

This section is specific to MLC MasterKey products and MLC Personal Superannuation.

It is a reminder about how your account operates.

Protecting all investors

At MLC we look out for you, so we've introduced processes that protect the interests of all investors.

Frequent switching

You should not invest in these products if you intend to switch your investments frequently in the pursuit of short-term gains.

We monitor all investment options for abnormal transaction activity because this sort of activity can have adverse impacts for other investors.

To maintain equity the Trustee has the right to deal with members who frequently switch by:

- delaying, limiting or rejecting their future switch requests
- cancelling membership and transferring their account balance to the Australian Eligible Rollover Fund.

Prudent management

We reserve the right to refuse applications or vary the terms for processing any transaction in certain circumstances, such as when:

- there are significant falls in investment markets
- we have difficulty in completing transactions due to low liquidity, which could occur with investment options that use higher risk strategies.

We also reserve the right to suspend processing of requests for up to five business days at the end of the financial year.

Should this occur we'll use the unit price on the day we restart processing your request.

Some things you should know

Transaction cost policy

The Trustee is responsible for ensuring that the costs of buying and selling assets when members transact are shared in an equitable way. This is achieved by:

- meeting costs as they arise for an investment option as a whole by offsetting them against investment earnings. This is the approach when there is a single unit price, sometimes called no-spread unit pricing, or
- meeting costs as they arise due to member transactions by offsetting them against the individual member assets. This is the approach when investment options have a buy-sell spread in the unit price.

The transaction costs borne by an investment option are identical in each approach and, generally, both methods work well.

However, having a buy-sell spread in the unit price is acknowledged as industry best practice and is the more equitable method in certain extreme situations.

Therefore, the investment options offered through products launched by us from December 2006 use unit pricing with buy-sell spreads (eg MLC MasterKey Super & Pension, MLC MasterKey Super & Pension Fundamentals).

For no-spread investment options, we allow for expected transaction costs in the valuation of assets to protect members in an investment option that is in decline.

We will be implementing the buy-sell pricing approach on an option by option basis in coming years as older products stop receiving substantial inflows.

When implemented, there will be a once-off immediate fractional reduction in the unit price for the investment option.

This will be offset by improved investment earnings over following years (relative to the performance that would have been experienced had the transaction cost policy not been implemented).

Note: The transaction cost policy is a part of MLC's Policy on Determining Spreads.

How your money is invested

In this section we tell you how the Trustee invests your money.

One of the Trustee's responsibilities is to make sure your investments are managed according to an agreed investment strategy and objective.

As you can see, we offer many products for you to invest in. Some of these will have similar investment objectives and strategies.

To make this section easier for you to read we've grouped products with common objectives and strategies together.

Derivatives

Derivatives are a common tool used to enhance returns or manage risk.

They are contracts that have a value derived from an external reference (eg the level of a share price index).

There are many types of derivatives and they can be an invaluable tool for an investment manager.

However, they can incur significant losses.

MLC's Derivatives Policy, which outlines how we manage derivatives, is available on **mlc.com.au**

How the other managers invest in derivatives is included in their Product Disclosure Statement available on **mlc.com.au**

How your money is invested

Product name	Investment objective
MLC MasterKey & MLC Personal Superannuation	
MLC MasterKey Super & Pension MLC MasterKey Super & Pension Fundamentals MLC MasterKey Superannuation MLC MasterKey Business Super MLC MasterKey Personal Super MLC MasterKey Allocated Pension MLC MasterKey Term Allocated Pension MLC Personal Superannuation	To provide a selection of investment options so you can invest according to your individual needs and circumstances. You can find specific details about the individual investment options available on pages 12 to 47.

Investment strategy

The Trustee invests in a policy issued by MLC Limited who, in turn, invests in a suitably structured portfolios. Each investment option available has an individual investment objective and strategy.

About your account value

When money is paid into your account, units are allocated to your account and when money is paid out, units are deducted from your account.

The value of your account is based on:

- the number of units in your chosen investment options, and
- the price of those units.

The overall value of your account will change according to the unit price and the number of units you hold.

Unit prices are calculated as at the end of each business day and robust unit pricing policies are used to do this.

The unit price will reflect the performance of the underlying assets, income earned, fees, expenses and taxes paid and payable.

The performance of the underlying assets is influenced by movements in investment markets such as local and overseas share markets, bond and property markets.

If you would like to find out more about our unit pricing philosophy, go to **mlc.com.au**

NAB Fixed Rate Funds

A guaranteed interest rate is payable for the term selected. Interest is calculated daily and credited:

- annually on 30 June each year, or
- on withdrawal or switch, or
- on maturity.

An exit fee applies if you withdraw before the maturity date. This fee will reduce the earnings on your investment.

NAB Term Deposits

A guaranteed interest rate is payable for the term selected. Interest is calculated daily and credited annually on the anniversary of the term, or on maturity.

Early withdrawals are only permitted in extreme circumstances and will result in reduced interest.

How your money is invested

Product name	Investment objective
The Employee Retirement Plan	
The Employee Retirement Plan	<p>The Trustee invests in a policy issued by MLC Limited who, in turn, invests in a suitably structured portfolio of securities to deliver on the objectives of the Investment Facility and the Benefit Protection System.</p> <p>You can find more detail about the objectives of the Investment Facility and the Benefit Protection System on page 48.</p>
MLC Super Pension Plan	
MLC Super Pension Plan	To provide a fixed regular income stream for a selected period.
MLC Capital Guaranteed products	
MLC Capital Guaranteed Personal Super Savings Plan MLC Capital Guaranteed Personal Super Bond MLC Maturity Growth Superannuation Plan	To balance risk and return considerations while securing guarantees to members.
MLC Whole of Life Superannuation MLC Endowment Superannuation MLC Pure Endowment Superannuation	
MLC Insurance products	
MLC Life Cover Super MLC Super Group Insurance	Your contributions are used to pay the premiums for the insurance cover selected.

Investment strategy	About your account value
	<p>MLC Limited calculates an earning rate annually.</p> <p>This is referred to as the declared rate and may be positive or negative. It is applied retrospectively on 30 June each year to your account balance.</p> <p>Throughout the year an interim rate is calculated weekly with the intention to reflect the year to date earnings. As a result the interim rate may differ from the declared rate.</p> <p>If you withdraw before the earning rate is declared, the interim rate will be applied to your account before your benefit is paid.</p>
The Trustee has purchased an annuity policy with MLC Limited.	This plan provides a fixed regular income stream for a selected period.
The Trustee invests in policies issued by MLC Limited who, in turn, invests in a suitably structured portfolio of debt securities. Surplus assets, over and above those required to Fund guaranteed benefits, are generally invested in a more diversified portfolio to increase potential returns.	<p>A declared rate of interest is allocated to your account after 30 June each year.</p> <p>Investment performance in MLC Capital Guaranteed Personal Super Savings Plan and MLC Capital Guaranteed Personal Super Bond is included with your annual statement.</p> <p>If you withdraw during the year, an interim rate is calculated and applied to your daily account balance before your benefit is paid.</p> <p>The interim rate is set with the intention to reflect the year to date earnings and, as a result, may differ from the declared rate.</p>
	In most cases, these plans earn bonuses which are allocated annually. Your bonuses, where applicable, are advised each year in your annual statement.
	There are no investment earnings for insurance only plans.

Investment option profiles

These are important notes about the investment option profiles.

Standard Risk Measure

The description of each investment option includes a Standard Risk Measure. This enables members to compare investment options using a simple measure of investment risk. That measure is the estimated number of negative annual returns in any 20-year period. Of course, the number of negative years that occur in a 20-year period may be different to the estimated number.

The Standard Risk Measure categories are based on industry guidelines. The risk categories are:

Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The Standard Risk Measure is not a complete assessment of investment risk. For example:

- it doesn't capture the size of a possible negative return or the potential for a positive return to be less than a member may need to meet their investment objectives, and
- it doesn't take into account the impact of administration fees and tax. These would increase the chance of a negative return.

There are many ways you, and your financial adviser, can assess the impact of risk on your investment strategy. You should make sure you're comfortable with the risks and potential losses associated with the investment options you choose.

You can read about how we calculate the estimates for the Standard Risk Measure on mlc.com.au

Investment options

The Investment Menu may change at any time and is available on our website.

For more detailed information, including the latest available asset allocations, please visit our Fund Profile Tool on mlc.com.au or contact your financial adviser. You can also find more information about your investment returns on your Annual Statement.

Closed investment options

Only members who have units in closed investment options can make additional contributions to those options. Please see pages 49 to 56.

Fees and costs

Investment fees are included for the following product groups:

Pages 14 & 15

- MLC MasterKey Super
- MLC MasterKey Super Fundamentals
- MLC MasterKey Pension
- MLC MasterKey Pension Fundamentals

Pages 16 & 17

- MLC MasterKey Superannuation
- MLC MasterKey Business Super
- MLC MasterKey Personal Super
- MLC Personal Superannuation
- MLC MasterKey Allocated Pension
- MLC MasterKey Term Allocated Pension

Investment fees

The investment fees shown are indicative fees. Investment fees are reflected in the daily unit price for each investment option and vary as investment costs change. Some investment managers provide a rebate on their investment management fee, which we pass entirely back to your account. The investment fees in the investment option profiles are shown after allowing for this rebate.

Performance fees

An investment manager may charge a performance fee when its investment returns exceed a specified level. Where applicable, the actual performance fee for the year ending 30 June 2012 is included in the investment fees shown. The actual performance fee charged in future periods may differ from that disclosed in this report. You can get more information on how performance fees are calculated by going to the investment managers' Product Disclosure Statement available on mlc.com.au

Investment options managed by MLC – Investment fees

The table below reflects the investment fees as at 30 June 2012 for the following products:

- MLC MasterKey Super
- MLC MasterKey Super Fundamentals
- MLC MasterKey Pension
- MLC MasterKey Pension Fundamentals

Investment option	Investment fee (Super) %	Investment fee (Pension) %
MLC Horizon Series Portfolios		
MLC Horizon 1 - Bond Portfolio	0.52	0.52
MLC Horizon 2 - Capital Stable Portfolio	0.60	0.60
MLC Horizon 3 - Conservative Growth Portfolio	0.65	0.65
MLC Horizon 4 - Balanced Portfolio	0.70	0.70
MLC Horizon 5 - Growth Portfolio	0.73	0.73
MLC Horizon 6 - Share Portfolio	0.77	0.77
MLC Horizon 7 - Accelerated Growth Portfolio	1.00	1.00
MLC Index Plus Portfolios		
MLC Index Plus Conservative Portfolio	0.38	0.38
MLC Index Plus Balanced Portfolio	0.40	0.40
MLC Index Plus Growth Portfolio	0.42	0.42
MLC Long Term Absolute Return Portfolio		
MLC Long Term Absolute Return Portfolio	1.50	1.50
MLC Asset Class Portfolios		
MLC Diversified Debt Fund	0.50	0.50
MLC Property Securities Fund	0.67	0.67
MLC Global Property Fund	0.87	0.87
MLC Australian Share Fund	0.73	0.73
MLC Global Share Fund	0.85	0.85
MLC Hedged Global Share Fund	0.90	0.90
MLC Australian Share Value Style Fund	0.78	0.78
MLC Australian Share Growth Style Fund	0.78	0.78
MLC Global Share Value Style Fund	0.90	0.90
MLC Global Share Growth Style Fund	0.90	0.90
MLC IncomeBuilder	0.72	0.72
Cash and Term Deposit		
MLC Cash Fund	0.25	0.25
NAB Term Deposit	Not applicable	Not applicable
NAB Fixed Rate Fund	Not applicable	Not applicable

Investment options not managed by MLC – Investment fees

The table below reflects the investment fees (management fee plus performance fee) as at 14 September 2012 for the following products:

- MLC MasterKey Super
- MLC MasterKey Super Fundamentals
- MLC MasterKey Pension
- MLC MasterKey Pension Fundamentals

Investment option	Management fee %	Performance fee %	Indicative Investment fee %
Fixed Income			
Vanguard Australian Fixed Interest Index Fund	0.39	-	0.39
Vanguard International Fixed Interest Index Fund Hedged	0.44	-	0.44
Property Securities			
Legg Mason Property Securities Trust	0.72	-	0.72
Vanguard Australian Property Securities Index Fund	0.44	-	0.44
Australian Shares			
Alphinity Wholesale Concentrated Australian Share Fund	0.76	0.00	0.76
Antares Elite Opportunities Fund	0.70	0.00	0.70
Antares High Growth Shares Fund	1.00	0.00	1.00
Arnhem Australian Equity Fund	0.77	-	0.77
Ausbil Australian Emerging Leaders	0.95	0.09	1.04
Fairview Equity Partners Emerging Companies Fund	1.20	3.12	4.32
Investors Mutual Australian Share Fund	0.92	-	0.92
MLC-Vanguard Australian Share Index Fund	0.27	-	0.27
Northward Capital Australian Equity Trust	0.85	0.00	0.85
Perennial Value Shares Trust	0.92	-	0.92
Perpetual's Wholesale Australian Fund	1.06	-	1.06
Perpetual's Wholesale Ethical SRI Fund	1.00	-	1.00
Perpetual's Wholesale Small Companies Fund No.2	1.45	-	1.45
Schroder Wholesale Australian Equity Fund	0.77	-	0.77
Global Shares			
Altrinsic Global Equities Trust	1.25	-	1.25
AXA Wholesale Global Equity - Value Fund	1.01	-	1.01
BlackRock Global Allocation Fund	0.30	0.33	0.63
BlackRock Global Small Cap Fund Unhedged	1.15	-	1.15
MLC Capital International Global Share Fund	0.87	-	0.87
Pengana Asian Equities Fund	1.54	0.00	1.54
Platinum Asia Fund	1.54	-	1.54
Platinum International Fund	1.54	-	1.54
PM CAPITAL Absolute Performance Fund	1.29	0.81	2.10
T.Rowe Price Global Equity Fund	1.10	-	1.10
Vanguard International Shares Index Fund Hedged	0.41	-	0.41
Vanguard International Shares Index Fund Unhedged	0.38	-	0.38
Closed Investment Options			
MLC-Platinum Global Fund	1.16	-	1.16
UBS Australian Share Fund	0.80	-	0.80
UBS Diversified Credit Fund	0.78	-	0.78

Investment options managed by MLC – Investment fees

The table below reflects the investment fees as at 30 June 2012 for the following products:

- MLC MasterKey Superannuation
- MLC MasterKey Business Super
- MLC MasterKey Personal Super
- MLC Personal Superannuation
- MLC MasterKey Allocated Pension
- MLC MasterKey Term Allocated Pension

Investment option	Investment fee (Super) %	Investment fee (Pension) %
MLC Horizon Series Portfolios		
MLC Horizon 1 - Bond Portfolio	0.36	0.32
MLC Horizon 2 - Capital Stable Portfolio	0.41	0.43
MLC Horizon 3 - Conservative Growth Portfolio	0.51	0.54
MLC Horizon 4 - Balanced Portfolio	0.58	0.61
MLC Horizon 5 - Growth Portfolio	0.59	0.64
MLC Horizon 6 - Share Portfolio	0.61	0.66
MLC Horizon 7 - Accelerated Growth Portfolio	0.98	1.04
MLC Index Plus Portfolios		
MLC Index Plus Conservative Fund*	0.30	Not applicable
MLC Index Plus Balanced Fund*	0.32	Not applicable
MLC Index Plus Growth Fund*	0.33	Not applicable
MLC Long Term Absolute Return Portfolio		
MLC Long Term Absolute Return Portfolio	1.32	1.29
MLC Asset Class Portfolios		
MLC Property Securities Fund	0.64	0.67
MLC Australian Share Fund	0.60	0.62
MLC Australian Share Growth Style Fund	0.53	0.55
MLC Australian Share Value Style Fund	0.59	0.61
MLC IncomeBuilder	0.71	0.70
MLC Global Share Fund	0.74	0.78
MLC Global Share Growth Style Fund	0.68	0.71
MLC Global Share Value Style Fund	0.81	0.85
Cash		
MLC Cash Fund	0.27	0.25
The Employee Retirement Plan		
Investment facility	Not applicable	Not applicable
Benefit Protection System (closed)	Not applicable	Not applicable
Closed Investment Options		
Accent Capital Guaranteed Fund	Not applicable	Not applicable
Accent Managed Fund	0.50	Not applicable
Entrepreneur Capital Guaranteed Fund	Not applicable	Not applicable
Entrepreneur Managed Fund	0.40	Not applicable
National Balanced Fund	0.61	0.58

* Only available to Business Super members

Investment options not managed by MLC – Investment fees

The table below reflects the investment fees (management fee plus performance fee) and issuer fee as at 14 September 2012 for the following products:

- MLC MasterKey Superannuation
- MLC MasterKey Business Super
- MLC MasterKey Personal Super
- MLC Personal Superannuation
- MLC MasterKey Allocated Pension
- MLC MasterKey Term Allocated Pension

Investment option	Management fee %	Performance fee %	Indicative Investment fee %	Issuer fee %
Fixed Income				
Vanguard Australian Fixed Interest Index Fund	0.19	-	0.19	0.12
Vanguard International Fixed Interest Index Fund Hedged	0.24	-	0.24	0.12
Property Securities				
Legg Mason Property Securities Trust	0.52	-	0.52	0.12
Vanguard Australian Property Securities Index Fund	0.24	-	0.24	0.12
Australian Shares				
Arnhem Australian Equity Fund	0.57	-	0.57	0.12
Ausbil Australian Emerging Leaders	0.75	0.09	0.84	0.12
Investors Mutual Australian Share Fund	0.72	-	0.72	0.12
MLC-Vanguard Australian Share Index Fund	Super 0.25 Pension 0.30	-	Super 0.25 Pension 0.30	-
Perennial Value Shares Trust	0.72	-	0.72	0.12
Perpetual's Wholesale Australian Fund	0.86	-	0.86	0.12
Perpetual's Wholesale Ethical SRI Fund	0.80	-	0.80	0.12
Perpetual's Wholesale Small Companies Fund No.2	1.25	-	1.25	0.12
Schroder Wholesale Australian Equity Fund	0.57	-	0.57	0.12
Global Shares				
AXA Wholesale Global Equity - Value Fund	0.81	-	0.81	0.12
MLC Capital International Global Share Fund	Super 0.71 Pension 0.72	-	Super 0.71 Pension 0.72	-
MLC-Platinum Global Fund	1.16	-	1.16	-
Platinum Asia Fund*	1.54	-	1.54	-
Platinum International Fund	1.54	-	1.54	-
PM CAPITAL Absolute Performance Fund	1.09	0.81	1.90	0.12
Vanguard International Shares Index Fund Hedged	0.21	-	0.21	0.12
Vanguard International Shares Index Fund Unhedged	0.18	-	0.18	0.12
Closed Investment Options				
BlackRock Balanced Fund*	0.95	-	0.95	0.12
BT Active Balanced Fund*	0.97	-	0.97	0.12
BT Wholesale Balanced Returns Fund*	0.97	-	0.97	0.12
Colonial First State Wholesale Diversified Fund*	0.95	-	0.95	0.12
Colonial First State Wholesale Income Fund*	0.50	-	0.50	0.12
INVESCO Diversified Growth Fund*	1.09	-	1.09	0.12
UBS Australian Share Fund*	0.60	-	0.60	0.12
UBS Diversified Credit Fund*	0.58	-	0.58	0.12
Vanguard Growth Index Fund*	0.36	-	0.36	0.12
Vanguard High Growth Index Fund*	0.37	-	0.37	0.12

* Not available to Business Super members

MLC Horizon Series of Portfolios

Investment objective

Each portfolio aims to grow your wealth for an expected level of risk.

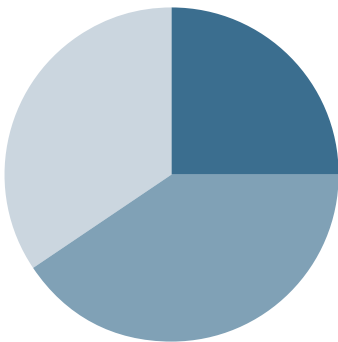
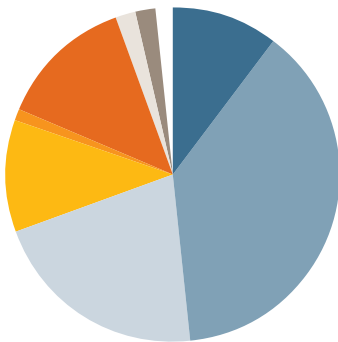
About the investment options

Where you are in life, and what your investment goals are, will influence the kind of investment you choose.


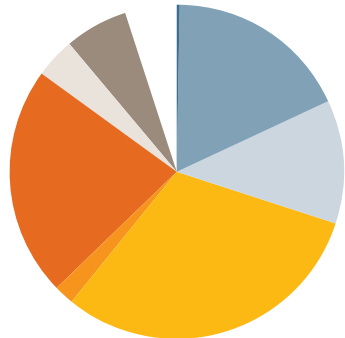
We designed the MLC Horizon Series of portfolios with this in mind as each portfolio offers a different risk and return expectation. So whatever your circumstances are now, and as they change over time, you can choose the portfolio to suit your specific needs.


At the lower end of the risk and return potential is MLC Horizon 1. This invests in defensive assets such as fixed income and cash. At the higher end of the risk and return potential is MLC Horizon 7 which gears its investment into growth assets such as shares.

The portfolios are actively managed and broadly diversified within asset classes, across asset classes and across investment managers. These managers invest in many companies and securities around the world.


	MLC Horizon 1 Bond Portfolio	MLC Horizon 2 Capital Stable Portfolio
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest almost entirely in defensive assets • you give priority to preserving your capital 	<ul style="list-style-type: none"> • you want to invest with a bias to defensive assets, with some exposure to growth assets • preserving your capital is an important but not overriding concern
Minimum suggested time to invest	Two years	Three years
Target allocation of \$1,000 (at 30 June 2012)	<div> <div> <div>Cash</div> <div>Australian fixed income</div> <div>Global fixed income</div> </div> <div> <div>\$250</div> <div>\$408</div> <div>\$342</div> </div> </div> <p>Defensive \$1,000</p> 	<div> <div> <div>Cash</div> <div>Australian fixed income</div> <div>Global fixed income</div> </div> <div> <div>\$105</div> <div>\$379</div> <div>\$211</div> </div> </div> <p>Defensive \$695</p> <div> <div> <div>Australian shares</div> <div>Global shares (hedged)</div> <div>Global shares (unhedged)</div> <div>Global property securities (hedged)</div> <div>Global private assets (hedged)</div> <div>Other</div> </div> <div> <div>\$110</div> <div>\$10</div> <div>\$130</div> <div>\$20</div> <div>\$20</div> <div>\$15</div> </div> </div> <p>Growth \$305</p> 
We may adjust the target allocation within these ranges	Defensive 95–100% Growth 0–5%	Defensive 65–75% Growth 25–35%
Estimated number of negative annual returns	Very low, less than 1 year in 20	Low to medium, between 1 and 2 years in 20

MLC Horizon Series of Portfolios

	MLC Horizon 3 Conservative Growth Portfolio	MLC Horizon 4 Balanced Portfolio
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in an approximately equal mix of defensive and growth assets • you want a portfolio with some long-term capital growth potential and can tolerate moderate changes in value 	<ul style="list-style-type: none"> • you want to invest with a bias to growth assets • you want a portfolio with a bias towards long-term capital growth potential and can tolerate moderate to large changes in value
Minimum suggested time to invest	Five years	Six years
Target allocation of \$1,000 (at 30 June 2012)	<div> <div> <div>Cash</div> <div>Australian fixed income</div> <div>Global fixed income</div> <div>Defensive</div> <div>Australian shares</div> <div>Global shares (hedged)</div> <div>Global shares (unhedged)</div> <div>Global property securities (hedged)</div> <div>Global private assets (hedged)</div> <div>Other</div> <div>Growth</div> </div> <div> <div>\$55</div> <div>\$274</div> <div>\$166</div> <div>\$495</div> <div>\$210</div> <div>\$10</div> <div>\$180</div> <div>\$30</div> <div>\$40</div> <div>\$35</div> <div>\$505</div> </div> </div> 	<div> <div> <div>Cash</div> <div>Australian fixed income</div> <div>Global fixed income</div> <div>Defensive</div> <div>Australian shares</div> <div>Global shares (hedged)</div> <div>Global shares (unhedged)</div> <div>Global property securities (hedged)</div> <div>Global private assets (hedged)</div> <div>Other</div> <div>Growth</div> </div> <div> <div>\$5</div> <div>\$176</div> <div>\$119</div> <div>\$300</div> <div>\$310</div> <div>\$20</div> <div>\$220</div> <div>\$40</div> <div>\$60</div> <div>\$50</div> <div>\$700</div> </div> </div> 
We may adjust the target allocation within these ranges	Defensive 45–55% Growth 45–55%	Defensive 25–35% Growth 65–75%
Estimated number of negative annual returns	Medium to high, between 3 and 4 years in 20	High, 4 years in 20

MLC Horizon 5 Growth Portfolio	MLC Horizon 6 Share Portfolio
<ul style="list-style-type: none"> • you want to invest with a strong bias to growth assets • you want a portfolio with a strong bias towards long-term capital growth potential and can tolerate moderate to large changes in value 	<ul style="list-style-type: none"> • you want to invest in growth assets • you want a portfolio focussed on long-term capital growth potential and can tolerate large changes in value
Seven years	Seven years
<div> <div> <div>Cash</div> <div>\$5</div> </div> <div> <div>Australian fixed income</div> <div>\$100</div> </div> <div> <div>Global fixed income</div> <div>\$60</div> </div> <div> <div>Defensive</div> <div>\$165</div> </div> <div> <div>Australian shares</div> <div>\$360</div> </div> <div> <div>Global shares (hedged)</div> <div>\$45</div> </div> <div> <div>Global shares (unhedged)</div> <div>\$280</div> </div> <div> <div>Global property securities (hedged)</div> <div>\$40</div> </div> <div> <div>Global private assets (hedged)</div> <div>\$60</div> </div> <div> <div>Other</div> <div>\$50</div> </div> <div> <div>Growth</div> <div>\$835</div> </div> </div> 	<div> <div>Australian shares</div> <div>\$410</div> </div> <div> <div>Global shares (hedged)</div> <div>\$110</div> </div> <div> <div>Global shares (unhedged)</div> <div>\$350</div> </div> <div> <div>Global property securities (hedged)</div> <div>\$20</div> </div> <div> <div>Global private assets (hedged)</div> <div>\$70</div> </div> <div> <div>Other</div> <div>\$40</div> </div> <div> <div>Growth</div> <div>\$1,000</div> </div>

MLC Horizon Series of Portfolios

	MLC Horizon 7 Accelerated Growth Portfolio	
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want a portfolio focussed on long-term capital growth • you expect growth in the assets' value to exceed the costs of gearing • you want to gear a portfolio of growth assets but don't want the burden of obtaining and managing your own loan • you're comfortable with the risks of gearing including extra volatility and increased risk of capital loss. And you understand that at its target gearing level (described below), the Portfolio's unit price would fall to zero if its asset values fell suddenly by 77%. Lesser falls may cause substantial reductions in unit prices which may trigger the suspension of withdrawals and applications 	
Minimum suggested time to invest	Ten years	
Target allocation of \$1,000 (at 30 June 2012)	<ul style="list-style-type: none"> ■ Australian shares \$520 ■ Global shares (hedged) \$220 ■ Global shares (unhedged) \$430 ■ Global private assets (hedged) \$80 □ Other \$50 ■ Borrowing -\$300 	<p>Target gearing level</p> <p>As at 30 June 2012, for every \$1,000 you have invested, the Portfolio targets borrowings of \$300. The actual gearing level changes every day. That's why we monitor the Portfolio's actual gearing level against its target and regularly move the borrowings back to the target level.</p> <p>Seeking to maintain the target gearing level involves adjusting the borrowings as well as buying and selling assets. This increased trading will incur transaction costs and realise tax gains and losses.</p> <p>We may change the target gearing level without prior notice to you.</p> <p>In some circumstances it is possible that the Portfolio may not be geared for an extended period of time.</p> <p>Target gearing levels are available on mlc.com.au. You should check this to ensure you are comfortable with the target gearing level prior to investing in the Portfolio.</p>
		
We may adjust the target allocation within these ranges	<p>Growth 100–135%</p> <p>Amounts invested above 100% are made by borrowing. In extreme market conditions the amount invested may exceed 135%.</p>	
Estimated number of negative annual returns	High, between 5 and 6 years in 20	

MLC Index Plus Portfolios

Investment objective


Each portfolio aims to grow your wealth for an expected level of risk.

About the investment options



Each MLC Index Plus portfolio offers a diversified investment solution. They are designed using all aspects of our approach to investing, except they have a greater focus on:

- investing in conventional asset classes) and
- index (passive) rather than active managers (as shown in target allocation).

We expect index managers to provide similar returns to the market (before taking into account fees and taxes).

	MLC Index Plus Conservative Growth Portfolio																		
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in an approximately equal mix of defensive and growth assets • you want a portfolio with some long-term capital growth potential and can tolerate moderate changes in value 																		
Minimum suggested time to invest	Five years																		
Target allocation of \$1,000 (at 30 June 2012)	<table> <tr> <td>■ Cash – active</td><td>\$50</td></tr> <tr> <td>■ Australian fixed income – active</td><td>\$286</td></tr> <tr> <td>■ Global fixed income – active</td><td>\$164</td></tr> <tr> <td>Defensive</td><td>\$500</td></tr> <tr> <td>■ Australian shares – index</td><td>\$210</td></tr> <tr> <td>■ Global shares (hedged) – index</td><td>\$70</td></tr> <tr> <td>■ Global shares (unhedged) – index</td><td>\$190</td></tr> <tr> <td>■ Global property securities (hedged) – index</td><td>\$30</td></tr> <tr> <td>Growth</td><td>\$500</td></tr> </table> 	■ Cash – active	\$50	■ Australian fixed income – active	\$286	■ Global fixed income – active	\$164	Defensive	\$500	■ Australian shares – index	\$210	■ Global shares (hedged) – index	\$70	■ Global shares (unhedged) – index	\$190	■ Global property securities (hedged) – index	\$30	Growth	\$500
■ Cash – active	\$50																		
■ Australian fixed income – active	\$286																		
■ Global fixed income – active	\$164																		
Defensive	\$500																		
■ Australian shares – index	\$210																		
■ Global shares (hedged) – index	\$70																		
■ Global shares (unhedged) – index	\$190																		
■ Global property securities (hedged) – index	\$30																		
Growth	\$500																		
We may adjust the target allocation within these ranges	<table> <tr> <td>Defensive</td><td>45–55%</td></tr> <tr> <td>Growth</td><td>45–55%</td></tr> </table>	Defensive	45–55%	Growth	45–55%														
Defensive	45–55%																		
Growth	45–55%																		
Estimated number of negative annual returns	Medium to high, between 3 and 4 years in 20																		

MLC Index Plus Portfolios

	MLC Index Plus Balanced Portfolio	MLC Index Plus Growth Portfolio
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest with a bias to growth assets • you want a portfolio with a bias towards long-term capital growth potential and can tolerate moderate to large changes in value 	<ul style="list-style-type: none"> • you want to invest with a strong bias to growth assets • you want a portfolio with a strong bias towards long-term capital growth potential and can tolerate moderate to large changes in value
Minimum suggested time to invest	Six years	Seven years
Target allocation of \$1,000 (at 30 June 2012)	<div> <div> <div>Australian fixed income – active</div> <div>Global fixed income – active</div> <div>Defensive</div> <div>Australian shares – index</div> <div>Global shares (hedged) – index</div> <div>Global shares (unhedged) – index</div> <div>Global property securities (hedged) – index</div> <div>Growth</div> </div> <div> <div>\$189</div> <div>\$111</div> <div>\$300</div> <div>\$320</div> <div>\$110</div> <div>\$230</div> <div>\$40</div> <div>\$700</div> </div> </div> 	<div> <div> <div>Australian fixed income – active</div> <div>Global fixed income – active</div> <div>Defensive</div> <div>Australian shares – index</div> <div>Global shares (hedged) – index</div> <div>Global shares (unhedged) – index</div> <div>Global property securities (hedged) – index</div> <div>Growth</div> </div> <div> <div>\$100</div> <div>\$50</div> <div>\$150</div> <div>\$370</div> <div>\$150</div> <div>\$290</div> <div>\$40</div> <div>\$850</div> </div> </div> 
We may adjust the target allocation within these ranges	Defensive 25–35% Growth 65–75%	Defensive 10–20% Growth 80–90%
Estimated number of negative annual returns	High, between 4 and 5 years in 20	High, between 4 and 5 years in 20

MLC Long-Term Absolute Return Portfolio

	MLC Long-Term Absolute Return Portfolio
Investment objective	Aims to maximise its return (above inflation, and after deducting investment fees and tax) over rolling 20-year periods, while ensuring a high likelihood of it being positive over that timeframe.
About the investment option	<p>The Portfolio is designed using three steps:</p> <ol style="list-style-type: none"> 1. It invests broadly across asset classes, many of which are unconventional (eg insurance related investments, private assets and inflation-linked bonds). This reduces its dependency on a single source of return. While investing in shares will generally be an important part of the Portfolio's strategy, its exposure to the Australian share market shouldn't dominate. The Portfolio also uses a number of investment managers that aren't limited to just one asset class, and may apply short-selling techniques to enhance returns. Over time, the Portfolio may take advantage of a variety of investment opportunities as they arise. 2. This diversified strategy is then geared in order to meet its 20-year objective. 3. We then take this strategy and adjust it to exploit swings in return and risk potential. We base these adjustments on our three to seven-year assessment of the market environment. <p>The resulting target asset allocation is shown on the following page.</p> <p>The Portfolio invests significantly in assets that can't easily be sold. And it may be significantly geared (it's allowed to invest up to \$1,000 for every \$1,000 you invest, and in extreme market conditions this level of gearing may be exceeded). The combination of these facts means that, from time to time, we may suspend your ability to put money into or take money out of the Portfolio.</p>
The investment option may be suited to you if ...	<p>You want to:</p> <ul style="list-style-type: none"> • take a genuinely long-term investment approach • focus on achieving returns above inflation, and can tolerate significant short-term volatility to achieve those returns • access the benefits of a geared portfolio and are comfortable with the risks of gearing including extra volatility and increased risk of capital loss • diversify across a wider range of asset classes, and • access long-term and/or unconventional asset classes and investment strategies while accepting that such strategies may take years to reward you. <p>And you're willing to accept:</p> <ul style="list-style-type: none"> • both financially and emotionally, that the Portfolio may have substantially different returns to other investments • the Portfolio may be illiquid for some time, potentially years, and • at its target gearing level (at 30 June 2012) the Portfolio's unit price would theoretically fall to zero if its asset values fell suddenly by 92%. Lesser falls may cause substantial reductions in unit prices which may trigger the suspension of withdrawals and applications.
Minimum suggested time to invest	Seven to ten years

MLC Long-Term Absolute Return Portfolio

Target allocation of \$1,000 (at 30 June 2012)	<table><tr><td>Global shares (unhedged)</td><td>\$120</td></tr><tr><td>Australian shares</td><td>\$80</td></tr><tr><td>Defensive global shares (unhedged)</td><td>\$300</td></tr><tr><td>Emerging markets strategy (unhedged)</td><td>\$150</td></tr><tr><td>Global private assets (hedged)</td><td>\$100</td></tr><tr><td>Australian inflation linked bonds</td><td>\$30</td></tr><tr><td>Multi-asset real return strategy (hedged)</td><td>\$150</td></tr><tr><td>Insurance related investments (hedged)</td><td>\$80</td></tr><tr><td>Hedge fund</td><td>\$70</td></tr><tr><td>Borrowing</td><td>-\$80</td></tr><tr><td>Growth</td><td>\$1,000</td></tr></table>	Global shares (unhedged)	\$120	Australian shares	\$80	Defensive global shares (unhedged)	\$300	Emerging markets strategy (unhedged)	\$150	Global private assets (hedged)	\$100	Australian inflation linked bonds	\$30	Multi-asset real return strategy (hedged)	\$150	Insurance related investments (hedged)	\$80	Hedge fund	\$70	Borrowing	-\$80	Growth	\$1,000	
Global shares (unhedged)	\$120																							
Australian shares	\$80																							
Defensive global shares (unhedged)	\$300																							
Emerging markets strategy (unhedged)	\$150																							
Global private assets (hedged)	\$100																							
Australian inflation linked bonds	\$30																							
Multi-asset real return strategy (hedged)	\$150																							
Insurance related investments (hedged)	\$80																							
Hedge fund	\$70																							
Borrowing	-\$80																							
Growth	\$1,000																							
	<p>The asset allocation and gearing level may have changed substantially from this.</p> <p>Please see the latest information on mlc.com.au</p>																							
Estimated number of negative annual returns	High, 5 years in 20																							

Fixed Income

	MLC Diversified Debt Fund
Investment objective	The Fund is designed to be a complete portfolio for the fixed income asset class, and aims to deliver growth by using investment managers that invest and diversify across many companies and securities within that asset class.
About the investment option	<p>The Fund is diversified across different types of fixed income securities in Australia and around the world. The securities are predominantly investment grade and typically longer dated. The average term to maturity is normally in the range of three to six years.</p> <p>Foreign currency exposures will generally be substantially hedged to the Australian dollar.</p> <p>As a result of capital restructures of bond issuers, the Fund may have an incidental exposure to shares from time to time.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in a defensive portfolio that's actively managed and diversified across investment managers, countries, bond sectors and securities.
Minimum suggested time to invest	Three to five years
Target allocation (at 30 June 2012)	48% Australian fixed income 52% Global fixed income
How you can assess performance	One way you can assess the performance of this fund is against its market benchmark over the long term. When making this assessment, be aware that the market benchmark doesn't take into account fees and taxes that may apply to your account.
Market benchmark	50% UBS Composite Bond Index (All Maturities) & 50% Barclays Global Aggregate Bond Index (hedged into Australian dollars)
Estimated number of negative annual returns	Low to medium, between 1 and 2 years in 20

MLC Long-Term Absolute Return Portfolio

Property Securities

	MLC Property Securities Fund	MLC Global Property Fund
Investment objective	The Fund is designed to be a complete portfolio for the Australian property securities asset class, and aims to deliver growth by using investment managers that invest and diversify across many companies and securities within that asset class.	The Fund is designed to be a complete portfolio for the global property securities asset class, and aims to deliver growth by using investment managers that invest and diversify across many companies and securities within that asset class.
About the investment option	The Fund invests primarily in Australian property securities, including listed Real Estate Investment Trusts and companies across most major listed property sectors. It does not normally invest in direct property, but may have some exposure to property securities listed outside of Australia from time to time. Foreign currency exposures will generally be substantially hedged to the Australian dollar.	The Fund invests primarily in property securities around the world, including listed Real Estate Investment Trusts and companies across most major listed property sectors. It does not normally invest in direct property. Foreign currency exposures will generally be substantially hedged to the Australian dollar.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in an actively managed property securities portfolio that invests in Australia, with some global exposure, and diversifies across property sectors and REITs. 	<ul style="list-style-type: none"> • you want to invest in an actively managed global property securities portfolio that's diversified across investment managers, countries, property sectors and REITs. • you don't want foreign currency exposure.
Minimum suggested time to invest	Seven years	Seven years
Target allocation (at 30 June 2012)	85-100% Australian property securities 0-15% Global property securities	100% Global property securities
How you can assess performance	One way you can assess the performance of this Fund is against its market benchmark over the long term. When making this assessment, be aware that the market benchmark doesn't take into account fees and taxes that may apply to your account.	One way you can assess the performance of this Fund is against its market benchmark over the long term. When making this assessment, be aware that the market benchmark doesn't take into account fees and taxes that may apply to your account.
Market benchmark	S&P/ASX 300 A-REIT Accumulation Index	FTSE EPRA/NAREIT Global Developed Index (hedged into Australian dollars)
Estimated number of negative annual returns	High, between 5 and 6 years in 20	High, between 4 and 5 years in 20

MLC Asset Class Portfolios

Australian Shares

	MLC Australian Share Fund	MLC Australian Share Growth Style Fund
Investment objective	The Fund is designed to be a complete portfolio for the Australian shares asset class, and aims to deliver growth by using investment managers that invest and diversify across many companies and securities within that asset class.	The Fund aims to deliver growth by using investment managers that invest and diversify across many companies and securities within the Australian shares asset class.
About the investment option	The Fund invests primarily in companies listed (or expected to be listed) on the Australian Securities Exchange (and other regulated exchanges), and is typically diversified across major listed industry groups. It may have a small exposure to companies listed outside of Australia from time to time.	The Fund invests primarily in companies listed (or expected to be listed) on the Australian Securities Exchange (and other regulated exchanges). It may have a small exposure to companies listed outside of Australia from time to time. We primarily use investment managers that have an investment style focusing on companies that are expected to have strong earnings growth.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in an actively managed Australian share portfolio that's diversified across investment managers, industries and companies. 	<ul style="list-style-type: none"> • you want to invest in an actively managed, growth biased, Australian share portfolio that's diversified across investment managers, industries and companies.
Minimum suggested time to invest	Seven years	Seven years
Target allocation (at 30 June 2012)	100% Australian shares	100% Australian shares
How you can assess performance	One way you can assess the performance of this Fund is against its market benchmark over the long term. When making this assessment, be aware that the market benchmark doesn't take into account fees and taxes that may apply to your account.	One way you can assess the performance of this Fund is against its market benchmark over the long term. When making this assessment, be aware that the market benchmark doesn't take into account fees and taxes that may apply to your account.
Market benchmark	S&P/ASX 200 Accumulation Index	S&P/ASX 300 Accumulation Index
Estimated number of negative annual returns	High, between 4 and 6 years in 20	High, between 5 and 6 years in 20

MLC Asset Class Portfolios

Australian Shares

	MLC Australian Share Value Style Fund	MLC IncomeBuilder
Investment objective	The Fund aims to deliver growth by using investment managers that invest and diversify across many companies and securities within the Australian shares asset class.	Aims to provide returns from companies that are expected to deliver a growing dividend stream over time.
About the investment option	<p>The Fund invests primarily in companies listed (or expected to be listed) on the Australian Securities Exchange (and other regulated exchanges). It may have a small exposure to companies listed outside of Australia from time to time.</p> <p>We primarily use investment managers that have an investment style focusing on companies that they believe are undervalued in relation to their earning potential.</p>	<p>The Fund invests primarily in Australian companies that have the potential to provide future growth in dividends.</p> <p>The Fund is expected to generate tax-effective returns by:</p> <ul style="list-style-type: none"> • investing in companies expected to have high franking levels, and • carefully managing the realisation of capital gains. <p>The Fund is expected to provide returns consistent with investing in a broad range of Australian companies.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in an actively managed, value biased, Australian share portfolio that's diversified across investment managers, industries and companies. 	<ul style="list-style-type: none"> • you want to invest in shares in Australian companies that are expected to deliver a growing dividend stream over time.
Minimum suggested time to invest	Seven years	Seven years
Target allocation (at 30 June 2012)	100% Australian shares	100% Australian shares
How you can assess performance	One way you can assess the performance of this Fund is against its market benchmark over the long term. When making this assessment, be aware that the market benchmark doesn't take into account fees and taxes that may apply to your account.	You can assess performance based on the annual growth in dividends received from the underlying companies.
Market benchmark	S&P/ASX 300 Accumulation Index	Not applicable
Estimated number of negative annual returns	High, between 5 and 6 years in 20	Very high, 6 years in 20

Global Shares

MLC Global Share Fund	MLC Hedged Global Share Fund	MLC Global Share Growth Style Fund
The Fund is designed to be a complete portfolio for the global shares asset class, and aims to deliver growth by using investment managers that invest and diversify across many companies and securities within that asset class.	The Fund is designed to be a complete portfolio for the global shares asset class, and aims to deliver growth by using investment managers that invest and diversify across many companies and securities within that asset class.	The Fund aims to deliver growth by using investment managers that invest and diversify across many companies and securities within the global shares asset class.
<p>The Fund invests primarily in companies listed (or expected to be listed) on share markets anywhere around the world, and is typically diversified across major listed industry groups.</p> <p>Foreign currency exposures will generally not be hedged to the Australian dollar.</p>	<p>The Fund invests primarily in companies listed (or expected to be listed) on share markets anywhere around the world, and is typically diversified across major listed industry groups.</p> <p>Foreign currency exposures will generally be substantially hedged to the Australian dollar.</p>	<p>The Fund invests primarily in companies listed (or expected to be listed) on share markets anywhere around the world.</p> <p>Foreign currency exposures will generally not be hedged to the Australian dollar.</p> <p>We primarily use investment managers that have an investment style focusing on companies that are expected to have strong earnings growth.</p>
<ul style="list-style-type: none"> • you want to invest in an actively managed global share portfolio that's diversified across investment managers, countries (developed and emerging), industries and companies. • you're comfortable having foreign currency exposure. 	<ul style="list-style-type: none"> • you want to invest in an actively managed global share portfolio that's diversified across investment managers, countries (developed and emerging), industries and companies. • you don't want foreign currency exposure. 	<ul style="list-style-type: none"> • you want to invest in an actively managed, growth biased, global share portfolio that's diversified across investment managers, countries (developed and emerging), industries and companies. • you're comfortable having foreign currency exposure.
Seven years	Seven years	Seven years
100% Global shares	100% Global shares	100% Global shares
One way you can assess the performance of this Fund is against its market benchmark over the long term. When making this assessment, be aware that the market benchmark doesn't take into account fees and taxes that may apply to your account.	One way you can assess the performance of this Fund is against its market benchmark over the long term. When making this assessment, be aware that the market benchmark doesn't take into account fees and taxes that may apply to your account.	One way you can assess the performance of this Fund is against its market benchmark over the long term. When making this assessment, be aware that the market benchmark doesn't take into account fees and taxes that may apply to your account.
MSCI All Country World Index	MSCI All Country World Index (hedged into Australian dollars)	MSCI All Country World Index
High, between 5 and 6 years in 20	High, between 5 and 6 years in 20	High, between 5 and 6 years in 20

MLC Asset Class Portfolios

Global Shares

	MLC Global Share Value Style Fund
Investment objective	The Fund aims to deliver growth by using investment managers that invest and diversify across many companies and securities within the global shares asset class.
About the investment option	<p>The Fund invests primarily in companies listed (or expected to be listed) on share markets anywhere around the world.</p> <p>Foreign currency exposures will generally not be hedged to the Australian dollar.</p> <p>We primarily use investment managers that have an investment style focusing on companies that they believe are undervalued in relation to their earning potential.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in an actively managed, value biased, global share portfolio that's diversified across investment managers, countries (developed and emerging), industries and companies. • you're comfortable having foreign currency exposure.
Minimum suggested time to invest	Seven years
Target allocation (at 30 June 2012)	100% Global shares
How you can assess performance	One way you can assess the performance of this Fund is against its market benchmark over the long term. When making this assessment, be aware that the market benchmark doesn't take into account fees and taxes that may apply to your account.
Market benchmark	MSCI All Country World Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20

Cash & Term deposits

	MLC Cash Fund	NAB Term Deposits
Investment objective	Aims to provide competitive returns relative to the Reserve Bank of Australia's Cash Rate Target.	The interest rate on a term deposit is fixed for the term you select.
About the investment option	<p>The Fund invests in deposits with banks (including National Australia Bank) and other comparable high quality securities. It's possible, from time to time, for a high proportion of the Fund to be invested in securities issued by one bank.</p> <p>MLC Limited guarantees the value of your investment in the MLC Cash Fund (before the deduction of tax and fees).</p>	<p>The interest rate on a term deposit is fixed for the term you select. You can select a six month, one year or two year term. You can find current interest rates on mlc.com.au</p> <p>How much you can invest You can invest up to 70% of your account balance in term deposits. You can't invest once you reach the age of 90 or as part of a regular contribution strategy.</p> <p>Term deposits are invested for a fixed term. Early withdrawals are only permitted in extreme circumstances and will result in reduced interest.</p> <p>Maintaining your account balance When you invest in term deposits, you'll also need to make sure you maintain at least 10% of each of your super and pension account balances in other investment options (not term deposits).</p> <p>This allows us to process your withdrawals requests and pension payments and also pay fees and other costs for your account. If you make a one-off withdrawal request which would make your account balance fall below this 10% minimum, then we may not process it.</p> <p>How interest is paid Interest will be paid into your nominated investment option on maturity. Interest on the two year term is paid annually on the anniversary into the MLC Cash Fund with the remaining interest paid on maturity.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in a low risk cash portfolio. 	<ul style="list-style-type: none"> • you want to achieve a fixed rate of return for a set period.
Minimum suggested time to invest	No minimum	Fixed for the term you select
Target allocation (at 30 June 2012)	100% Cash	100% Debt securities
Market benchmark	Reserve Bank of Australia's Cash Rate Target	N/A
Estimated number of negative annual returns	Low, less than 1 year in 20	Low, less than 1 year in 20

Cash & Term deposits

	NAB Fixed Rate Funds (only available for Pension investors)
Investment objective	To provide a guaranteed rate of interest for the term selected.
About the investment option	<p>The rate you receive is the rate current on the date your investment in the selected Fund starts.</p> <p>The rate is guaranteed for the investment term unless taxation conditions change.</p> <p>You can only invest up to 80% of your pension account in these Funds and you cannot invest once you reach age 90.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to achieve a fixed rate of return for a set period.
Minimum suggested time to invest	Fixed for the term you select
Target allocation (at 30 June 2012)	100% Debt securities
Market benchmark	N/A
Estimated number of negative annual returns	Low, less than 1 year in 20

Investment options not managed by MLC

Fixed Income

	Vanguard® Australian Fixed Interest Index Fund	Vanguard® International Fixed Interest Index Fund (Hedged)
Investment objective	To track the return (income and capital appreciation) of the UBS Australian Composite Bond Index before taking into account Fund fees, expenses and tax.	To track the return (income and capital appreciation) of the Barclays Capital Global Treasury Index hedged into Australian dollars before taking into account Fund fees, expenses and tax.
About the investment option	<p>The UBS Australian Composite Bond Index is a value-weighted index of approximately 360 securities (bonds) issued by the Commonwealth Government of Australia, State Government authorities and treasury corporations, as well as investment – grade corporate issuers.</p> <p>Investment-grade issuers are defined as those rated BBB- or higher by Standard & Poor's or Baa3 or higher by Moody's. Bond indices change far more quickly than share indices because bonds have a finite life (maturity). Every maturity and inclusion of new issues changes in the composition of the index and requires Vanguard to modify the portfolio.</p>	A representative sample of bonds is selected from the Index to form the portfolio. Bond indices change far more quickly than share indices because bonds have a finite life (maturity). Every maturity and inclusion of new issues changes in the composition of the index and requires Vanguard to modify the portfolio.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want a steady and reliable income stream and • you have a medium-term investment horizon. 	<ul style="list-style-type: none"> • you want to invest in an index global debt securities fund.
Minimum suggested time to invest	Three years	Five years
Target allocation (at 30 June 2012)	100% Australian fixed interest	100% Global fixed interest (hedged)
Market benchmark	UBS Australian Composite Bond Index	Barclays Capital Global Treasury Index hedged into Australian dollars
Estimated number of negative annual returns	Medium to high, between 3 and 4 years in 20	Medium, between 2 and 3 years in 20

Investment options not managed by MLC

Property Securities

	Legg Mason Property Securities Trust	Vanguard® Australian Property Securities Index Fund
Investment objective	To provide before fees and taxes a return of 1.5% pa, in excess of the S&P/ASX 300 A-REIT Accumulation Index over rolling three-year periods.	To track the return (income and capital appreciation) of the S&P/ASX 300 A-REIT Index before taking into account Fund fees and expenses.
About the investment option	The Fund invests in a diversified portfolio of listed property trusts and property related listed equities. The investment process is based on long-term cash flow based analysis and bottom-up selection. Key factors considered include asset quality, leasing and financing structures, development, risks and the quality of the management team.	The S&P/ASX 300 A-REIT Index comprises between 20 and 30 property securities (shares) listed on the Australian Securities Exchange (ASX). The number of securities in the index may vary from time to time. These securities are Real Estate Investment Trusts and companies that own real estate assets and derive a significant proportion of their revenue from rental income. The Fund will hold all of the securities in the index most of the time, allowing for individual security weightings to vary marginally from the index from time to time. The Fund may invest in securities that have been removed from or are expected to be included in the index.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in an active Australian property securities fund. 	<ul style="list-style-type: none"> • you want long-term capital growth, some tax-effective income, and you have a higher tolerance for the risks associated with share market volatility.
Minimum suggested time to invest	Three years	Five years
Target allocation (at 30 June 2012)	100% Australian property securities	100% Australian property securities
Market benchmark	S&P/ASX 300 A-REIT Accumulation Index	S&P/ASX 300 A-REIT Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20	High, between 5 and 6 years in 20

Australian Shares

Alphinity Wholesale Concentrated Australian Share Fund	Antares Elite Opportunities Fund (formerly Aviva Investors Elite Opportunities Fund)	Antares High Growth Shares Fund (formerly Aviva Investors High Growth Shares Fund)
To outperform the S&P/ASX 200 Accumulation Index after costs over rolling five-year periods.	To outperform the S&P 200 Accumulation Index by 4% pa (before fees) over a rolling five-year period.	To outperform the S&P/ASX 200 Accumulation Index by 5% pa (before fees) over a rolling five-year period.
Alphinity's investment approach is based on a combination of strong fundamental bottom-up research and targeted quantitative inputs aimed specifically at identifying mispriced companies likely to deliver earnings in excess of those expected by the market. The high conviction, concentrated portfolio will be made up of between 20 and 35 stocks. The Fund aims to be fully invested.	The Fund invests in an actively managed and highly concentrated portfolio of Australian shares. The Fund takes large positions in up to 30 companies. Generally 80% of the portfolio will be invested in companies identified as having the potential to offer significant long-term value. The remaining 20% may be invested in shorter term opportunities identified. Antares is wholly owned by the NAB Group.	The Fund invests in a diversified portfolio of Australian shares and uses a range of investment techniques such as short selling, enhanced long positions and active trading, aimed at enhancing returns. The Fund can hold short positions in up to 25% of the value of the Fund's net assets. The Fund can use the proceeds from short selling to make additional investments in other shares up to 25% of the value of the Fund's net assets giving the Fund a gross market exposure up to a maximum of 150% and net exposure of between 90-100%. Antares is wholly owned by the NAB Group.
<ul style="list-style-type: none"> • you want to invest in an active core Australian shares fund that seeks to identify opportunities across market cycles. 	<ul style="list-style-type: none"> • you are willing to accept higher risk in exchange for the potential to earn greater investment returns than the broader Australian equity market. 	<ul style="list-style-type: none"> • you are willing to accept higher risk in exchange for the potential to earn greater investment returns than the broader Australian equity market.
Five years	At least five years	At least five years
85-100% Securities 0-15% Cash	95-100% Australian shares 0- 5% Cash and short-term securities	90-100% Australian shares 0-10% Cash and short term securities
S&P/ASX 200 Accumulation Index	S&P/ASX 200 Accumulation Index	S&P/ASX 200 Accumulation Index
High, between 5 and 6 years in 20	High, between 5 and 6 years in 20	High, between 5 and 6 years in 20

Investment options not managed by MLC

Australian Shares

	Arnhem Australian Equity Fund	Ausbil Australian Emerging Leaders Fund
Investment objective	To provide investors with capital appreciation over the medium term (five years) by investing in Australian listed securities.	To provide returns above the benchmark over the medium to long term, before fees and tax.
About the investment option	The Fund seeks to be fully invested in 30 to 40 companies that have strong or leading positions in structurally attractive, growing industries and above-average sustainable earnings growth. Risk is managed by favouring these companies over those that are in declining or unprofitable industries.	The Fund aims to invest in mid and small cap stocks which possess potential for superior growth. Ausbil believes that a company's share price ultimately follows earnings (and earnings revisions). At all times the Fund will favour sectors and specific companies which it believes will experience positive earnings revisions.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in an active Australian equities fund. 	<ul style="list-style-type: none"> • you seek exposure to mid and small Australian equities.
Minimum suggested time to invest	At least five years	Five years
Target allocation (at 30 June 2012)	95-100% Australian shares 0-5% Cash and cash equivalents	90-100% Australian shares 0-10% Cash
Market benchmark	S&P/ASX 200 Accumulation Index	70% S&P/ASX Midcap 50 Index 30% S&P/ASX Small Ordinaries Accumulation Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20	High, between 5 and 6 years in 20

Fairview Equity Partners Emerging Companies Fund	Investors Mutual Australian Share Fund	MLC-Vanguard Australian Share Index Fund
To provide long-term capital growth and some income by investing primarily in a diverse portfolio of smaller companies listed, or expect to be listed, on the Australian Securities Exchange.	To outperform the S&P/ASX 300 Accumulation Index over rolling four-year periods, after taking into account fees, but before tax.	Aims to match the return of the S&P/ASX 200 Accumulation Index, before taking into account fees, expenses and tax.
Fairview aims to achieve returns above its benchmark through its core active investment process. This approach is collaborative and research driven, combining high levels of company contact, detailed analysis, a robust peer review process and appropriate risk controls. The NAB group holds a minority interest in Fairview.	Invests in a diversified portfolio of high quality Australian companies that display four characteristics; a sustainable competitive advantage, recurring earnings, capable management and the ability to grow over time. Investors Mutual Limited believes in purchasing quality companies at attractive prices when a company's price is below its long-term value.	A representative sample of shares is selected from the Index to form the portfolio. Individual security weightings may vary marginally from the Index from time to time. The Fund may invest in securities that have been, or are expected to be, included in the Index.
<ul style="list-style-type: none"> • you wish to benefit from an actively managed Australian smaller companies equity portfolio managed by a specialist boutique investment manager. 	<ul style="list-style-type: none"> • you want to invest in an active Australian shares fund. 	<ul style="list-style-type: none"> • you want to invest in a portfolio of Australian shares that produces similar returns to the market.
Five years or more	Five years	Seven years
90-100% Australian shares 0-10% Cash	90-100% Australian shares 0-10% Cash	100% Australian shares
S&P/ASX Small Ordinaries Accumulation Index	S&P/ASX 300 Accumulation Index	S&P/ASX 200 Accumulation Index
High, between 5 and 6 years in 20	High, between 5 and 6 years in 20	Very high, 6 years in 20

Investment options not managed by MLC

Australian Shares

	Northward Capital Australian Equity Trust	Perennial Value Shares Wholesale Trust
Investment objective	To outperform the S&P/ASX 300 Accumulation Index, over rolling three-year periods after fees and expenses.	To provide a total return (after fees) that exceeds the S&P/ASX 300 Accumulation Index measured on a rolling three-year basis.
About the investment option	Northward believes that a disciplined, fundamental research approach to identify undervalued quality companies will generate strong investment returns over the long term. Investment opportunities are identified using a multi portfolio manager investment approach driven by rigorous 'bottom-up' company research. The NAB group holds a minority interest in Northward.	Perennial seeks to buy good businesses that are undervalued by the market, with a belief that good businesses are eventually recognised by markets and positively revalued. The Trust will typically hold approximately 45 stocks listed on the Australian Securities Exchange and seeks to be fully invested with a cash exposure limited to 10%.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you wish to benefit from an actively managed Australian equity portfolio managed by a specialist boutique investment manager. 	<ul style="list-style-type: none"> • you want to have an investment horizon of five or more years and seek exposure to a portfolio of Australian 'value oriented' companies.
Minimum suggested time to invest	At least five years	Five years
Target allocation (at 30 June 2012)	90-100% Australian shares 0-10% Cash and cash equivalents	100% Australian shares. The Trust seeks to be fully invested in Australian shares at all times, with a cash exposure not exceeding 10% for any length of time.
Market benchmark	S&P/ASX 300 Accumulation Index	S&P/ASX 300 Accumulation Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20	High, between 5 and 6 years in 20

Perpetual Wholesale Australian Fund	Perpetual Wholesale Ethical SRI Fund	Perpetual Wholesale Smaller Companies Fund No. 2
To provide long-term capital growth and income through investment in quality shares.	To provide long-term capital growth and income through investment in quality shares of socially responsible companies.	To provide long-term capital growth and income through investment in quality Australian shares which, when first acquired, do not rank in the S&P/ASX 50 Index.
Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. Investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business, and for industrial companies, recurring earnings. The Fund invests primarily in Australian listed, or soon to be listed, shares but may have up to 20% exposure to stocks outside Australia. Currency hedges may be used from time to time. Derivatives may be used.	Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. Investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business, and for industrial companies, recurring earnings. Perpetual screens for ethical and socially responsible investments. The Fund invests primarily in Australian listed, or soon to be listed, shares but may have up to 20% exposure to stocks outside Australia. Currency hedges may be used from time to time. Derivatives may be used.	Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. Investments are carefully selected on the basis of four key investment criteria: conservative debt levels, sound management, quality business, and for industrial companies, recurring earnings. Derivatives may be used.
<ul style="list-style-type: none"> • you want to invest in an active Australian shares fund. 	<ul style="list-style-type: none"> • you want to invest in an Australian shares fund that invests in socially responsible companies. 	<ul style="list-style-type: none"> • you want to invest in a smaller companies Australian shares fund.
Five years or more	Five years or more	Five years or more
90-100% Australian shares 0-10% Cash	90-100% Australian shares 0-10% Cash	80-100% Australian smaller companies shares 0-20% Cash
S&P/ASX 300 Accumulation Index	S&P/ASX 300 Accumulation Index	S&P/ASX Small Ordinaries Accumulation Index
High, between 5 and 6 years in 20	High, between 5 and 6 years in 20	High, between 5 and 6 years in 20

Investment options not managed by MLC

Australian Shares

	Schroder Wholesale Australian Equity Fund
Investment objective	To outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term.
About the investment option	Schroders' investment philosophy is value creation and the ability to generate returns on capital higher than the cost of capital. This leads to sustainable share price out-performance in the long term. The investment process is a combination of qualitative industry and company analysis, and quantitative financial forecasts and valuations.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in an active Australian shares fund.
Minimum suggested time to invest	Three to five years
Target allocation (at 30 June 2012)	100% Australian & New Zealand shares
Market benchmark	S&P/ASX 200 Accumulation Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20

Global Shares

Altrinsic Global Equities Trust	AXA Wholesale Global Equity – Value Fund	BlackRock Global Allocation Fund
The Trust aims to outperform its benchmark over a full investment cycle.	To provide long-term capital growth and outperform the Morgan Stanley Capital International World ex-Australia Index (net dividends reinvested in Australian dollars terms) after costs over rolling five years.	To maximise total investment returns while managing risk and is generally diversified across markets, industries and issuers.
<p>The Trust aims to provide long term growth of capital by investing predominantly in publicly traded global equity securities selected via a fundamental value orientated approach to investment management.</p> <p>The Trust's exposure to international assets will not be hedged to the Australian dollar.</p> <p>Derivatives may be used for risk management purposes and will only be used defensively and not for speculation.</p> <p>The NAB group holds a minority interest in Altrinsic.</p>	<p>The Fund invests in companies that appear undervalued relative to long-term earnings potential. Companies will have a minimum market capitalisation at purchase of US\$750 million for developed countries or US\$200 million for emerging countries. Investments in foreign markets will be exposed to relevant foreign currencies, hedging may be used. Cash may be held if appropriate investments aren't available.</p>	<p>The Fund will typically invest in global equities, fixed income and cash. The types of securities and markets will vary in response to changing market conditions and economic trends. Its investments are diversified across markets, industries and issuers spreading the risks associated with investing in only one asset class or market.</p>
<ul style="list-style-type: none"> • you want a portfolio focussed on long-term capital growth, • you want to diversify your portfolio with global equity securities, • you are willing to accept the volatility of investing in growth assets, and • you are willing to accept the volatility of foreign exchange risk against movements in the value of the Australian dollar. 	<ul style="list-style-type: none"> • you want long-term capital growth, and • you're prepared to accept a high level of volatility and risk as a trade-off for returns that might typically be expected to be above those returned by other asset classes over the longer term. 	<ul style="list-style-type: none"> • you want a single Fund that offers broad global exposure. The Fund's highly flexible investment approach provides investors with direct exposure to global markets while retaining the flexibility to move into safer instruments when conditions demand.
Five years or more	Seven years	Five years
60-100% Developed markets 0-30% Emerging markets 0-10 % Cash The Trust may hold up to 15% in small cap stocks (US \$1.5b or less).	0-5% Cash 95-100% International shares	60-100% Equities 40-100% Fixed income
MSCI All Country World ex-Australia Index (net dividends reinvested)	MSCI World ex-Australia Index (net dividends reinvested)	The benchmark is a diversified allocation of 36% S&P 500 Index (Total Return hedged in AUD), 24% FTSE World Index ex US Index (Total Return hedged in AUD), 24% Merrill Lynch US Government Index (0–5 yr Treasury hedged in AUD) and 16% Citigroup World ex US Government Bond Index (hedged in AUD).
High, between 5 and 6 years in 20	High, between 5 and 6 years in 20	High, between 5 and 6 years in 20

Investment options not managed by MLC

Global Shares

	BlackRock Global Small Cap Fund (unhedged)	MLC Capital International Global Share Fund
Investment objective	The primary aim of the Fund is to maximise capital growth through exposure to a globally diversified portfolio of small and mid capitalisation companies listed on international stock exchanges.	Aims to provide long-term growth from an actively managed share portfolio selected from share markets around the world.
About the investment option	The Global Small Cap Fund's investment universe is all emerging stocks that fall within the market capitalisation range of the benchmark S&P Global MidSmall Cap Index. While investment is generally in the bottom 30% of market by capitalisation, there is flexibility in the investment approach to invest in small and mid size companies. The currency exposures of the Fund are generally unhedged, however, active currency management may be undertaken with the objective of adding value to the Fund by modifying the currency exposure of the Fund to take advantage of movements in currency markets. The impact of currency hedging on the Fund's return is uncertain, cannot be guaranteed and can result in capital losses.	Invests in a diversified range of global shares in both developed and emerging markets, actively managed by Capital International. Foreign currency exposures will generally not be hedged to the Australian dollar.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want access to investment opportunities that are not readily available or are under-represented in the Australian markets and who are prepared to tolerate significant volatility in investments returns in the short term given the longer-term investment horizon of the fund. 	<ul style="list-style-type: none"> • you want to invest in an actively managed global share portfolio that's diversified across countries (developed and emerging), industries and companies. • you're comfortable having foreign currency exposure.
Minimum suggested time to invest	Five years	Seven years
Target allocation (at 30 June 2012)	85-100% Listed international shares 0-15% Cash and liquid assets	100% Global shares
Market benchmark	S&P Global MidSmall Cap Index	MSCI World Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20	High, between 5 and 6 years in 20

MLC-Platinum Global Fund (only available to current investors in this Fund)	Pengana Asian Equities Fund	Platinum Asia Fund
Aims to provide capital growth over the long term through searching out undervalued listed (and unlisted) investments around the world.	To offer investors participation in the Asia-Pacific region's superior growth with protection from short term volatility. In doing so the Fund aims to reduce volatility during the market's down-cycles whilst participating during the up-cycles.	To provide capital growth over the long-term through searching out undervalued listed (and unlisted) investments in the Asian region.
<p>The Fund primarily invests in listed securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found.</p> <p>Derivatives may be used for risk management purposes (ie to protect the Fund's portfolio from either being invested or uninvested) and to take opportunities to increase returns (eg to gain access to markets not readily available to foreign investors, and to build a position in selected companies or issues of securities as a short-term strategy to be reversed when physical positions are purchased).</p> <p>The Fund's currency is actively managed.</p>	<p>A long/short equity strategy with the ability to adjust equity market exposure to listed companies within Asia-Pacific region, including Japan and Australia.</p> <p>Currency exposures are actively managed with a view to protecting the equity portfolio during market downturns and reducing detractions from equity returns during market upturns.</p> <p>The NAB group holds a minority interest in Pengana.</p>	<p>The Fund primarily invests in the listed securities of Asian companies. The Portfolio will ideally consist of 75 to 150 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found.</p> <p>Platinum may short sell securities that it considers overvalued. The Portfolio will typically have 50% or more net equity exposure. Derivatives may be used for risk management purposes and to increase returns.</p> <p>The underlying value of derivatives may not exceed 100% of the Net Asset Value (NAV) of the Fund and the underlying value of the long stock positions and derivatives will not exceed 150% of the NAV of the Fund. Currency exposures are actively managed.</p>
<ul style="list-style-type: none"> • you believe in long term wealth creation through accessing international shares. 	<ul style="list-style-type: none"> • you want exposure to Asia-Pacific region's superior growth while seeking protection from short-term volatility. 	<ul style="list-style-type: none"> • you believe in long-term wealth creation through accessing Asian shares.
Seven years	At least three years	Five years or more
0-100% Global shares 0-100% Cash	-50% to +150% Asia-Pacific shares	0-100% Asian shares 0-100% Cash
MSCI All Country World Net Index (for performance comparisons only)	RBA Cash Rate	MSCI All Country Asia ex Japan Net Index (for performance comparisons only)
High, between 5 and 6 years in 20	Very high, 7 years in 20	Very high, 7 years in 20

Investment options not managed by MLC

Global Shares

	Platinum International Fund	PM CAPITAL Absolute Performance Fund
Investment objective	To provide capital growth over the long-term through searching out undervalued listed (and unlisted) investments around the world.	To provide positive investment returns over a three to five-year investment horizon by investing in a concentrated portfolio of global equities.
About the investment option	<p>The Fund primarily invests in listed securities. The Portfolio will ideally consist of 100 to 200 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. Platinum may short sell securities that it considers overvalued.</p> <p>The Portfolio will typically have 50% or more net equity exposure. Derivatives may be used for risk management purposes and to increase returns. The underlying value of derivatives may not exceed 100% of the Net Asset Value (NAV) of the Fund and the underlying value of long stock positions and derivatives will not exceed 150% of the NAV of the Fund. Currency exposures are actively managed.</p>	<p>PM CAPITAL believes that the best way to preserve and enhance wealth is to 'buy a good business at a good price'. The Fund will typically hold between 35-45 globally listed equities, and may:</p> <ul style="list-style-type: none"> • invest in cash (up to 100% of assets) if it cannot find appropriate investments, or • use leverage, • use derivatives for, and • short sell stocks.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you believe in long-term wealth creation through accessing international shares. 	<ul style="list-style-type: none"> • you are comfortable with the risks involved in sharemarket investing and are prepared to take a genuine long term investment horizon.
Minimum suggested time to invest	Five years or more	Three years or more
Target allocation (at 30 June 2012)	0-100% Cash 0-100% International shares 0-100% Australian shares	100% Global shares
Market benchmark	MSCI All Country World Net Index (for performance comparisons only)	MSCI All Country World Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20	High, between 5 and 6 years in 20

T. Rowe Price Global Equity Fund	Vanguard® International Shares Index Fund	Vanguard® International Shares Index Fund (Hedged)
To provide long-term capital appreciation by investing primarily in a portfolio of securities of companies which are traded, listed or due to be listed, on recognised exchanges and/or markets throughout the world. The portfolio may include investments in the securities of companies traded, listed or due to be listed, on recognised exchanges and/or markets, of developing countries.	To track the return (income and capital appreciation) of the MSCI World (ex-Australia) Index (net dividends reinvested), in Australian dollars, before taking into account Fund fees, expenses and tax.	To track the return (income and capital appreciation) of the MSCI World (ex-Australia) Index (net dividends reinvested), hedged into Australian dollars, before taking into account Fund fees, expenses and tax.
<p>The portfolio manager leverages the highest conviction investment ideas of more than 100 in-house equity research professionals, to construct a global portfolio of between 90-145 companies. The portfolio manager seeks to understand the structural changes affecting industries and companies globally, and embraces a broad definition of growth to identify companies with superior prospects, assessing them on a bottom-up fundamentals basis.</p> <p>The Fund's foreign currency exposures are unhedged.</p> <p>The Fund may invest in derivatives to gain exposure to certain assets and markets.</p>	The Fund will hold most of the securities in the Index, allowing for individual security weightings to vary from the Index from time to time. The Fund may invest in securities that have been or are expected to be included in the Index.	The Fund invests in the Vanguard International Shares Index Fund, securities in the index Fund and forward foreign exchange contracts.
<ul style="list-style-type: none"> • you want to invest in an active global shares fund. 	<ul style="list-style-type: none"> • you want to invest in an index international shares fund. 	<ul style="list-style-type: none"> • you want to invest in an index international shares fund.
Seven years	Seven years	Seven years
100% Global shares	100% Global shares	100% Global shares (hedged)
MSCI All Country World ex-Australia Index (unhedged)	MSCI World (ex-Australia) Index (net dividends reinvested), in Australian dollars	MSCI World (ex-Australia) Index (net dividends reinvested), hedged into Australian dollars
High, between 5 and 6 years in 20	High, between 5 and 6 years in 20	High, between 5 and 6 years in 20

The Employee Retirement Plan

	Investment Facility	Benefit Protection System (closed)
Investment objective	Aims to provide returns, after taking into account fees and taxes, above the Consumer Price Index over five year periods.	Aims to provide a level of return similar to cash rates (before taking into account fees and taxes) and a high level of capital security.
About the investment option	The Fund is actively managed and broadly diversified within asset classes, across asset classes and across investment managers. These managers invest in many companies and securities around the world.	The Fund invests in deposits with banks (100% National Australia Bank as at 30 June 2012) and may also invest in other comparable high quality securities. MLC Limited guarantees the value of your investment in the MLC Cash Fund (before the deduction of tax and fees).
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest with a bias to growth assets • you want a portfolio with a bias to long-term capital growth potential and can tolerate moderate to large changes in value. 	<ul style="list-style-type: none"> • you want to invest in a low risk cash portfolio.
Minimum suggested time to invest	Six years	No minimum
Target allocation of \$1,000 (at 30 June 2012)	\$5 Cash \$176 Australian fixed income \$119 Global fixed income \$300 Defensive \$320 Australian shares \$20 Global shares (hedged) \$220 Global shares (unhedged) \$40 Global property securities (hedged) \$60 Global private assets (hedged) \$50 Other \$700 Growth	\$1,000 Cash
Estimated number of negative annual returns	High, 4 years in 20	Low, less than 1 year in 20

Closed investment options

MLC Diversified Funds

	Accent Capital Guaranteed Fund	Accent Managed Fund
Investment objective	Aims to provide returns higher than cash over time and a high level of capital security.	Aims to grow your wealth for a moderate to high level of expected risk.
About the investment option	The Fund is actively managed and broadly diversified within asset classes, across asset classes and across investment managers. These managers invest in many companies and securities around the world. MLC Limited guarantees the value of your investment in the Fund (before the deduction of fees and tax).	The Fund is actively managed and broadly diversified within asset classes, across asset classes and across investment managers. These managers invest in many companies and securities around the world.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest almost entirely in defensive assets • you give priority to preserving your capital. 	<ul style="list-style-type: none"> • you want to invest with a bias to growth assets • you want a portfolio with a bias to long-term capital growth potential and can tolerate moderate to large changes in value.
Minimum suggested time to invest	Two years	Six years
Target allocation of \$1,000 (at 30 June 2012)	\$300 Cash \$600 Fixed income \$50 Australian shares \$30 Global shares (hedged) \$20 Global property securities (hedged)	\$181 Australian fixed income \$119 Global fixed income (hedged) \$310 Australian shares \$210 Global shares (unhedged) \$30 Global shares (hedged) \$40 Global property securities (hedged) \$60 Global private assets (hedged) \$50 Other
Estimated number of negative annual returns	Very low, less than 1 year in 20	High, 4 years in 20

Closed investment options

MLC Diversified Funds

	Entrepreneur Capital Guaranteed Fund	Entrepreneur Managed Fund
Investment objective	Aims to provide returns higher than cash over time and a high level of capital security.	Aims to grow your wealth for a moderate to high level of expected risk.
About the investment option	The Fund is actively managed and broadly diversified within asset classes, across asset classes and across investment managers. These managers invest in many companies and securities around the world. MLC Limited guarantees the value of your investment in the Fund (before the deduction of tax and fees).	The Fund is actively managed and broadly diversified within asset classes, across asset classes and across investment managers. These managers invest in many companies and securities around the world.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest almost entirely in defensive assets • you give priority to preserving your capital. 	<ul style="list-style-type: none"> • you want to invest with a bias to growth assets • you want a portfolio with a bias to long-term capital growth potential and can tolerate moderate to large changes in value.
Minimum suggested time to invest	Two years	Six years
Target allocation of \$1,000 (at 30 June 2012)	\$300 Cash \$600 Fixed income \$50 Australian shares \$30 Global shares (hedged) \$20 Global property securities (hedged)	\$181 Australian fixed income \$119 Global fixed income (hedged) \$310 Australian shares \$210 Global shares (unhedged) \$30 Global shares (hedged) \$40 Global property securities (hedged) \$60 Global private assets (hedged) \$50 Other
Estimated number of negative annual returns	Very low, less than 1 year in 20	High, 4 years in 20

National Balanced Fund

Aims to grow your wealth for a moderate to high level of expected risk.

The Fund is actively managed and broadly diversified within asset classes, across asset classes and across investment managers. These managers invest in many companies and securities around the world.

- you want to invest with a bias to growth assets
 - you want a portfolio with a bias to long-term capital growth potential and can tolerate moderate to large changes in value.
-

Six years

\$181	Australian fixed income
\$119	Global fixed income (hedged)
\$310	Australian shares
\$210	Global shares (unhedged)
\$30	Global shares (hedged)
\$40	Global property securities (hedged)
\$60	Global private assets (hedged)

High, 4 years in 20

Closed investment options

Investment options not managed by MLC

	BlackRock Balanced Fund (formerly known as Merrill Lynch Balanced Fund)	BT Wholesale Balanced Returns Fund (formerly known as BT Balanced Fund)
Investment objective	To provide the highest possible returns consistent with a 'balanced' investment strategy encompassing: <ul style="list-style-type: none"> • a bias towards growth assets, • a bias towards Australian assets, and • active asset allocation, security selection and risk management. 	To provide a return (before fees, costs and taxes) that exceeds the Fund's benchmark over the medium to long term.
About the investment option	The Fund invests in a diversified portfolio of physical instruments (including shares, debt securities, property trusts) derivatives, and structured investments (which combine physical instruments and derivatives). Foreign currency exposure is limited to 20% of the Funds assets. The Fund uses derivatives extensively.	The Fund is an actively managed diversified portfolio that invests in Australian and international shares, Australian and international property and Australian and international fixed interest, cash and alternative investments. The Fund has a higher weighting towards growth assets than defensive assets.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want a combination of capital growth and income with a greater weighting to growth assets. 	<ul style="list-style-type: none"> • you want diversification across a broad range of asset classes, and • you want potential for long term capital growth and income.
Minimum suggested time to invest	Five years	Five years
Target allocation of \$1,000 (at 30 June 2012)	5% Cash 15% Australian debt securities 10% International debt securities 38% Australian shares 26% International shares 6% Property	10% Cash 21% Australian fixed interest 9% International fixed interest 30% Australian shares 15% International shares 3% Australian property 2% International property 10% Alternative assets
Estimated number of negative annual returns	Medium to high, between 3 and 4 years in 20	Medium to high, between 3 and 4 years in 20

BT Wholesale Active Balanced Fund (formerly known as BT Active Balanced Fund)	Colonial First State Wholesale Diversified Fund
<p>To provide a return (before fees, costs and taxes) that exceeds the Fund's benchmark over the medium to long term.</p> <p>The benchmark is a blend of indices based on the weighted average neutral position's asset allocation and index returns for each asset class.</p>	<p>To provide medium to long term capital growth, together with some income, by investing in cash, fixed interest, property and shares.</p>
<p>The Fund is an actively managed diversified portfolio that invests in Australian and international shares, Australian and international fixed interest, Australian and international property securities, alternative investments and cash.</p> <p>The international fixed interest, international property and international alternative investment exposures are generally fully hedged to the Australian dollar. Generally, the Fund's international share exposure will not be hedged to the Australian dollar but is actively managed.</p>	<p>The Fund invests in a diversified portfolio made up of 70% growth assets (shares and property) and 30% defensive assets (fixed interest and cash). Allocations are reviewed regularly although a reallocation is only considered in response to a fundamental change in long-term expectations or market demand. The Fund may hedge some of its currency exposure.</p>
<ul style="list-style-type: none"> • you want diversification across a broad range of asset classes, and • you want potential for long term capital growth and income. 	<ul style="list-style-type: none"> • you want a portfolio that provides exposure to a range of asset classes, via a single investment option.
<p>Five years</p>	<p>Five years</p>
<p>4% Cash</p> <p>20% Australian fixed interest</p> <p>8% International fixed interest</p> <p>35% Australian shares</p> <p>18% International shares</p> <p>3% Australian property</p> <p>2% International property</p> <p>10% Alternative investments</p>	<p>30% Cash and debt securities</p> <p>30% Australian shares</p> <p>20% Global shares</p> <p>10% Global resource shares</p> <p>5% Property securities</p> <p>5% Global infrastructure securities</p>
<p>Medium to high, between 3 and 4 years in 20</p>	<p>Medium to high, between 3 and 4 years in 20</p>

Closed investment options

Investment options not managed by MLC

	INVESCO Diversified Growth Fund	Vanguard® Growth Index Fund
Investment objective	To provide medium to long-term growth by investing in a range of assets, with an emphasis on growth assets.	To track the weighted average return of the various indices of the underlying Vanguard Funds, in proportion to the strategic asset allocation (SAA) for the Fund before taking into account fees, expenses and tax.
About the investment option	The Fund invests in a range of asset classes, with a bias towards growth assets such as Australian and global shares. The Fund has exposure to foreign currency and hedging risks.	The Fund is designed to provide investors with a low-cost, diversified portfolio.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you are seeking an investment in a diversified fund with exposure to growth assets. 	<ul style="list-style-type: none"> • you are seeking long-term capital growth and with a higher tolerance for the risks associated with share market volatility.
Minimum suggested time to invest	Five years	Seven years
Target allocation of \$1,000 (at 30 June 2012)	5% Cash 38% Australian Shares 26% Global Shares 8% Global Property Securities 19% Australian Fixed Interest 4% Commodities	70% Growth asset classes (property securities and shares) 30% Income asset classes (cash and fixed interest securities)
Estimated number of negative annual returns	High, between 4 and 5 years in 20	Medium to high, between 3 and 4 years in 20

Vanguard® High Growth Index Fund	Colonial First State Wholesale Income Fund
To track the weighted average return of the various indices of the underlying Vanguard Funds in which the Fund invests, in proportion to the strategic asset allocation (SAA) for the Fund, before taking into account fees, expenses and tax.	To provide consistent monthly income, while minimising the risk of capital loss, by predominantly investing in a broad selection of Australian-based mortgages, fixed interest investments and cash.
The Fund is designed to provide investors with a low-cost, diversified portfolio.	Colonial First State has suspended applications, withdrawals and switches relating to this Fund. There are currently periodic redemption windows for investors to withdraw from the Fund. The Fund invests in a broad selection of quality Australian-based mortgages, fixed interest investments and cash, placing emphasis on the management of credit risk. The Fund does not generally directly purchase securities that give rise to material currency risk. The Fund aims to hedge any currency risk that occurs.
<ul style="list-style-type: none"> • you want to a low-cost, diversified portfolio. 	Colonial First State has suspended applications, withdrawals and switches relating to this Fund.
Seven years	Three years
90% Growth asset classes (property securities and shares) 10% Income asset classes (cash and fixed interest securities)	100% Cash and fixed interest
High, between 4 and 5 years in 20	Low to medium, between 1 and 2 years in 20

Closed investment options

Investment options not managed by MLC

	UBS Diversified Credit Fund	UBS Australian Share Fund
Investment objective	The Fund aims to provide a total return (after management costs) in excess of the UBS Bank Bill Index (Benchmark) when measured over rolling three year periods.	To provide a total return (after total costs) in excess of the S&P/ASX 300 Accumulation Index when measured over rolling five year periods.
About the investment option	UBS invests in an actively managed portfolio of Australian and international investment grade and non-investment grade securities. Investments may include hybrids, high yield securities, corporate bonds, securitised assets, derivatives and other UBS managed Funds. The Portfolio is managed to a minimum 90% \$A exposure.	This Fund is an actively managed portfolio of securities listed on the Australian Securities Exchange or those we reasonably expect to list within six months. Normally the Fund will hold between 30 and 60 stocks/subfunds with at least 75% of the Fund invested in stocks that comprise the S&P/ASX 100 Index.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> you are seeking a diversified portfolio of Australian and international securities to gain exposure to credit markets. There is the possibility of a negative return in some periods. 	<ul style="list-style-type: none"> you are seeking a well diversified portfolio of securities listed on the Australian Securities Exchange.
Minimum suggested time to invest	Three years	Five years
Target allocation of \$1,000 (at 30 June 2012)	20% Cash and money market 80% Fixed income securities	0-10% Cash 90-100% Australian shares
Estimated number of negative annual returns	Medium, between 2 and 3 years in 20	High, between 5 and 6 years in 20

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