Annual Report 2014

The Universal Super Scheme

Preparation date
1 November 2014

Issued by The Trustee,
MLC Nominees Pty Ltd (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 Annual Report for The Universal Super Scheme is relevant to:

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
MLC Super Pension Plan
MLC Capital Guaranteed Personal Super Savings Plan
MLC Capital Guaranteed Personal Super Bond
MLC Maturity Growth Superannuation Plan
MLC Whole of Life Superannuation
MLC Endowment Superannuation
MLC Pure Endowment Superannuation
MLC Life Cover Super
MLC Super Group Insurance (closed as of 15 September 2014)
MLC Insurance (Super)

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A year in review

The 2014 financial year was another period of strong performance, particularly for share investors. Very low interest rates meant returns from cash and bonds weren't as strong, but still solid.

These robust returns were achieved despite economic challenges and global events that unsettled investment markets from time to time.

While the global economy generally improved, future developments in the global investment environment are uncertain.

We remain committed to giving you the choice and confidence to achieve your investment goals. We continue to refine our investment menu, offering a range of investment options including multi-asset portfolios and single asset class funds managed by a range of investment managers.

With ongoing Government superannuation reforms, market fluctuations, the rising cost of living and increased life expectancy, it's never been more important to regularly review your wealth strategy. This can help ensure you live comfortably now and into your retirement.

Remember, it's never too late to make your super work for you, regardless of your age or current super balance. We're here to help you grow your wealth and save for your retirement. For more information, go to **saveretirement.com.au**

Nicole Smith
Chair
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 (ABN 90 000 000 402) to carry out the day-to-day investment management and administration of The Universal Super Scheme.

Meet the Board

The directors are:

Nicole Smith (Chair)
BFA 1990, CA
GAICD

Michael Clancy
B Bus (Finance and Economics) 1992
CFA 1997

John Reid
B Sc Mathematical Physics 1971
FIA (UK and Australia)

Peggy O'Neal
BA (Virginia) 1973
JD (Virginia) 1976
Diploma of Superannuation Management (Macquarie) 1994
FAICD

Trevor Hunt
B Bus (Accounting and Economics) 1989

Evelyn Horton
Masters of Social Science (Economics) 1995
B Economics 1986 (ANU)
GAICD

Terry McCredden
B Comm (Hon) 1977 (University of Melbourne)

Trustee director movements

Michael Fitzsimons retired effective 30 August 2013.

Richard Rassi retired effective 30 May 2014.

Evelyn Horton was appointed non-executive director effective 28 May 2014.

Terry McCredden was appointed non-executive director effective 28 May 2014.

Annual audit

Each year we are audited by an independent company. We're pleased to report we've met all our obligations and received an unqualified audit report. All investments are in life insurance policies, so this report doesn't include statements of assets and income, the auditor's report and accounts or holdings of investments greater that 5%. 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 Limited (NAB) (ABN 12 004 044 937).

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
- 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)

The law and rules defining the transfer of unclaimed superannuation money to the ATO can be viewed on the ATO website at **ato.gov.au**

In summary, we're required by law to transfer your account to the ATO if one of the following situations occurs:

- your account balance is less than $2,000 and
  - no contributions have been made to your account for 12 months and we have no way of contacting you, or
  - your account was set up through your employer and there have been no contributions made for over 5 years
- you're over 65 (male) or 60 (female), no contributions have been made to your account for over 2 years and you haven't contacted us for at least 5 years
- the ATO informs us that you were a former temporary resident and left the country over six months ago, or
- upon your death and after an extended period of time, we've tried but been unable to identify or contact the beneficiary of your account.

The law also requires us to transfer to the ATO the portion payable to your spouse as a result of Family Law ruling, if after an extended period of time we have not been able to contact your spouse, or your spouse's beneficiary/estate.

If your account is transferred to the ATO for any of these reasons, you will then have to contact the ATO on **13 10 20** 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 members

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

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 members.

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 any of these events occur we'll use the unit price on the day we process 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 contracts that have a value derived from another source such as an asset, market index or interest rate. There are many types of derivatives including swaps, options and futures. They are a common tool used to manage risk or improve returns.

Some derivatives allow investment managers to earn large returns from small movements in the underlying asset's price. However, they can lose large amounts if the price of the underlying asset moves against them.

The Trustee currently permits derivatives to be used for the purposes of the provision of investment protection, hedging, efficient portfolio management, and investment return generation (where consistent with investment objectives).

Some of the available investment options may invest in financial derivatives. How investment managers invest in derivatives is included in their Product Disclosure Statement on our website.

Information on MLC's derivative policy is available on **mlc.com.au/derivatives**

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 14 to 43.

Investment strategy	About your account value
The Trustee invests in a policy issued by MLC Limited who, in turn, invests in suitably structured portfolios. Each investment option available has an individual investment objective and strategy.	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 Fund** (only available to Pension members, excluding MLC MasterKey Pension Fundamentals) A guaranteed interest rate is payable for the term selected. Interest is calculated daily and credited: • annually on 30 June each year • 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 Deposit** (only available to members in MLC MasterKey Super and Pension Fundamentals) 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
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	Aims to provide a guaranteed benefit payable on maturity of the policy or your death.
MLC Insurance products	
MLC Life Cover Super MLC Super Group Insurance MLC Insurance (Super)	Your contributions are used to pay the premiums for the insurance cover selected.

Investment strategy	About your account value
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 securities. Surplus assets, over and above those required to fund guaranteed benefits, are generally invested in a more diversified portfolio to increase potential returns.	A declared rate of interest is allocated to your account after 30 June each year. Investment performance in MLC Capital Guaranteed Personal Super Savings Plan and MLC Capital Guaranteed Personal Super Bond is included with your Annual Statement. If you withdraw during the year, an interim rate is calculated and applied to your daily account balance before your benefit is paid. 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.
The Trustee invests in policies issued by MLC Limited who, in turn, invests in a suitably structured portfolio of securities. Surplus assets, over and above those required to fund guaranteed benefits, are generally invested in a more diversified portfolio to increase potential returns.	In most cases, these products earn bonuses which are allocated annually. Your bonuses, where applicable, are advised each year in your Annual Statement.
	These products do not have an account balance or value.

Investment option profiles

These are important notes about the investment option profiles.

Standard Risk Measure

We use the Standard Risk Measure (SRM) to help you compare the investment risk across the Investment Options we offer.

The SRM is the estimated number of negative annual returns in any 20 year period. Because it is an estimate, the actual number of negative returns that occur in a 20 year period may be different.

The risk categories are:

Risk band	Risk label	Estimated number of negative annual returns in 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 SRM is based on industry guidelines, however it isn't a complete assessment of investment risk. For example, it doesn't:

- capture the size of a possible negative return or the potential for sufficient positive returns to meet your objectives, and
- take into account the impact of 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.

For information on how we calculate the SRM please go to **mlc.com.au/srm**

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 60 to 62.

Investment 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 any of the investment managers of a multi-manager portfolio charge a performance fee, a fee which is proportional to the assets held with that investment manager will be charged. These proportional fees are added together to give one performance fee for the multi manager portfolio. Where applicable, an estimate of this fee is included in the investment fees shown in the product's **Investment Menu**.

The actual performance fee charged in future periods may differ from the estimated fee.

You can get more information on how performance fees are calculated by going to the investment managers' Product Disclosure Statements available on **mlc.com.au**

Indirect costs

When investing your money, we may incur costs and expenses that won't be charged to you as a fee but will reduce the net return of the investment option. These indirect costs are reflected in the daily unit price and any reporting on the performance of the investment option. Indirect costs are not paid to MLC.

Investment options managed by MLC – Investment fees

The table below reflects the indicative investment fees as at 30 June 2014 for the following products:

- MLC MasterKey Super
- MLC MasterKey Super Fundamentals
- MLC MasterKey Business Super
- MLC MasterKey Personal Super
- MLC MasterKey Pension
- MLC MasterKey Pension Fundamentals

Investment option	Investment fee (Super) % pa	Investment fee (Pension) % pa	Estimated Indirect cost ratio % pa Super / Pension
MLC MySuper[1, 2]	0.61	Not applicable	0.08
MLC Inflation Plus portfolios			
MLC Inflation Plus Conservative Portfolio	0.75	0.75	0.18 / 0.19
MLC Inflation Plus Moderate Portfolio	0.90	0.90	0.25 / 0.26
MLC Inflation Plus Assertive Portfolio	1.34	1.34	0.56 / 0.58
MLC Horizon Series portfolios			
MLC Horizon 1 Bond Portfolio	0.54	0.54	Not applicable
MLC Horizon 2 Capital Stable Portfolio[2]	0.60	0.60	0.08 / 0.08
MLC Horizon 3 Conservative Growth Portfolio[2]	0.65	0.65	0.12 / 0.13
MLC Horizon 4 Balanced Portfolio[2]	0.70	0.70	0.16 / 0.18
MLC Horizon 5 Growth Portfolio[2]	0.73	0.73	0.17 / 0.19
MLC Horizon 6 Share Portfolio[2]	0.78	0.78	0.19 / 0.21
MLC Horizon 7 Accelerated Growth Portfolio[2, 3]	1.01	1.01	0.22 / 0.24
MLC Index Plus portfolios			
MLC Index Plus Conservative Growth Portfolio	0.38	0.38	Not applicable
MLC Index Plus Balanced Portfolio	0.40	0.40	Not applicable
MLC Index Plus Growth Portfolio	0.42	0.42	Not applicable
MLC Asset Class funds			
MLC Diversified Debt Fund	0.50	0.50	Not applicable
MLC Property Securities Fund	0.67	0.67	Not applicable
MLC Global Property Fund	0.87	0.87	Not applicable
MLC Australian Share Fund	0.73	0.73	Not applicable
MLC Global Share Fund	0.85	0.85	Not applicable
MLC Hedged Global Share Fund	0.90	0.90	Not applicable
MLC Australian Share Value Style Fund	0.78	0.78	Not applicable
MLC Australian Share Growth Style Fund	0.78	0.78	Not applicable
MLC Global Share Value Style Fund	0.90	0.90	Not applicable
MLC Global Share Growth Style Fund	0.90	0.90	Not applicable
MLC IncomeBuilder	0.72	0.72	Not applicable
Cash and term deposits			
MLC Cash Fund	0.25	0.25	Not applicable
NAB Term Deposit[4]	Not applicable	Not applicable	Not applicable
NAB Fixed Rate Fund[5]	Not applicable	Not applicable	Not applicable

1 Only available to members in MLC MasterKey Business Super and MLC MasterKey Personal Super.

2 A performance fee may be charged. The performance fee will generally fall between 0-0.1% however, in cases of exceptional performance, fees may be outside this range. This will only apply when investment managers' returns exceed a specified level.

3 Gearing costs aren't included. They're paid from the Portfolio's assets and reflected in the unit price.

4 Only available to members in MLC MasterKey Super and Pension Fundamentals.

5 Only available to Pension members, excluding MLC MasterKey Pension Fundamentals.

Investment options not managed by MLC – Investment fees

The table below reflects the indicative investment fees (base fee plus performance fee) as at 30 June 2014 for the following products:

- MLC MasterKey Super
- MLC MasterKey Super Fundamentals
- MLC MasterKey Business Super
- MLC MasterKey Personal Super
- MLC MasterKey Pension
- MLC MasterKey Pension Fundamentals

Investment option	Base fee % pa	Performance fee % pa	Indicative Investment fee % pa	Estimated Indirect cost ratio % pa Super / Pension
Fixed Income				
Vanguard Australian Fixed Interest Index Fund	0.39	-	0.39	Not available
Vanguard International Fixed Interest Index Fund (Hedged)	0.44	-	0.44	Not available
Property Securities				
Vanguard Australian Property Securities Index Fund	0.44	-	0.44	Not available
Australian Shares				
Antares Elite Opportunities Fund	0.70	0.00	0.70	Not available
Antares High Growth Shares Fund	1.00	0.00	1.00	Not available
Arnhem Australian Equity Fund	0.77	-	0.77	Not available
Ausbil Australian Emerging Leaders Fund	0.66	1.12	1.78	Not available
Fairview Equity Partners Emerging Companies Fund	1.20	3.76	4.96	Not available
Investors Mutual Australian Share Fund	0.94	-	0.94	Not available
MLC-Vanguard Australian Share Index Fund	0.27	-	0.27	Not available
Perennial Value Shares Wholesale Trust	0.92	-	0.92	Not available
Perpetual Wholesale Australian Fund	1.06	-	1.06	Not available
Perpetual Wholesale Ethical SRI Fund	1.00	-	1.00	Not available
Perpetual Wholesale Smaller Companies Fund No.2	1.45	-	1.45	Not available
Schroder Wholesale Australian Equity Fund	0.77	-	0.77	Not available
Global Shares				
Altrinsic Global Equities Trust	1.25	-	1.25	Not available
BlackRock Global Allocation Fund	0.30	1.96	2.26	Not available
Platinum Asia Fund	1.54	-	1.54	Not available
Platinum International Fund	1.54	-	1.54	Not available
PM CAPITAL Absolute Performance Fund	1.29	6.06	7.35	Not available
Vanguard International Shares Index Fund (Hedged)	0.41	-	0.41	Not available
Vanguard International Shares Index Fund	0.38	-	0.38	Not available
Closed Investment Options				
MLC-Platinum Global Fund	1.16	-	1.16	Not available

Investment options managed by MLC – Investment fees

The table below reflects the actual investment fees as at 30 June 2014 for the following products:

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

Investment option	Investment fee (Super) % pa	Investment fee (Pension) % pa	Estimated Indirect cost ratio % pa Super / Pension
MLC Inflation Plus portfolios			
MLC Inflation Plus Assertive Portfolio	1.11	1.06	0.56 / 0.58
MLC Horizon Series portfolios			
MLC Horizon 1 Bond Portfolio	0.37	0.32	Not applicable
MLC Horizon 2 Capital Stable Portfolio[1]	0.41	0.42	0.08 / 0.08
MLC Horizon 3 Conservative Growth Portfolio[1]	0.48	0.52	0.12 / 0.13
MLC Horizon 4 Balanced Portfolio[1]	0.57	0.60	0.16 / 0.18
MLC Horizon 5 Growth Portfolio[1]	0.58	0.63	0.17 / 0.19
MLC Horizon 6 Share Portfolio[1]	0.61	0.65	0.19 / 0.21
MLC Horizon 7 Accelerated Growth Portfolio[1, 2]	0.88	0.92	0.22 / 0.24
MLC Asset Class funds			
MLC Property Securities Fund	0.63	0.66	Not applicable
MLC Australian Share Fund	0.59	0.60	Not applicable
MLC Australian Share Growth Style Fund	0.52	0.53	Not applicable
MLC Australian Share Value Style Fund	0.60	0.62	Not applicable
MLC IncomeBuilder	0.71	0.70	Not applicable
MLC Global Share Fund	0.74	0.78	Not applicable
MLC Global Share Growth Style Fund	0.69	0.72	Not applicable
MLC Global Share Value Style Fund	0.83	0.86	Not applicable
Cash			
MLC Cash Fund	0.25	0.23	Not applicable
Closed Investment Options			
Accent Capital Guaranteed Fund	Not applicable	Not applicable	Not applicable
Accent Managed Fund	0.49	Not applicable	Not applicable
Entrepreneur Capital Guaranteed Fund	Not applicable	Not applicable	Not applicable
Entrepreneur Managed Fund	0.45	Not applicable	Not applicable
National Balanced Fund	0.60	0.57	0.16

1 A performance fee may be charged. The performance fee will generally fall between 0-0.1% however, in cases of exceptional performance, fees may be outside this range. This will only apply when investment managers' returns exceed a specified level.

2 Gearing costs aren't included. They're paid from the Portfolio's assets and reflected in the unit price.

Investment options not managed by MLC – Investment fees

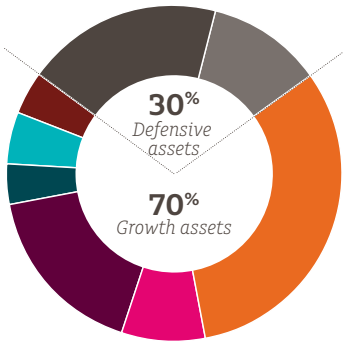
The table below reflects the indicative investment fees (base fee plus performance fee) and issuer fee as at 30 June 2014 for the following products:

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

Investment option	Base fee % pa	Performance fee % pa	Indicative Investment fee % pa	Issuer fee % pa	Estimated Indirect cost ratio % pa Super / Pension
Fixed Income					
Vanguard Australian Fixed Interest Index Fund	0.19	-	0.19	0.12	Not available
Vanguard International Fixed Interest Index Fund Hedged	0.24	-	0.24	0.12	Not available
Property Securities					
Vanguard Australian Property Securities Index Fund	0.24	-	0.24	0.12	Not available
Australian Shares					
Arnhem Australian Equity Fund	0.57	-	0.57	0.12	Not available
Ausbil Australian Emerging Leaders	0.75	1.12	1.87	0.12	Not available
Investors Mutual Australian Share Fund	0.74	-	0.74	0.12	Not available
MLC-Vanguard Australian Share Index Fund	Super 0.24 Pension 0.30	-	Super 0.24 Pension 0.30	-	Not available
Perennial Value Shares Trust	0.72	-	0.72	0.12	Not available
Perpetual's Wholesale Australian Fund	0.86	-	0.86	0.12	Not available
Perpetual's Wholesale Ethical SRI Fund	0.80	-	0.80	0.12	Not available
Perpetual's Wholesale Small Companies Fund No.2	1.25	-	1.25	0.12	Not available
Schroder Wholesale Australian Equity Fund	0.57	-	0.57	0.12	Not available
Global Shares					
Platinum Asia Fund	1.54	-	1.54	-	Not available
Platinum International Fund	1.54	-	1.54	-	Not available
PM CAPITAL Absolute Performance Fund	1.09	6.06	7.15	0.12	Not available
Vanguard International Shares Index Fund Hedged	0.21	-	0.21	0.12	Not available
Vanguard International Shares Index Fund Unhedged	0.18	-	0.18	0.12	Not available
Closed Investment Options					
MLC-Platinum Global Fund	1.16	-	1.16	-	Not available
Vanguard Growth Index Fund	0.36	-	0.36	0.12	Not available
Vanguard High Growth Index Fund	0.37	-	0.37	0.12	Not available

MLC MySuper

Only available to members in MLC MasterKey Business Super and MLC MasterKey Personal Super.

	MLC MySuper
Investment objective	To outperform inflation, measured by the Consumer Price Index, by 3% pa after fees and taxes, over any 10 year period.
About the investment option	MySuper is a multi-asset portfolio managed by MLC with investment advice from JANA. JANA is one of Australia's leading investment consulting businesses for large corporate superannuation funds and is part of the National Australia Bank group. The portfolio has a strong bias to growth assets and some exposure to defensive assets. The allocations to these assets are actively managed within defined ranges in accordance with our view of how economic and market conditions might unfold. The portfolio is broadly diversified across mainstream asset classes, with some exposure to private and alternative assets and strategies. It uses both passive and active investment managers. These managers invest in many companies and securities in Australia and overseas.
The investment option may be suited to you if ...	• you want long-term capital growth, and • you understand and accept there can be moderate to high fluctuations in the value of your investment.
Minimum suggested time to invest	6 years
Benchmark asset allocation and ranges (at 30 June 2014) *The portfolio will be managed within these ranges.* *The benchmark asset allocation and ranges may change over time. Please see **mlc.com.au** for the most up to date information.*	

Asset class	Benchmark asset allocation (%)	Ranges (%)
Cash	0%	
Australian fixed income	19%	
Global fixed income	11%	
Total defensive assets	**30%**	**15-45%**
Australian shares	32%	
Global shares (hedged)	8%	
Global shares (unhedged)	17%	
Property	4%	
Global private assets (hedged)	5%	
Alternatives and other	4%	
Total growth assets	**70%**	**55-85%**

Benchmark	A combination of market indices, weighted according to the benchmark asset allocation. Details of the portfolio's current benchmark are available on **mlc.com.au**
Estimated number of negative annual returns	Medium to high, between 3 and 4 years in 20 years.

MLC Inflation Plus portfolios

	MLC Inflation Plus – Conservative Portfolio
Investment objective	Aims to deliver a return of 3.5% pa above inflation (before fees and tax) over 3 year periods by limiting the risk of negative returns over this time frame. This careful risk management approach means there may be times when the portfolio doesn't achieve its return objective. In most circumstances the portfolio is expected to provide a positive return over 3 year periods, although there will sometimes be negative returns over shorter periods.
About the investment option	The key aspects of the way we manage the portfolio are: 1. Flexible asset allocation – the asset allocation is actively managed in accordance with MLC's changing view of potential risks and opportunities in investment markets. 2. Diversification – the portfolio invests across a wide range of assets and strategies. These may include both mainstream (eg shares and government bonds) and alternative investments (eg hedge funds) that may not be widely used in other investment funds. To manage the assets and strategies, MLC carefully selects specialist investment managers from around the world. 3. Strong focus on risk management – the portfolio has the flexibility not to invest in an asset class if that would cause too much risk of a negative return over 3 years. This means the portfolio may have no exposure to growth assets in some market conditions. MLC expects that by managing the portfolio in this way, movements in the portfolio's value (both up and down) should be less significant. The portfolio uses all aspects of our approach to investing. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au**
The investment option may be suited to you if ...	• you're focused on achieving a return above inflation over a 3 year period • you understand the return achieved by the portfolio may be significantly higher or lower than its objective • you understand that the portfolio's asset allocation will change significantly over time, and • you want to manage investment risk by diversifying across asset classes and strategies.
Minimum suggested time to invest	3 to 5 years
Asset allocation ranges (at 30 June 2014) *The portfolio will be managed within these ranges.* *Current asset allocations are available on **mlc.com.au** on our Fund Profile Tool, or by contacting us.*	**Minimum** / **Maximum** Cash: 0% / 100% Australian fixed income: 0% / 60% Global fixed income: 0% / 60% Australian shares: 0% / 40% Global shares: 0% / 40% Property securities: 0% / 30% Alternatives: 0% / 10% **Total fixed income and cash: 30% / 100%** **Total shares and property: 0% / 60%** **Total alternatives: 0% / 10%**
Benchmark	The measure of inflation is the Consumer Price Index, calculated by the Australian Bureau of Statistics.
Estimated number of negative annual returns	Very low, less than 1 year in 20 years.

MLC Inflation Plus portfolios

	MLC Inflation Plus – Moderate Portfolio
Investment objective	Aims to deliver a return of 5% pa above inflation (before fees and tax) over 5 year periods by limiting the risk of negative returns over this time frame. This careful risk management approach means there may be times when the portfolio doesn't achieve its return objective. In most circumstances the portfolio is expected to provide a positive return over 5 year periods, although there will sometimes be negative returns over shorter periods.
About the investment option	The key aspects of the way we manage the portfolio are: 1. Flexible asset allocation – the asset allocation is actively managed in accordance with MLC's changing view of potential risks and opportunities in investment markets. 2. Diversification – the portfolio invests across a wide range of assets and strategies. These may include both mainstream (eg shares and government bonds) and alternative investments (eg hedge funds) that may not be widely used in other investment funds. To manage the assets and strategies, MLC carefully selects specialist investment managers from around the world. 3. Strong focus on risk management – the portfolio has the flexibility not to invest in an asset class if that would cause too much risk of a negative return over 5 years. This means the portfolio may have low exposure to growth assets in some market conditions. MLC expects that by managing the portfolio in this way, movements in the portfolio's value (both up and down) should be less significant. The portfolio uses all aspects of our approach to investing. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au**
The investment option may be suited to you if ...	• you're focused on achieving a return above inflation over a 5 year period • you understand the return achieved by the portfolio may be significantly higher or lower than its objective • you understand that the portfolio's asset allocation will change significantly over time, and • you want to manage investment risk by diversifying across asset classes and strategies.
Minimum suggested time to invest	5 to 7 years
Asset allocation ranges (at 30 June 2014) *The portfolio will be managed within these ranges.* *Current asset allocations are available on **mlc.com.au** on our Fund Profile Tool, or by contacting us.*	**Minimum** / **Maximum** Cash: 0% / 100% Australian fixed income: 0% / 60% Global fixed income: 0% / 60% Australian shares: 0% / 50% Global shares: 0% / 50% Property securities: 0% / 40% Alternatives: 0% / 15% **Total fixed income and cash: 5% / 100%** **Total shares and property: 0% / 80%** **Total alternatives: 0% / 15%**
Benchmark	The measure of inflation is the Consumer Price Index, calculated by the Australian Bureau of Statistics.
Estimated number of negative annual returns	Medium to high, between 2 and 3 years in 20 years.

	MLC Inflation Plus – Assertive Portfolio
Investment objective	Aims to deliver a return of 6% pa above inflation (before fees and tax) over 7 year periods by limiting the risk of negative returns over this time frame. This careful risk management approach means there may be times when the portfolio doesn't achieve its return objective. In most circumstances the portfolio is expected to provide a positive return over 7 year periods, although there will sometimes be negative returns over shorter periods.
About the investment option	The key aspects of the way we manage the portfolio are: 1. Flexible asset allocation – the asset allocation is actively managed in accordance with MLC's changing view of potential risks and opportunities in investment markets. 2. Diversification – the portfolio invests across a wide range of assets and strategies. These may include both mainstream (eg shares and government bonds) and alternative investments (eg hedge funds) that may not be widely used in other investment funds. To manage the assets and strategies, MLC carefully selects specialist investment managers from around the world. 3. Strong focus on risk management – the portfolio has the flexibility not to invest in an asset class if that would cause too much risk of a negative return over 7 years. This means the portfolio may have low exposure to growth assets in some market conditions. However, the portfolio's 7 year investment time frame means it will usually have a significant investment in growth assets. MLC expects that by managing the portfolio in this way, movements in the portfolio's value (both up and down) should be less significant. **Techniques such as gearing, short selling and derivatives may be used to adjust the portfolio's exposure to assets.** For more information about these techniques and their risks, please refer to the current PDS available on **mlc.com.au** You can invest up to 50% of your pension account balance in this Portfolio. The portfolio uses all aspects of our approach to investing. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au**
The investment option may be suited to you if ...	• you're focused on achieving a return above inflation over a 7 year period • you understand the return achieved by the portfolio may be significantly higher or lower than its objective • you understand that the portfolio's asset allocation will change significantly over time • you want to manage investment risk by diversifying across asset classes and strategies, and • you understand the risks of investing in a geared portfolio and are comfortable with MLC flexibly managing the gearing level up to 40%.
Minimum suggested time to invest	7 to 10 years

MLC Inflation Plus portfolios

	MLC Inflation Plus – Assertive Portfolio continued
Asset allocation ranges (at 30 June 2014) *The portfolio will be managed within these ranges.* *Current asset allocations are available on* ***mlc.com.au*** *on our Fund Profile Tool, or by contacting us.*	

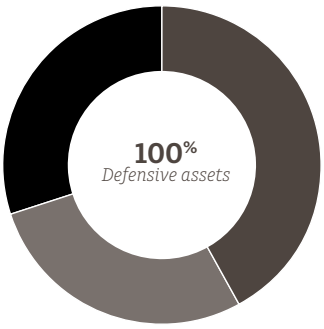
	Minimum	**Maximum**
Cash	0%	100%
Australian fixed income	0%	60%
Global fixed income	0%	60%
Australian shares	0%	70%
Global shares	0%	70%
Property securities	0%	50%
Global private assets	0%	17%
Alternatives	0%	50%
Gearing*	0%	40%
Total fixed income and cash	**0%**	**120%**
Total shares and property	**0%**	**120%**
Total assets*	**100%**	**140%**

* This means for every $1,000 you invest the portfolio may borrow up to $400 (and up to $1,400 is invested in assets). However, if asset values fall dramatically (such as in unusually adverse market conditions), the portfolio's gearing level may rise above 40%. More information on the risks of gearing is available in the current PDS on **mlc.com.au**

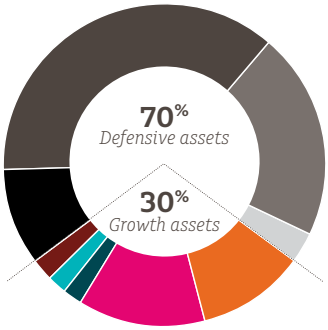
This portfolio is considered a fund of hedge funds by the Australian Securities and Investments Commission because it uses some sophisticated investment techniques. More information about this portfolio is available on **mlc.com.au/fundprofiletool**

Benchmark	The measure of inflation is the Consumer Price Index, calculated by the Australian Bureau of Statistics.
Estimated number of negative annual returns	Medium to high, between 3 and 4 years in 20 years.

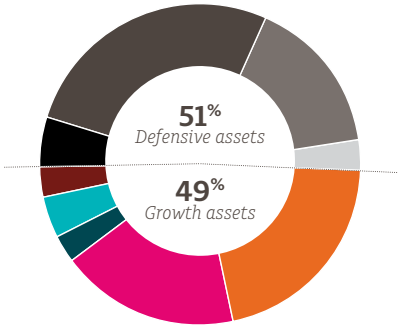
MLC Horizon portfolios

	MLC Horizon 1 – Bond Portfolio
Investment objective	The portfolio aims to provide a return higher than its benchmark (before fees and tax) over 2 year periods. The return is also expected to be higher than cash investments. At the same time, the portfolio aims to preserve your investment over 1 year periods.
About the investment option	The portfolio is broadly diversified across different types of fixed income securities and investment managers in Australia and around the world. The average term to maturity will normally be up to 1.25 years, but this may vary depending on the market environment and interest rates. **Foreign currency exposures will generally be substantially hedged to the Australian dollar.**
The investment option may be suited to you if ...	• you want a portfolio that invests in defensive assets, and • preservation of your investment is important.
Minimum suggested time to invest	2 years
Benchmark asset allocation and ranges (at 30 June 2014) *The portfolio will be managed within these ranges.* *The benchmark asset allocation and ranges may change over time. Please see **mlc.com.au** for the most up to date information.*	 **Asset class** / **Benchmark asset allocation (%)** / **Ranges (%)** Cash: 30% / 0–60% Australian fixed income: 42% / 20–70% Global fixed income: 28% / 15–50% **Total defensive assets: 100% / 100%**
Benchmark	A combination of market indices, weighted according to the benchmark asset allocation. Details of the portfolio's current benchmark are available on **mlc.com.au**
Estimated number of negative annual returns	Very low, less than 1 year in 20 years.

MLC Horizon portfolios

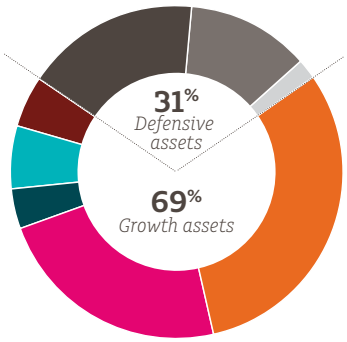
	MLC Horizon 2 – Capital Stable Portfolio
Investment objective	The portfolio aims to provide a return higher than its benchmark (before fees and tax) over 3 year periods. MLC aims to achieve this by actively managing the portfolio. This includes reducing risk in the portfolio if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.
About the investment option	The portfolio has a strong bias to defensive assets and some exposure to growth assets. The allocations to these assets are actively managed within defined ranges, in accordance with MLC's changing view of potential risks and opportunities in investment markets. The portfolio is broadly diversified across asset classes and investment managers from around the world. These managers invest in many companies and securities in Australia and overseas. All aspects of our approach to investing are used in the portfolio. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au**
The investment option may be suited to you if ...	• you want to rely largely on the market for returns • you want a diversified portfolio that invests mainly in defensive assets, and • preserving your capital is an important but not overriding concern.
Minimum suggested time to invest	3 years
Benchmark asset allocation and ranges (at 30 June 2014) *The portfolio will be managed within these ranges. In addition, most global assets are hedged to the Australian dollar.* *The benchmark asset allocation and ranges may change over time. Please see mlc.com.au for the most up to date information.*	
Benchmark	A combination of market indices, weighted according to the benchmark asset allocation. Details of the portfolio's current benchmark are available on **mlc.com.au**
Estimated number of negative annual returns	Low to medium, 2 years in 20 years.

Asset class	Benchmark asset allocation (%)	Ranges (%)
Cash	10%	0–20%
Australian fixed income	37%	15–45%
Global fixed income	20%	15–45%
Alternatives and other	3%	0–15%
Total defensive assets	**70%**	**65–75%**
Australian shares	11%	0–25%
Global shares	13%	0–25%
Global property securities	2%	0–15%
Global private assets	2%	0–10%
Alternatives and other	2%	0–15%
Total growth assets	**30%**	**25–35%**

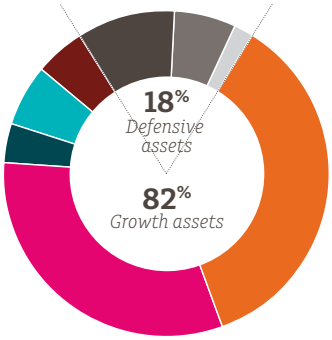
	MLC Horizon 3 – Conservative Growth Portfolio
Investment objective	The portfolio aims to provide a return higher than its benchmark (before fees and tax) over 3 year periods. MLC aims to achieve this by actively managing the portfolio. This includes reducing risk in the portfolio if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.
About the investment option	The portfolio has an approximately equal exposure to growth and defensive assets. The allocations to these assets are actively managed within defined ranges, in accordance with MLC's changing view of potential risks and opportunities in investment markets. The portfolio is broadly diversified across asset classes and investment managers from around the world. These managers invest in many companies and securities in Australia and overseas. All aspects of our approach to investing are used in the portfolio. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au** MLC MasterKey Investment Protection is available with this option.
The investment option may be suited to you if ...	• you want a diversified portfolio that has similar weightings to defensive and growth assets • you want to rely largely on the market for returns • you want some long-term capital growth, and • you understand that there can be moderate to large fluctuations in the value of your investment.
Minimum suggested time to invest	4 years
Benchmark asset allocation and ranges (at 30 June 2014) *The portfolio will be managed within these ranges. In addition, some global assets are not hedged to the Australian dollar. For benchmark currency hedging levels for global assets please refer to mlc.com.au* *The benchmark asset allocation and ranges may change over time. Please see mlc.com.au for the most up to date information.*	
Benchmark	A combination of market indices, weighted according to the benchmark asset allocation. Details of the portfolio's current benchmark are available on **mlc.com.au**
Estimated number of negative annual returns	Medium to high, between 3 and 4 years in 20 years.

Asset class	Benchmark asset allocation (%)	Ranges (%)
Cash	5%	0–15%
Australian fixed income	27%	10–35%
Global fixed income	16%	10–35%
Alternatives and other	3%	0–15%
Total defensive assets	**51%**	**45–55%**
Australian shares	21%	10–35%
Global shares	18%	5–30%
Global property securities	3%	0–15%
Global private assets	4%	0–10%
Alternatives and other	3%	0–15%
Total growth assets	**49%**	**45–55%**

MLC Horizon portfolios

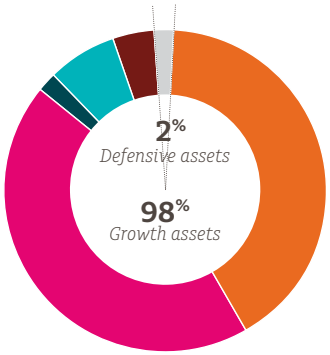
	MLC Horizon 4 – Balanced Portfolio
Investment objective	The portfolio aims to provide a return higher than its benchmark (before fees and tax) over 4 year periods. MLC aims to achieve this by actively managing the portfolio. This includes reducing risk in the portfolio if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.
About the investment option	The portfolio has a strong bias to growth assets and some exposure to defensive assets. The allocations to these assets are actively managed within defined ranges, in accordance with MLC's changing view of potential risks and opportunities in investment markets. The portfolio is broadly diversified across asset classes and investment managers from around the world. These managers invest in many companies and securities in Australia and overseas. All aspects of our approach to investing are used in the portfolio. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au** MLC MasterKey Investment Protection is available with this option.
The investment option may be suited to you if ...	• you want a diversified portfolio that invests mainly in growth assets • you want to rely largely on the market for returns • you want long-term capital growth, and • you understand and accept that there can be large fluctuations in the value of your investment.
Minimum suggested time to invest	5 years
Benchmark asset allocation and ranges (at 30 June 2014) *The portfolio will be managed within these ranges. In addition, some global assets are not hedged to the Australian dollar. For benchmark currency hedging levels for global assets please refer to **mlc.com.au*** *The benchmark asset allocation and ranges may change over time. Please see **mlc.com.au** for the most up to date information.*	
Benchmark	A combination of market indices, weighted according to the benchmark asset allocation. Details of the portfolio's current benchmark are available on **mlc.com.au**
Estimated number of negative annual returns	High, 4 years in 20 years.

Asset class	Benchmark asset allocation (%)	Ranges (%)
Cash	0%	0–10%
Australian fixed income	17%	5–30%
Global fixed income	12%	0–25%
Alternatives and other	2%	0–15%
Total defensive assets	**31%**	**25–35%**
Australian shares	31%	20–45%
Global shares	23%	10–40%
Global property securities	4%	0–15%
Global private assets	6%	0–10%
Alternatives and other	5%	0–15%
Total growth assets	**69%**	**65–75%**

	MLC Horizon 5 – Growth Portfolio
Investment objective	The portfolio aims to provide a return higher than its benchmark (before fees and tax) over 5 year periods. MLC aims to achieve this by actively managing the portfolio. This includes reducing risk in the portfolio if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.
About the investment option	The portfolio primarily invests in growth assets with a small exposure to defensive assets. The allocations to these assets are actively managed within defined ranges, in accordance with MLC's changing view of potential risks and opportunities in investment markets. The portfolio is broadly diversified across asset classes and investment managers from around the world. These managers invest in many companies and securities in Australia and overseas. All aspects of our approach to investing are used in the portfolio. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au** MLC MasterKey Investment Protection is available with this option.
The investment option may be suited to you if ...	• you want a diversified portfolio that invests predominantly in growth assets • you want to rely largely on the market for returns • you want long-term capital growth, and • you understand that there can be large fluctuations in the value of your investment.
Minimum suggested time to invest	6 years
Benchmark asset allocation and ranges (at 30 June 2014) *The portfolio will be managed within these ranges. In addition, some global assets are not hedged to the Australian dollar. For benchmark currency hedging levels for global assets please refer to **mlc.com.au*** *The benchmark asset allocation and ranges may change over time. Please see **mlc.com.au** for the most up to date information.*	
Benchmark	A combination of market indices, weighted according to the benchmark asset allocation. Details of the portfolio's current benchmark are available on **mlc.com.au**
Estimated number of negative annual returns	High, between 4 and 5 years in 20 years.

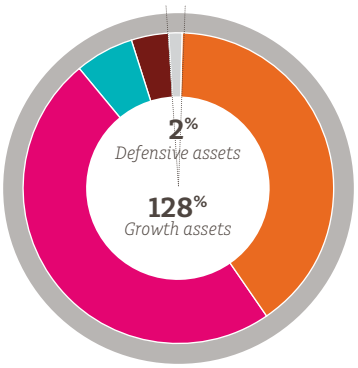
Asset class	Benchmark asset allocation (%)	Ranges (%)
Cash	0%	0–10%
Australian fixed income	10%	0–20%
Global fixed income	6%	0–20%
Alternatives and other	2%	0–15%
Total defensive assets	**18%**	**10–20%**
Australian shares	36%	20–50%
Global shares	32%	20–45%
Global property securities	4%	0–15%
Global private assets	6%	0–15%
Alternatives and other	4%	0–15%
Total growth assets	**82%**	**80–90%**

MLC Horizon portfolios

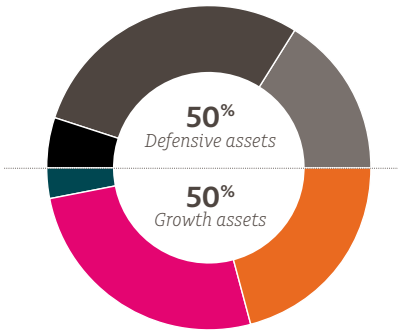
	MLC Horizon 6 – Share Portfolio
Investment objective	The portfolio aims to provide a return higher than its benchmark (before fees and tax) over 5 year periods. It aims to achieve this return while keeping volatility (movements up and down in value) at levels similar to the benchmark.
About the investment option	The portfolio invests in growth assets and may have minimal exposure to defensive assets through its alternative investments. The allocations to these assets are actively managed within defined ranges, in accordance with MLC's changing view of potential risks and opportunities in investment markets. The portfolio is broadly diversified across growth asset classes and investment managers from around the world. These managers invest in many companies and securities in Australia and overseas. All aspects of our approach to investing are used in the portfolio. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au**
The investment option may be suited to you if ...	• you want a portfolio that invests in growth assets, primarily shares • you want to rely largely on the market for returns • you want long-term capital growth, and • you understand that there can be very large fluctuations in the value of your investment.
Minimum suggested time to invest	6 years
Benchmark asset allocation and ranges (at 30 June 2014) *The portfolio will be managed within these ranges. In addition, some global assets are not hedged to the Australian dollar. For benchmark currency hedging levels for global assets please refer to* ***mlc.com.au*** *The benchmark asset allocation and ranges may change over time. Please see* ***mlc.com.au*** *for the most up to date information.*	 **Asset class** / **Benchmark asset allocation (%)** / **Ranges (%)** Alternatives and other: 2% / 0–10% **Total defensive assets: 2% / 0–10%** Australian shares: 41% / 30–55% Global shares: 44% / 30–60% Global property securities: 2% / 0–15% Global private assets: 7% / 0–15% Alternatives and other: 4% / 0–15% **Total growth assets: 98% / 90–100%**
Benchmark	A combination of market indices, weighted according to the benchmark asset allocation. Details of the portfolio's current benchmark are available on **mlc.com.au**
Estimated number of negative annual returns	High, 5 years in 20 years.

	MLC Horizon 7 – Accelerated Growth Portfolio
Investment objective	The portfolio aims to provide a return higher than its benchmark (before fees and tax) over 5 year periods. It aims to achieve this return while keeping volatility (movements up and down in value) at levels similar to the benchmark.
About the investment option	The portfolio invests in growth assets and may have minimal exposure to defensive assets through its alternative investments. The allocations to these assets are actively managed within defined ranges, in accordance with MLC's changing view of potential risks and opportunities in investment markets. At 1 July 2014, the portfolio has a target gearing level of 30%. This means for every $1,000 you have invested, the portfolio targets borrowings of $300. The actual gearing level changes every day as a result of market movements. That's why MLC monitors the portfolio's actual gearing level against its target and regularly moves the borrowings back to the target level. To maintain the target gearing level, MLC may need to adjust the borrowings as well as buy and sell assets. This increased trading will incur transaction costs and realise tax gains and losses. The actual gearing level may move significantly away from the target, without prior notice to you, for reasons including: • significant market volatility • legislative changes • accessing borrowings, including any lender imposed requirement to repay borrowings, and • changes to gearing costs. Current gearing levels are available on **mlc.com.au** The portfolio is broadly diversified across growth asset classes and investment managers from around the world. These managers invest in many companies and securities in Australia and overseas. All aspects of our approach to investing are used in the portfolio. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au**
The investment option may be suited to you if ...	• you want to gear a portfolio of growth assets (primarily shares) but don't want the burden of obtaining and managing your own loan • you want to rely largely on the market for returns • you want long-term capital growth • you expect growth in the assets' value to exceed the costs of gearing, and • you're comfortable with the risks of gearing including extra volatility and increased risk of capital loss.
Minimum suggested time to invest	8 years

MLC Horizon portfolios

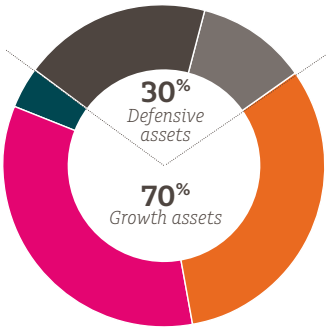
	MLC Horizon 7 – Accelerated Growth Portfolio continued
Benchmark asset allocation and ranges (at 30 June 2014) *The portfolio will be managed within these ranges. In addition, some global assets are not hedged to the Australian dollar. For benchmark currency hedging levels for global assets please refer to* ***mlc.com.au*** *The benchmark asset allocation and ranges may change over time. Please see* ***mlc.com.au*** *for the most up to date information.*	 **Asset class** / **Benchmark asset allocation (%)** / **Ranges (%)** Alternatives and other: 2% / 0–10% **Total defensive assets: 2% / 0–10%** Australian shares: 52% / 40–60% Global shares: 63% / 50–75% Global property securities: 0% / 0–15% Global private assets: 8% / 0–15% Alternatives and other: 5% / 0–15% **Total growth assets: 128% / 120–130%** Gearing*: 30% / 30% *If asset values fall dramatically (such as in unusually adverse market conditions), the portfolio's gearing level may rise above 30%.
Benchmark	A combination of market indices, weighted according to the benchmark asset allocation. Details of the portfolio's current benchmark are available on **mlc.com.au**
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years.

MLC Index Plus portfolios

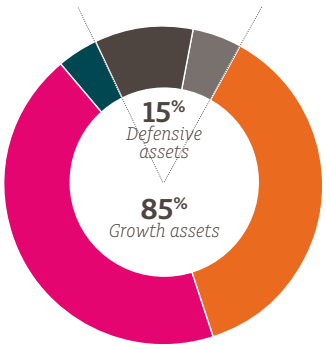
	MLC Index Plus – Conservative Growth Portfolio
Investment objective	The portfolio aims to provide a return that meets its benchmark (before fees and tax) over 3 year periods. At the same time, MLC aims to reduce risk in the portfolio if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.
About the investment option	The portfolio has an approximately equal exposure to growth and defensive assets. The allocations to these assets are actively managed within defined ranges, in accordance with MLC's changing view of potential risks and opportunities in investment markets. The portfolio is broadly diversified across mainstream asset classes. It uses mainly passive investment managers for growth assets and active managers for defensive assets. These managers invest in many companies and securities in Australia and overseas. All aspects of our approach to investing are used in the portfolio. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au** MLC MasterKey Investment Protection is available with this option.
The investment option may be suited to you if ...	• you want a diversified portfolio that has similar weightings to defensive and growth assets • you want to rely largely on the market for returns • you want some long-term capital growth, and • you understand that there can be moderate to large fluctuations in the value of your investment.
Minimum suggested time to invest	4 years
Benchmark asset allocation and ranges (at 30 June 2014) *The portfolio will be managed within these ranges. In addition, some global assets are not hedged to the Australian dollar. For benchmark currency hedging levels for global assets please refer to mlc.com.au* *The benchmark asset allocation and ranges may change over time. Please see mlc.com.au for the most up to date information.*	
Benchmark	A combination of market indices, weighted according to the benchmark asset allocation. Details of the portfolio's current benchmark are available on **mlc.com.au**
Estimated number of negative annual returns	Medium to high, between 3 and 4 years in 20 years.

Asset class	Benchmark asset allocation (%)	Ranges (%)
Cash	5%	0–15%
Australian fixed income	29%	10–35%
Global fixed income	16%	10–35%
Total defensive assets	**50%**	**45–55%**
Australian shares	21%	10–35%
Global shares	26%	10–30%
Global property securities	3%	0–15%
Total growth assets	**50%**	**45–55%**

MLC Index Plus portfolios

	MLC Index Plus – Balanced Portfolio
Investment objective	The portfolio aims to provide a return that meets its benchmark (before fees and tax) over 4 year periods. At the same time, MLC aims to reduce risk in the portfolio if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.
About the investment option	The portfolio has a strong bias to growth assets and some exposure to defensive assets. The allocations to these assets are actively managed within defined ranges, in accordance with MLC's changing view of potential risks and opportunities in investment markets. The portfolio is broadly diversified across mainstream asset classes. It uses mainly passive investment managers for growth assets and active managers for defensive assets. These managers invest in many companies and securities in Australia and overseas. All aspects of our approach to investing are used in the portfolio. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au** MLC MasterKey Investment Protection is available with this option.
The investment option may be suited to you if ...	• you want a diversified portfolio that invests mainly in growth assets • you want to rely largely on the market for returns • you want long-term capital growth, and • you understand and accept that there can be large fluctuations in the value of your investment.
Minimum suggested time to invest	5 years
Benchmark asset allocation and ranges (at 30 June 2014) *The portfolio will be managed within these ranges. In addition, some global assets are not hedged to the Australian dollar. For benchmark currency hedging levels for global assets please refer to mlc.com.au* *The benchmark asset allocation and ranges may change over time. Please see mlc.com.au for the most up to date information.*	
Benchmark	A combination of market indices, weighted according to the benchmark asset allocation. Details of the portfolio's current benchmark are available on **mlc.com.au**
Estimated number of negative annual returns	High, between 4 and 5 years in 20 years.

Asset class	Benchmark asset allocation (%)	Ranges (%)
Cash	0%	0–10%
Australian fixed income	19%	10–30%
Global fixed income	11%	0–25%
Total defensive assets	**30%**	**25–35%**
Australian shares	32%	20–45%
Global shares	34%	20–40%
Global property securities	4%	0–15%
Total growth assets	**70%**	**65–75%**

	MLC Index Plus – Growth Portfolio
Investment objective	The portfolio aims to provide a return that meets its benchmark (before fees and tax) over 5 year periods. At the same time, MLC aims to reduce risk in the portfolio if market risk is high. As a result, there may be smaller losses than the benchmark in weak or falling markets and potentially lower returns than the benchmark in strong markets.
About the investment option	The portfolio invests primarily in growth assets with a small exposure to defensive assets. The allocations to these assets are actively managed within defined ranges, in accordance with MLC's changing view of potential risks and opportunities in investment markets. The portfolio is broadly diversified across mainstream asset classes. It uses mainly passive investment managers for growth assets and active managers for defensive assets. These managers invest in many companies and securities in Australia and overseas. All aspects of our approach to investing are used in the portfolio. In addition, the portfolio uses MLC's market-leading Investment Futures Framework to manage risk and identify opportunities. More information about the Investment Futures Framework is on **mlc.com.au** MLC MasterKey Investment Protection is available with this option.
The investment option may be suited to you if ...	• you want a diversified portfolio that invests predominantly in growth assets • you want to rely largely on the market for returns • you want long-term capital growth, and • you understand that there can be large fluctuations in the value of your investment.
Minimum suggested time to invest	6 years
Benchmark asset allocation and ranges (at 30 June 2014) *The portfolio will be managed within these ranges. In addition, some global assets are not hedged to the Australian dollar. For benchmark currency hedging levels for global assets please refer to* ***mlc.com.au*** *The benchmark asset allocation and ranges may change over time. Please see* ***mlc.com.au*** *for the most up to date information.*	
Benchmark	A combination of market indices, weighted according to the benchmark asset allocation. Details of the portfolio's current benchmark are available on **mlc.com.au**
Estimated number of negative annual returns	High, between 4 and 5 years in 20 years.

Asset class	Benchmark asset allocation (%)	Ranges (%)
Cash	0%	0–10%
Australian fixed income	10%	0–20%
Global fixed income	5%	0–20%
Total defensive assets	**15%**	**10–20%**
Australian shares	37%	20–50%
Global shares	44%	20–55%
Global property securities	4%	0–15%
Total growth assets	**85%**	**80–90%**

MLC Asset Class funds

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	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. **Foreign currency exposures will generally be substantially hedged to the Australian dollar.** As a result of capital restructures of bond issuers, the Fund may have an incidental exposure to shares from time to time.
The investment option may be suited to you if ...	• 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	3 to 5 years
Target asset allocation (at 30 June 2014)	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.
Benchmark	50% UBS Composite Bond Index (All Maturities) and 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 years.

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 Real Estate Investment Trusts and companies 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 Real Estate Investment Trusts and companies 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 ...	• 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.	• 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	7 years	7 years
Target asset allocation (at 30 June 2014)	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 years.	High, between 4 and 5 years in 20 years.

MLC Asset Class funds

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 ...	• you want to invest in an actively managed Australian share portfolio that's diversified across investment managers, industries and companies.	• 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	7 years	7 years
Target asset allocation (at 30 June 2014)	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 200 Accumulation Index
Estimated number of negative annual returns	High, 6 years in 20 years.	High, 6 years in 20 years.

Australian shares continued

	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	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 they believe are undervalued in relation to their earning potential.	The Fund invests primarily in Australian companies that have the potential to provide future growth in dividends. The Fund is expected to generate tax-effective returns by: • investing in companies expected to have high franking levels, and • carefully managing the realisation of capital gains. The Fund is expected to provide returns consistent with investing in a broad range of Australian companies.
The investment option may be suited to you if ...	• you want to invest in an actively managed, value biased, Australian share portfolio that's diversified across investment managers, industries and companies.	• 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	7 years	7 years
Target asset allocation (at 30 June 2014)	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 200 Accumulation Index	Not applicable
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years.	High, between 5 and 6 years in 20 years.

MLC Asset Class funds

Global shares

	MLC Global Share Fund	MLC Hedged Global Share Fund
Investment objective	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.
About the investment option	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. **Foreign currency exposures will generally not be hedged to the Australian dollar.**	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. **Foreign currency exposures will generally be substantially hedged to the Australian dollar.**
The investment option may be suited to you if ...	• you want to invest in an actively managed global share portfolio that's diversified across investment managers, countries (developed and emerging), industries and companies, and • you're comfortable having foreign currency exposure.	• you want to invest in an actively managed global share portfolio that's diversified across investment managers, countries (developed and emerging), industries and companies, and • you don't want foreign currency exposure.
Minimum suggested time to invest	7 years	7 years
Target asset allocation (at 30 June 2014)	100% Global shares	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.	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	MSCI All Country World Index (hedged into Australian dollars)
Estimated number of negative annual returns	High, 6 years in 20 years.	High, 6 years in 20 years.

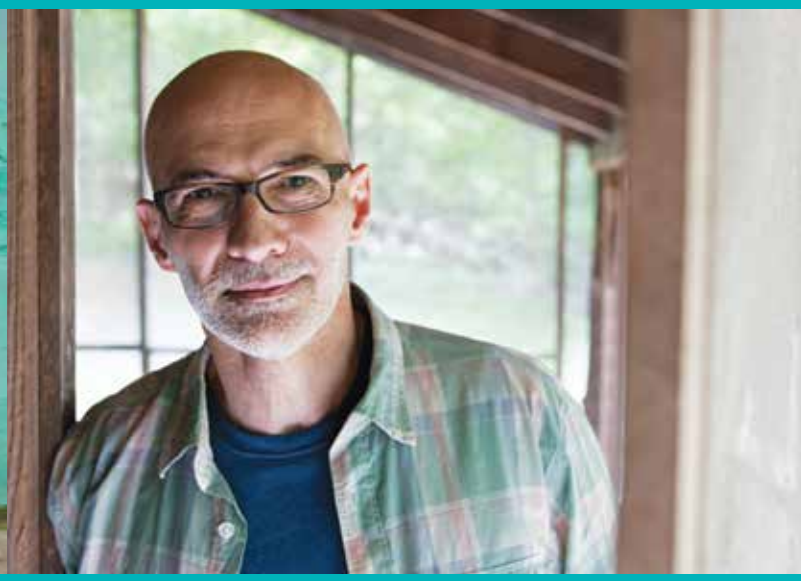
Global shares continued

	MLC Global Share Growth Style Fund	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.	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	The Fund invests primarily in companies listed (or expected to be listed) on share markets anywhere around the world. **Foreign currency exposures will generally not be hedged to the Australian dollar.** We primarily use investment managers that have an investment style focusing on companies that are expected to have strong earnings growth.	The Fund invests primarily in companies listed (or expected to be listed) on share markets anywhere around the world. **Foreign currency exposures will generally not be hedged to the Australian dollar.** We primarily use investment managers that have an investment style focusing on companies that they believe are undervalued in relation to their earning potential.
The investment option may be suited to you if ...	• 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, and • you're comfortable having foreign currency exposure.	• 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, and • you're comfortable having foreign currency exposure.
Minimum suggested time to invest	7 years	7 years
Target asset allocation (at 30 June 2014)	100% Global shares	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.	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	MSCI All Country World Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years.	High, between 5 and 6 years in 20 years.

Cash and term deposits

	MLC Cash Fund	NAB Term Deposit (only available to members in MLC MasterKey Super and Pension Fundamentals)
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	The Fund invests in deposits with banks (100% National Australia Bank as at 30 June 2014) 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).	You can select a six month, one year or two year term. As a term deposit is a fixed term investment it should only be selected if you are able to remain invested until maturity of your nominated term. You can find current interest rates on **mlc.com.au** **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. Term deposits are invested for a fixed term. Early withdrawals are only permitted in extreme circumstances and will result in reduced interest. **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). This allows us to process your withdrawal 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. **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.
The investment option may be suited to you if ...	• you want to invest in a low risk cash portfolio.	• 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 asset allocation (at 30 June 2014)	100% Cash	100% Fixed income securities
Market benchmark	Reserve Bank of Australia's Cash Rate Target	Not applicable
Estimated number of negative annual returns	Very low, less than 0.5 years in 20 years.	Very low, less than 0.5 years in 20 years.

	NAB Fixed Rate Fund (only available to Pension members, excluding MLC MasterKey Pension Fundamentals)
Investment objective	To provide a guaranteed rate of interest for the term selected.
About the investment option	The rate you receive is the rate current on the date your investment in the selected Fund starts. The rate is guaranteed for the investment term unless taxation conditions change. You can only invest up to 80% of your pension account in these Funds and you cannot invest once you reach age 90.
The investment option may be suited to you if ...	• 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 asset allocation (at 30 June 2014)	100% Fixed income securities
Market benchmark	Not applicable
Estimated number of negative annual returns	Very low, less than 0.5 years in 20 years.



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 Composite Bond Index before taking into account Fund fees, expenses and tax.	To track the return (income and capital appreciation) of the Barclays Global Treasury Index hedged into Australian dollars before taking into account Fund fees, expenses and tax.
About the investment option	The UBS 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. 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 the composition of the index and requires Vanguard to modify the portfolio.	The Barclays Global Treasury Index is a value-weighted index of approximately 1,200 securities (bonds) issued by the governments of approximately 38 countries. Bond indices change far more quickly than share indices because bonds have a finite life (maturity). Every maturity and inclusion of new issues changes the composition of the index and requires Vanguard to modify the portfolio.
The investment option may be suited to you if ...	• you want a medium-term investment horizon, seeking a steady and reliable income stream.	• you want a medium-term investment horizon, seeking a steady and reliable income stream.
Minimum suggested time to invest	3 years	5 years
Target asset allocation	100% Australian fixed interest	100% International fixed interest (hedged)
Market benchmark	UBS Composite Bond Index	Barclays Global Treasury Index
Estimated number of negative annual returns	Medium to high, between 3 and 4 years in 20 years.	Medium, between 2 and 3 years in 20 years.

Investment options not managed by MLC

Property securities

	Vanguard® Australian Property Securities Index Fund
Investment objective	To track the return (income and capital appreciation) of the S&P/ASX 300 A-REIT Index before taking into account Fund fees, expenses and tax.
About the investment option	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 ...	• 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	5 years
Target asset allocation	100% Australian property securities
Market benchmark	S&P/ASX 300 A-REIT Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years.

Australian shares

	Antares Elite Opportunities Fund
Investment objective	To outperform the S&P/ASX 200 Accumulation Index by 4% pa (before fees) over a rolling five-year period by investing in an actively managed and highly concentrated portfolio of Australian shares.
About the investment option	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. The Fund aims to invest in companies where the current share price does not fully reflect Antares' view of the potential value of the company. Antares is wholly owned by the NAB Group.
The investment option may be suited to you if ...	• you're willing to accept higher risk in exchange for the potential to earn greater investment returns than the broader Australian equity market.
Minimum suggested time to invest	5 years
Target asset allocation	95–100% Australian shares 0–5% Cash
Market benchmark	S&P/ASX 200 Accumulation Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years.

Investment options not managed by MLC

Australian shares continued

	Antares High Growth Shares Fund
Investment objective	To outperform the S&P/ASX 200 Accumulation Index by 5% pa (before fees) over a rolling five-year period.
About the investment option	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 shares 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. This Fund is considered a hedge fund by the Australian Securities and Investments Commission because it uses some sophisticated investment techniques. More information about this Fund is available in the investment manager's Product Disclosure Statement available on **mlc.com.au**
The investment option may be suited to you if ...	• you're willing to accept higher risk in exchange for the potential to earn greater investment returns than the broader Australian equity market.
Minimum suggested time to invest	5 years
Target asset allocation	90–125% Australian shares (Long) 0–25% Australian shares (Short) 0–10% Cash
Market benchmark	S&P/ASX 200 Accumulation Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years.

Arnhem Australian Equity Fund	Ausbil Australian Emerging Leaders Fund
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.
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 invests in mid and small cap stocks primarily chosen from the S&P/ASX 300 Index, but generally excludes securities from the S&P/ASX 50 Leaders Index. At all times the Fund will favour sectors and specific companies which it believes will experience positive earnings revisions.
• you want to invest in an active Australian equities fund.	• you wish to benefit from the long-term capital gains available from share investments and are comfortable with fluctuations in capital value in the short to medium term.
At least 5 years	5 years
95–100% Australian shares 0–5% Cash and cash equivalents	90–100% Australian shares 0–10% Cash
S&P/ASX 200 Accumulation Index	70% S&P/ASX Midcap 50 Accumulation Index 30% S&P/ASX Small Ordinaries Accumulation Index
High, between 5 and 6 years in 20 years.	High, between 5 and 6 years in 20 years.

Investment options not managed by MLC

Australian shares continued

	Fairview Equity Partners Emerging Companies Fund	**Investors Mutual Australian Share Fund**
Investment objective	To provide long-term capital growth and some income by investing primarily in a diverse portfolio of smaller companies listed, or expected to be listed, on the Australian Securities Exchange.	To provide a return (after fees and expenses and before taxes) which exceeds the S&P/ASX 300 Accumulation Index, over rolling four year periods.
About the investment option	The Fund aims to achieve returns above its benchmark through its core active investment process. This collaborative approach is 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 the investment manager, Fairview.	The Fund invests in a diversified portfolio of quality Australian and New Zealand 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.
The investment option may be suited to you if ...	• you believe in the greater long-term wealth creation potential of equities • you wish to benefit from an actively managed Australian smaller companies equity portfolio managed by a specialist boutique investment manager • you want to diversify your Australian equity portfolio to include access to a range of small and emerging companies that show strong growth potential, and • you're able to accept the volatility of investing in growth assets.	• you want to invest in a portfolio of ASX listed Australian and New Zealand industrial and resource shares.
Minimum suggested time to invest	5 years	4 to 5 years
Target asset allocation	90–100% Australian shares 0–10% Cash and cash equivalents	90–100% Australian shares 0–10% Cash
Market benchmark	S&P/ASX Small Ordinaries Accumulation Index	S&P/ASX 300 Accumulation Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years.	High, between 5 and 6 years in 20 years.

MLC-Vanguard Australian Share Index Fund	Perennial Value Shares Wholesale Trust
Aims to match the return of the S&P/ASX 200 Accumulation Index, before taking into account fees, expenses and tax.	To provide a total return (after fees) that exceeds the S&P/ASX 300 Accumulation Index measured on a rolling three-year basis.
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.	The Fund invests in a range of companies listed (or soon to be listed) on the ASX which Perennial Value, the investment manager, believes have sustainable operations and whose share prices offer good value. The portfolio will hold in the range of 20–70 stocks.
• you want to invest in a portfolio of Australian shares that produces similar returns to the market.	• you have an investment horizon of five or more years and seek exposure to a portfolio of Australian 'value oriented' companies.
7 years	5 years
100% Australian shares	90–100% Australian shares 0–10% Cash
S&P/ASX 200 Accumulation Index	S&P/ASX 300 Accumulation Index
High, between 5 and 6 years in 20 years.	High, between 5 and 6 years in 20 years.

Investment options not managed by MLC

Australian shares continued

	Perpetual Wholesale Australian Fund	**Perpetual Wholesale Ethical SRI Fund**
Investment objective	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.
About the investment option	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 also utilises a strategy for screening 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.
The investment option may be suited to you if ...	• you want to invest in an active Australian shares fund.	• you want to invest in an Australian shares fund that invests in socially responsible companies.
Minimum suggested time to invest	5 years	5 years
Target asset allocation	90–100% Australian shares 0–10% Cash	90–100% Australian shares 0–10% Cash
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 years.	High, between 5 and 6 years in 20 years.

Perpetual Wholesale Smaller Companies Fund No. 2	Schroder Wholesale Australian Equity Fund
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.	To outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term.
Perpetual researches companies of all sizes using consistent share selection criteria. 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.	Schroder's investment philosophy is corporate value creation or 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 competitive position analysis, and quantitative financial forecasts and valuations.
• you want to invest in a smaller companies Australian shares fund.	• you want to invest in an active Australian shares fund.
5 years	3 to 5 years
80–100% Australian smaller companies shares 0–20% Cash	100% Australian shares
S&P/ASX Small Ordinaries Accumulation Index	S&P/ASX 200 Accumulation Index
High, between 5 and 6 years in 20 years.	High, between 5 and 6 years in 20 years.

Investment options not managed by MLC

Global shares

	Altrinsic Global Equities Trust
Investment objective	To outperform its benchmark over a full investment cycle.
About the investment option	The Trust aims to provide long-term growth of capital by investing predominantly in publicly traded global equity securities selected via a fundamental value oriented approach to investment management. The Trust's exposure to international assets will not be hedged to the Australian dollar. Derivatives may be used for risk management purposes and will only be used defensively and not for speculation. The NAB group holds a minority interest in the investment manager, Altrinsic.
The investment option may be suited to you if ...	• you want a portfolio focused on long-term capital growth • you want to diversify your portfolio with global equity securities • you're able to accept the volatility of investing in growth assets, and • you're willing to accept the volatility of foreign exchange risk against movements in the value of the Australian dollar.
Minimum suggested time to invest	5 years
Target asset allocation	60–100% Global developed markets equities 0–30% Global emerging markets equities 0–10 % Cash and cash equivalents The Trust may hold up to 15% in small cap equities (market capitalisation of US $1.5b or less).
Market benchmark	MSCI All Country World Index (ex-Australia) Net Dividends Reinvested ($A)
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years.

BlackRock Global Allocation Fund

The Fund aims to provide high total investment return through a fully managed investment policy utilising international equity securities, debt and money market securities, the combination of which will be varied from time to time both with respect to types of securities and markets in response to changing market and economic trends. Total return means the combination of capital growth and investment income. Currency is actively managed in the fund around a fully hedged Australian Dollar benchmark.

The Fund aims to outperform its reference benchmark (as detailed below) before fees over a full market cycle (hedged in AUD).

The Fund seeks to achieve its objective by investing in both equity and debt securities, including money market securities and other short-term securities or instruments, or issuers located around the world. There is no limit on the percentage of assets the fund can invest in a particular type of security. Generally, the fund seeks diversification across markets, industries and issuers as one of its strategies to reduce volatility. The flexibility allows the fund to look for investments in markets around the world that are believed to provide the best relative asset allocation to meet the fund's investment objective.

This Fund is considered a hedge fund by the Australian Securities and Investments Commission because it uses some sophisticated investment techniques. More information about this Fund is available in the investment manager's Product Disclosure Statement available on **mlc.com.au/forms_and_brochures**

- you want a single fund that offers broad global exposure.

5 years

60%	Equities
40%	Fixed income

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% BofA Merrill Lynch Current 5 year US Treasury index and 16% Citigroup Non-US Dollar World Government Bond Index.

High, between 5 and 6 years in 20

Investment options not managed by MLC

Global shares continued

	MLC Platinum Global Fund (only available to current investors in this fund)
Investment objective	Aims to provide capital growth over the long-term through searching out undervalued listed (and unlisted) investments around the world.
About the investment option	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. 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). **The Fund's currency is actively managed.** This Fund is considered a hedge fund by the Australian Securities and Investments Commission because it uses some sophisticated investment techniques. More information about this Fund is available using the Fund Profile Tool on **mlc.com.au/fundprofiletool**
The investment option may be suited to you if ...	• you believe in long-term wealth creation through accessing international shares.
Minimum suggested time to invest	7 years
Target asset allocation	0–100% Global shares 0–100% Cash
Market benchmark	MSCI All Country World Net Index (for performance comparisons only)
Estimated number of negative annual returns	High, between 5 and 6 years in 20

Platinum Asia Fund	Platinum International Fund
To provide capital growth over the long-term through searching out undervalued listed (and unlisted) investments in the Asian region.	To provide capital growth over the long-term through searching out undervalued listed (and unlisted) investments around the world.
The Fund primarily invests in the listed securities of Asian companies. The Fund will ideally consist of 75 to 100 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. The Fund 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 the long stock positions and derivatives will not exceed 150% of the NAV of the Fund. Currency exposures are actively managed. This Fund is considered a hedge fund by the Australian Securities and Investments Commission because it uses some sophisticated investment techniques. More information about this Fund is available in the investment manager's Product Disclosure Statement available on **mlc.com.au**	The Fund primarily invests in listed securities. The Fund 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. The Fund 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. This Fund is considered a hedge fund by the Australian Securities and Investments Commission because it uses some sophisticated investment techniques. More information about this Fund is available in the investment manager's Product Disclosure Statement available on **mlc.com.au**
• you believe in long-term wealth creation through accessing Asian shares.	• you believe in long-term wealth creation through accessing International shares.
5 years	5 years
0–100% Asian shares 0–100% Cash	0–100% Global shares 0–100% Australian shares 0–100% Cash
MSCI All Country Asia ex Japan Net Index (for performance comparisons only)	MSCI All Country World Net Index (for performance comparisons only)
Very high, above 6 years in 20 years.	High, between 5 and 6 years in 20 years.

Investment options not managed by MLC

Global shares continued

	PM CAPITAL Absolute Performance Fund
Investment objective	To provide positive long term capital growth over a seven year plus investment horizon by investing in a concentrated portfolio of undervalued equities and other global investment securities.
About the investment option	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: • invest in cash (up to 100% of assets) if it cannot find appropriate investments, or • use leverage • use option strategies • hold interest bearing debt securities • use derivatives, and • short sell stocks. This Fund is considered a hedge fund by the Australian Securities and Investments Commission because it uses some sophisticated investment techniques. More information about this Fund is available in the investment manager's Product Disclosure Statement available on **mlc.com.au**
The investment option may be suited to you if ...	• you're comfortable with the risks involved in share market investing and are prepared to take a genuine long-term investment horizon.
Minimum suggested time to invest	7 years
Target asset allocation	100% Global shares
Market benchmark	MSCI All Country World Net Index
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years.

Vanguard® International Shares Index Fund	Vanguard® International Shares Index Fund (Hedged)
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.
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 removed, or are expected to be included in the Index. The Fund will be fully exposed to the fluctuating values of foreign currencies, as there will not be any hedging of foreign currencies to the Australian dollar.	The Fund meets its investment objective by investing in the Vanguard International Shares Index Fund, securities in the Index and forward foreign exchange contracts.
• you are seeking long-term capital growth, some income, international diversification, and with a higher tolerance for the risks associated with share market volatility.	• you are seeking long-term capital growth, some income, international diversification, and with a higher tolerance for the risks associated with share market volatility.
7 years	7 years
100% Global shares	100% Global shares (hedged)
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 years.	Very high, 6 years in 20 years.

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 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 ...	• you want to invest almost entirely in defensive assets • you give priority to preserving your capital.	• 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 asset allocation	30% Cash 60% Fixed income **90% Defensive** 5% Australian shares 3% Global shares (hedged) 2% Global property securities (hedged) **10% Growth**	2% Cash 17% Fixed income 11% Global fixed income **30% Defensive** 31% Australian shares 22% Global shares (unhedged) 2% Global shares (hedged) 4% Global property securities (hedged) 6% Global private assets (hedged) 5% Other **70% Growth**
Estimated number of negative annual returns	Very low, less than 1 year in 20	High, 4 years in 20

Entrepreneur Capital Guaranteed Fund	Entrepreneur Managed Fund	National Balanced Fund
Aims to provide returns higher than cash over time and a high level of capital security.	Aims to grow your wealth for a high level of expected risk.	Aims to grow your wealth for a 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. 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 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 almost entirely in defensive assets • you give priority to preserving your capital.	• 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.	• 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.
Two years	Six years	Six years
30% Cash 60% Fixed income **90% Defensive** 5% Australian shares 3% Global shares (hedged) 2% Global property securities (hedged) **10% Growth**	2% Cash 17% Australian fixed income 11% Global fixed income **30% Defensive** 31% Australian shares 22% Global shares (unhedged) 2% Global shares (hedged) 4% Global property securities (hedged) 6% Global private assets (hedged) 5% Other **70% Growth**	2% Cash 17% Australian fixed income 11% Global fixed income **30% Defensive** 31% Australian shares 22% Global shares (unhedged) 2% Global shares (hedged) 4% Global property securities (hedged) 6% Global private assets (hedged) 5% Other **70% Growth**
Very low, less than 1 year in 20	High, 4 years in 20	High, 4 years in 20

Closed investment options

Investment options not managed by MLC

	Vanguard® Growth Index Fund	Vanguard® High Growth Index Fund
Investment objective	The Fund seeks 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.	The Fund seeks 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.
About the investment option	The Fund is designed to provide investors with a low-cost, diversified portfolio.	The Fund is designed to provide investors with a low-cost, diversified portfolio.
The investment option may be suited to you if ...	• you are seeking long-term capital growth and with a higher tolerance for the risks associated with share market volatility.	• 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	Seven years	Seven years
Target allocation	70% Growth asset classes (property securities and shares) 30% Income asset classes (cash and fixed interest securities)	90% Growth asset classes (property securities and shares) 10% Income asset classes (cash and fixed interest securities)
Estimated number of negative annual returns	Medium to high, between 3 and 4 years in 20	High, between 4 and 5 years in 20

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