



Annual Report 2014

MLC Navigator Access
Super and Pension

Preparation date
1 November 2014

Issued by The Trustee,
NULIS Nominees (Australia)
Limited

ABN 80 008 515 633
AFSL 236465

For MLC Superannuation
Fund
ABN 40 022 701 955



**This Annual Report is your update
on how your money is invested and a
reminder of some things you should know.
Financial Reports are also provided.**

***This is the Annual Report for the
MLC Superannuation Fund and is relevant to
MLC Navigator Access Super and Pension Service.***

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

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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

NULIS Nominees (Australia) 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 Navigator Australia Limited (ABN 45 006 302 987) to carry out the day-to-day administration of the Fund.

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.

Some things you should know

Transfers to an Eligible Rollover Fund

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

- you haven't made a contribution in the last 12 months and your balance falls below \$1,000, or
- we lose contact with you and can't locate you.

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 **131 020** 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 Fund, in which case the amount will generally be deducted from your account (unless it's a pension account) and paid to the ATO.

If you've 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'll be responsible for paying the Surcharge to the ATO. If you have a pension account, you're 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 **131 020**.

Illiquid investments and portability

When you ask us to roll over or transfer your account balance, we're generally required to respond to this within 3 business days, or if you made an investment choice after 1 July 2007, within 30 days. There may be a delay in processing your request where part of your account balance is invested in an 'illiquid investment'.

What is an illiquid investment?

An investment is considered illiquid when you're unable to access your investment within the required timeframes, or if you do it would be at a materially lower price. This situation may arise when:

- a fund manager suspends transactions or closes their fund
- the normal redemption processing timeframes for a fund is greater than the required timeframe, or

Some things you should know

- a listed investment is under administration, suspended or delisted.

Where we're unable to process your request within the required timeframe, we'll notify your financial adviser of this and provide details of the illiquid investments.

Suspended or terminated managed funds

Some investment managers suspend redemptions on their funds.

In some cases the managed fund may have been closed.

If you have some of these investments, we've already notified you about these changes.

You can find a summary of these managed funds, including details of their current status, on our website.

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**

Protecting all investors

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

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 offsetting the costs of member transactions against individual member assets as they arise.

About your account value

How earnings are reflected in your account

Income from investments will be in the form of capital growth, and distributions that occur at different times throughout the year.

Income received is usually net of fees and charges.

Your income distributions are invested in line with your instructions to:

- reinvest earnings to the selected investment options, or
- deposit earnings to your Transaction Account.

How your account is valued

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 our website.

How your money is invested

Investment objective

The overall objective is to provide you with the flexibility to plan your own diversified investment option profile by selecting from a range of investment strategies.

A selection of investment options are provided 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 32.

The investment options may change at any time and are available on our website. You can also find more information about your investment returns on your annual statement.

Investment fees

The investment fees shown on pages 14 to 32 reflect the actual fees for the year ending 30 June 2014.

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 information

For actual performance of your account in the MLC Navigator Access Super and Pension for the year ended 30 June 2014, please refer to your Annual Statement.

For more recent performance information, you may access this on our website or by calling us.

Performance fees

Some of the specialist investment managers appointed by us may charge a performance fee, which is only charged when the performance of the manager exceeds a specified level. This is independent of the overall performance of the investment option and therefore performance fees may be payable to the investment managers even if the investment option itself produces negative performance. Different performance fees may be charged by different investment managers and will vary depending upon the investment managers' performance.

You can get more information on how performance fees are calculated by going to the investment managers' Product Disclosure Statement available on our website.

Asset allocation

The breakdown of assets held in the fund is determined at an individual member level. Further information about your actual asset allocation can be found in your Annual Statement.

The MLC Superannuation Fund as at 30 June 2014 had the following assets that had a value in excess of 5%:

- NAB Professional Funds Account – 7.37%

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.

For the following funds, no indirect costs applied as at 30 June 2014. This may change in the future.

Indirect costs are not paid to NULIS Nominees (Australia) Limited.

How your money is invested

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.

You can read about how we calculate the estimates for the Standard Risk Measure on our website.

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).

The Fund currently doesn't directly invest in or use financial derivatives except where financial derivatives are acquired as a result of a corporate action in relation to an investment within the Fund.

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

Investment option profiles

(Information current at 30 June 2014)

Cash

	Access Cash	Access Australian Monthly Income Fund (closed)
Investment objective	To achieve a return in the short term that is competitive with that available from the short term money market (before taking into account fees and taxes).	See below.
About the investment option	Invests primarily in bank deposits and moneymarket securities issued by the Australian government, state government, banks and companies, but may also invest in longer maturity mortgage/asset backed securities and corporate bonds with floating interest rates.	The Fund is in the process of being wound up with capital repayments to investors intended to be complete by early 2014. AMP Capital will continue to make monthly income distributions throughout the wind up process and actively manage the assets in the best interests of the unitholders.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want a low risk investment. 	Not applicable
Minimum suggested time to invest	1 month	Not applicable
Target asset allocation	100% Cash	100% Mortgages
Estimated number of negative annual returns	Low, less than 1 year in 20 years	Low to medium, between 1 and 2 years in 20 years
Management costs (% pa)	1.35	2.00
Fund Manager	Antares Capital Partners Ltd	AMP Capital

Fixed Income

Access Howard Wholesale Mortgage (terminated 26 November 2014)	Access Antares Premier Fixed Income
<p>To provide investors with a diversified income producing portfolio that aims to deliver regular income and capital stability.</p>	<p>To outperform its benchmark (75% Bloomberg Aus Bond Complex Index and 25% Barclays Capital Global Aggregate Index (hedged into AUD)) before fees, over rolling three year periods.</p>
<p>The Fund gains its exposure to its investments by investing in the Howard Mortgage Fund. The Fund will be invested in a diversified portfolio of mainly commercial mortgage loans and interest-bearing securities. The Fund may also invest in cash and other short-term investments. The Fund may make investments directly or indirectly by investing in other managed funds that have substantially the same principal investments.</p>	<p>The Fund invests in global government, semi-government, corporate, mortgage, asset-backed, high-yield and emerging market sovereign bonds, and other fixed income securities.</p>
<ul style="list-style-type: none"> the investment option is closed to new and additional investments, including the reinvestment of distributions. 	<ul style="list-style-type: none"> you want to achieve a higher yield than offered by exposure to traditional fixed income securities and government bonds, and you can tolerate slightly higher levels of risk (ie moderate risk) in exchange for the potential opportunity to earn slightly higher returns.
<p>Not applicable</p>	<p>3 years</p>
<p>Not applicable</p>	<p>100% Fixed income securities</p>
<p>Low to medium, between 1 and 2 years in 20 years</p>	<p>Medium to high, between 3 and 4 years in 20 years</p>
<p>2.00</p>	<p>1.70</p>
<p>Fidante Partners Limited</p>	<p>Antares Capital Partners Ltd</p>

Investment option profiles

	Access PIMCO EQT Global Bond	Access AMP Capital Enhanced Yield Fund (closed)
Investment objective	To achieve maximum total return by investing in global fixed interest securities and to preserve capital through prudent investment management.	To provide a regular and consistent level of income. Aims to provide returns above the Reserve Bank of Australia Cash Rate (after costs and before tax). Aims to return capital to investors over time via capital distributions.
About the investment option	The Fund invests predominantly in Investment Grade government, corporate, mortgage and other fixed interest securities. It may also invest in non-Investment Grade fixed interest securities and Emerging Market Debt. The Fund will normally be hedged 90-110% to the Australian dollar.	The Fund invests in private debt and has a small holding in cash and liquid securities.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to have a broadly diversified exposure to international fixed interest markets. 	<ul style="list-style-type: none"> • the Fund is currently illiquid with available liquidity being paid to investors via pro-rata capital distributions. As we return capital to investors over time the credit risk of the Fund will likely become more concentrated and increase.
Minimum suggested time to invest	5 years	Not applicable
Target asset allocation	100% Global debt securities	100% Debt securities
Estimated number of negative annual returns	Medium, 2 years in 20 years	Medium to high, 3 years in 20 years
Management costs (% pa)	1.80	2.05
Fund Manager	Equity Trustees Limited	AMP Capital

Access BlackRock Monthly Income (closed)	Access Challenger Guaranteed Income Fund (formerly Access Challenger High Yield Fund) (terminated on 25 September 2014)
<p>The fund aims to generate monthly income in excess of that available from short-term money market securities and cash rates.</p> <p>To achieve a total return of 1.70% pa in excess of the UBS Australia Bank Bill Index before fees over the medium-term (3 years). There may be variations in performance in periods of extreme market volatility.</p>	<p>Aims to provide specified and regular distributions until maturity date as well as a maturity price of \$1.00 per unit by holding on annuity issued by Challenger Life.</p>
<p>The fund aims to generate monthly income primarily through the management of credit exposure using research-based knowledge, fundamental credit analysis and the requisite skill base to identify securities with superior risk-adjusted return characteristics in both domestic and international debt markets. Within a disciplined risk framework, the fund seeks to access the performance potential of a diverse range of these investment opportunities on a global basis.</p> <p>To achieve its objective, the fund invests in longer dated floating rate exposures and international debt securities (hedged in Australian Dollars) swapped back to domestic floating rate exposures. A minimum of 75% of the market value of the fund must be held in securities rated investment grade or better (ie at least BBB-).</p>	<p>The Fund invests in an annuity issued by Challenger Life that closely matches the distributions, maturity unit price and maturity profile of the units in the Fund.</p>
<ul style="list-style-type: none"> • you are seeking to receive monthly income from your non-transactional cash balances, and • you might be considering investing in mortgage or bond funds 	<ul style="list-style-type: none"> • the investment option is closed to new and additional investments.
5 years	To maturity
100% Fixed income	Not applicable
Medium, 2 years in 20 years	Low to medium, between 1 and 2 years in 20 years
1.90	1.30
BlackRock	Fidante Partners Limited

Investment option profiles

Diversified

	Access Pre Select Conservative	Access Pre Select Balanced
Investment objective	To provide medium-term returns higher than those generally associated with cash and fixed income securities, while providing lower volatility in short-term investment returns than funds with a greater proportion of growth assets.	To provide medium to long-term returns that are generally higher than those achievable by investing in conservative funds.
About the investment option	Invests a high proportion of assets in defensive asset classes such as cash and fixed income securities with the balance in growth assets.	Maintains a balanced spread of investments between growth and defensive assets.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest with a bias to defensive assets, with some exposure to growth assets, and are seeking stable returns. 	<ul style="list-style-type: none"> • you want to invest in an approximately equal mix of defensive and growth assets, and • you want a portfolio with some long-term capital growth potential and can tolerate moderate to large changes in value.
Minimum suggested time to invest	3 years	5 years
Target asset allocation	20% Cash 25% Australian fixed income 25% Global fixed income (hedged) 13% Australian shares 6.5% Global shares (unhedged) 6.5% Global shares (hedged) 2% Australian property securities 2% Global property securities (hedged)	10% Cash 20% Australian fixed income 20% Global fixed income (hedged) 22% Australian shares 11% Global shares (unhedged) 11% Global shares (hedged) 3% Australian property securities 3% Global property securities (hedged)
Estimated number of negative annual returns	Medium, between 2 and 3 years in 20 years	Medium to high, between 3 and 4 years in 20 years
Management costs (% pa)	1.85	1.90
Fund Manager	Multiple managers appointed by Navigator Australia Limited	Multiple managers appointed by Navigator Australia Limited

Access Pre Select Growth	Access Pre Select High Growth
To produce higher returns than those expected from conservative and balanced funds over the long-term.	To provide higher returns than those expected from conservative, balanced and growth funds over the long-term.
Maintains a high proportion of growth assets in order to achieve high returns in the long term.	Dominated by growth assets with a very low allocation to defensive assets.
<ul style="list-style-type: none"> • you want to invest with a bias to growth assets, and • you want a portfolio with a bias to long-term capital growth potential and can tolerate moderate to large changes in value. 	<ul style="list-style-type: none"> • you want to invest with a strong bias to growth assets, and • you want a portfolio with a strong bias to long-term capital growth potential and can tolerate large changes in value.
6 years	7 years
<ul style="list-style-type: none"> 2% Cash 14% Australian fixed income 14% Global fixed income (hedged) 32% Australian shares 16% Global shares (unhedged) 16% Global shares (hedged) 3% Australian property securities 3% Global property securities (hedged) 	<ul style="list-style-type: none"> 1% Cash 7% Australian fixed income 7% Global fixed income (hedged) 40% Australian shares 20% Global shares (unhedged) 20% Global shares (hedged) 2.5% Australian property securities 2.5% Global property securities (hedged)
High, between 4 and 5 years in 20 years	High, between 4 and 5 years in 20 years
1.95	2.10
Multiple managers appointed by Navigator Australia Limited	Multiple managers appointed by Navigator Australia Limited

Investment option profiles

Tax Effective

Access OnePath – Tax Effective Income	
Investment objective	To provide income and achieve returns (before fees and taxes) that on average exceed inflation by at least 5.0% pa, over periods of five years or more.
About the investment option	The Trust invests in a diversified mix of Australian assets with a bias towards income producing growth assets. The Trust is actively managed in accordance with a disciplined investment process.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you are seeking higher long-term returns through investing in a diversified mix of income producing asset classes with a bias towards growth assets.
Minimum suggested time to invest	5 years
Target asset allocation	<p>Benchmark</p> <p>0% Cash</p> <p>30% Australian fixed interest</p> <p>40% Australian shares</p> <p>30% Property securities</p> <p>Range</p> <p>0–25% Cash</p> <p>0–40% Australian fixed interest</p> <p>30–50% Australian shares</p> <p>20–40% Property securities</p>
Estimated number of negative annual returns	Medium to high, between 3 and 4 years in 20 years
Management costs (% pa)	2.15
Fund Manager	OnePath (Managed on behalf of OnePath by UBS)

Property Securities

Access Property Securities Index	Access Macquarie Property Securities
<p>To closely track the S&P/ASX 200 A-REIT Accumulation Index with the aim of generating returns (before tax and fees and assuming income is reinvested) comparable to the listed property sector of the Australian share market, as measured by that benchmark over rolling one-year periods.</p>	<p>To outperform the S&P/ASX 200 Property Trust Accumulation Index over the medium to long-term (before fees).</p>
<p>Detailed risk analysis is used to design a portfolio of property securities which provide the greatest likelihood of matching performance of the S&P/ASX 200 A-REIT Accumulation Index.</p> <p>All securities in this option are maintained within a very close margin of their weight in the index.</p> <p>The option predominantly invests in Australian property securities and doesn't hedge currency risk.</p>	<p>The Fund provides exposure to Australian listed property securities and may have exposure to overseas property securities, Australian and overseas property development companies and other securities such as infrastructure securities. The Fund may also invest in derivatives to hedge foreign currency exposure or as an alternative to direct investments in property securities.</p>
<ul style="list-style-type: none"> • you want indirect exposure to property markets via property trusts listed on the Australian Securities Exchange. 	<ul style="list-style-type: none"> • you want a diversified portfolio of property securities, and • you want some capital growth.
7 years	5 years
<p>100% Property securities</p>	<p>85–100% Australian property securities</p> <p>0–15% International property securities</p> <p>0–5% Cash</p>
High, between 5 and 6 years in 20 years	High, between 5 and 6 years in 20 years
1.65	1.90
Colonial First State	Macquarie Investment Management Limited

Australian Shares

	Access CFS Global Property Securities	Access Australian Shares Index
Investment objective	To provide capital growth and income from a diversified portfolio of global listed property investments. To outperform the UBS Global Investors Index (net dividends reinvested), hedge to Australian dollars over rolling three-year periods before fees and taxes.	To closely track the S&P/ASX 200 Accumulation Index with the aim of generating returns (before tax and fees and assuming income is reinvested) comparable to the Australian sharemarket as measured by that benchmark over rolling one-year periods.
About the investment option	To invest in a diversified portfolio of property securities. The investment are managed by a number of leading global property securities managers, which is designed to deliver more consistent returns with less risk than would be achieved if investing with a single investment manager. The portfolio aims to hedge currency risk.	Detailed risk analysis is used to design a portfolio of shares which provide the greatest likelihood of matching performance of the S&P/ASX 200 Accumulation Index. All shares in this option are maintained within a very close margin of their weight in the index. It predominantly invests in Australian companies and doesn't hedge currency risk.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want both high income and capital growth opportunities. 	<ul style="list-style-type: none"> • you want exposure to the Australian listed sharemarket.
Minimum suggested time to invest	7 years	7 years
Target asset allocation	100% Property securities	100% Australian shares
Estimated number of negative annual returns	High, between 4 and 5 years in 20 years	Very high, 6 years in 20 years
Management costs (% pa)	2.15	1.65
Fund Manager	Colonial First State	Colonial First State

Access Pre Select Australian Equity Fund	Access Alphinity Boutique Australian Equity
<p>To provide medium to long-term capital growth by primarily investing in a well diversified portfolio of Australian equities listed on the Australian Securities Exchange (and other regulated exchanges).</p>	<p>To outperform the S&P/ASX 300 Accumulation Index over rolling three-year periods.</p>
<p>Invests in a variety of Australian companies whose share price is expected to appreciate over time. These investments are made through specialist investment managers.</p>	<p>The Fund is managed by Alphinity who seeks to build a diversified portfolio of between 35–55 Australian stocks listed on the Australian Securities Exchange (ASX). Alphinity is an active, core Australian equities manager that believes a company's earnings growth and expected earnings growth ultimately drives its share price performance. Alphinity's investment approach is based on a combination of strong fundamentals bottom-up research and targeted quantitative inputs aimed specifically at identifying mispriced companies likely to deliver earnings in excess of those expected by the market.</p>
<ul style="list-style-type: none"> • you want to invest in an actively managed Australian share portfolio that's diversified across investment managers, industries and companies. 	<ul style="list-style-type: none"> • you want exposure to the Australian listed sharemarket.
7 years	5 years
100% Australian shares	0–10% Cash 90–100% Australian shares
Very high, 6 years in 20 years	High, nearly 6 years in 20 years
2.00	2.07
Multiple managers appointed by Navigator Australia Limited	Alphinity Investment Management Pty Ltd

Investment option profiles

Access Perpetual Geared Australian Equity	
Investment objective	Aims to provide long-term capital growth through borrowing (gearing) to invest in quality shares.
About the investment option	<p>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.</p> <p>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 including for gearing purposes.</p> <p>The gearing level of the Fund (borrowings divided by the total gross value of assets) must be kept within pre-determined guidelines.</p> <p>Within these, Perpetual aims to ensure that the gearing level is maximised, subject to the cost of borrowing being adequately covered by net income. If the Fund's gearing level exceeds 60% (due to withdrawals or negative market movements), Perpetual will reduce the gearing level to 60% (or lower) within a reasonable period of time.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in a geared portfolio of Australian shares, and • you understand the risks of gearing.
Minimum suggested time to invest	7 years
Target asset allocation	<p>0–10% Cash</p> <p>90–100% Australian shares</p> <p>0–60% Gearing level</p>
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years
Management costs (% pa)	<p>1.80% (gross) / 3.59% (net)</p> <p>The management cost is calculated on the gross assets of the Fund (gross management cost) and the net assets of the Fund (net management cost) assuming (in both cases) a gearing ratio of 50%. More information about this Fund is available in the investment manager's Product Disclosure Statement available on our website.</p>
Fund Manager	Perpetual

Access Pre Select Australian Small Companies Fund	Access Investors Mutual Australian Shares
To provide medium to long-term capital growth by primarily investing in Australian smaller companies (generally outside the top 100 by market capitalisation) listed on the Australian Securities Exchange (and other regulated exchanges).	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.
Invests in a variety of Australian small companies considered to possess strong capital growth potential. These investments are made through specialist investment managers that exhibit varying investment approaches.	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.
<ul style="list-style-type: none"> • you want exposure to smaller capitalisation securities listed on the Australian sharemarket and are comfortable with considerable fluctuations in returns. 	<ul style="list-style-type: none"> • you want to invest in a portfolio of ASX listed Australian and New Zealand industrial and resource shares.
8 years	4 to 5 years
100% Australian shares	0–10% Cash 90–100% Australian shares
Very high, 6 years in 20 years	High, between 5 and 6 years in 20 years
2.25	2.05
Multiple managers appointed by Navigator Australia Limited	Investors Mutual Limited

Investment option profiles

Access Perpetual Industrial Fund	
Investment objective	To provide long-term capital growth and regular income through investment in quality Australian industrial shares.
About the investment option	<p>Perpetual researches companies of all sizes using consistent share selection criteria.</p> <p>Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality investments are carefully selected on the basis of four key criteria:</p> <ul style="list-style-type: none"> • Conservative debt levels • Sound management • Quality business, and • Recurring earnings. <p>Where shares held in the portfolio delist from an Australian exchange and the holdings are tradable on an international exchange, the stock must be sold within 12 months of delisting. Currency hedges may be used from time to time. Derivatives may be used in managing the Fund.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in a portfolio of Australian industrial shares.
Minimum suggested time to invest	5 years
Target asset allocation	0–10% Cash 90–100% Australian industrial shares
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years
Management costs (% pa)	2.05
Fund Manager	Perpetual

Access Antares High Growth Shares Fund	Access Schroder Australian Equity
<p>To outperform the S&P/ASX 200 Accumulation Index by 5% pa (before fees) over a rolling five year period.</p>	<p>To outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term.</p>
<p>The Fund invests in a diversified portfolio of Australian shares. The Fund uses a range of investment techniques such as short selling, enhanced long positions and active trading aimed at enhancing returns.</p> <p>The Fund can hold short positions in up to 25% of the value of the Fund's net assets. The Fund can use the proceeds from short selling to make additional investments in other shares up to 25% of the value of the Fund's net assets giving the Fund a gross market exposure up to a maximum of 150% and net exposure of between 90-100%.</p> <p>Antares is wholly owned by the NAB Group.</p> <p>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 our website.</p>	<p>Schoder'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.</p> <p>The investment process is a combination of qualitative industry and company competitive position analysis, and quantitative financial forecasts and valuations.</p>
<ul style="list-style-type: none"> • you're willing to accept higher risk in exchange for the potential to earn greater investment returns than the broader Australian equity market. 	<ul style="list-style-type: none"> • you want to invest in an active Australian shares fund.
<p>5 years</p>	<p>3 to 5 years</p>
<p>0-10% Cash 0-25% Australian shares (Short) 90-125% Australian shares (Long)</p>	<p>100% Australian shares</p>
<p>High, between 5 and 6 years in 20 years</p>	<p>High, between 5 and 6 years in 20 years</p>
<p>2.25 (excluding any performance fee)</p>	<p>2.15</p>
<p>Antares Capital Partners Ltd</p>	<p>Schroder Investment Management Australia Limited</p>

Global Shares

	Access Global Shares Index
Investment objective	To closely track the MSCI World (ex Australia) Index with the aim of generating returns (before tax and fees and assuming income reinvested) comparable to the world sharemarkets as measured by that benchmark (unhedged) over rolling one-year periods.
About the investment option	Detailed risk analysis is used to design a portfolio of shares which provides the greatest likelihood of matching performance of the MSCI World (ex Australia) Index. This option does not hedge currency risk.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want exposure to international shares, and • you're willing to accept negative returns from time to time for returns that can be expected to be higher than other asset classes over the longer term.
Minimum suggested time to invest	7 years
Target asset allocation	100% Global shares
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years
Management costs (% pa)	1.75
Fund Manager	Colonial First State

Access Pre Select International Equity Fund	Access Aberdeen Actively Hedged International Equities Fund
To provide medium to long-term capital growth by primarily investing in a well diversified portfolio of equities listed on stock exchanges around the world.	To provide investors with high capital growth over the medium to long term by seeking exposure to companies listed on securities exchanges around the world.
Invests predominantly in international equities through specialist investment managers. The portion of the currency exposure that is hedged to the Australian dollar may move within the range of 0% to 100% at our discretion.	The Fund invests primarily in a concentrated portfolio of around 40–60 listed international securities (other than those listed on the Australian Securities Exchange) with the potential for capital growth and increased earning potential.
<ul style="list-style-type: none"> • you want to invest in an actively managed international share portfolio that's diversified across investment managers, countries, industries and companies, and • you're comfortable with exposure to foreign currencies. 	<ul style="list-style-type: none"> • you want to invest in a portfolio of international shares.
7 years	5 years
100% Global shares	0–10% Cash 90–100% Global Shares
High, between 5 and 6 years in 20 years	High, between 5 and 6 years in 20 years
2.15	2.20
Multiple managers appointed by Navigator Australia Limited	Aberdeen Asset Management

Investment option profiles

	Access AXA Global Equity – Value (only for existing investors in this fund)
Investment objective	To provide long-term capital growth and outperform the Morgan Stanley Capital International World ex-Australia Index (net dividends reinvested in Australian dollar terms) after costs over rolling five-years.
About the investment option	<p>The Fund typically holds a diversified portfolio of global stocks in listed companies with characteristics such as:</p> <ul style="list-style-type: none"> • a market capitalisation in excess of US\$750 million, and • attractively priced relative to their future earnings power. <p>The Fund's investment in foreign markets will be generally exposed to relevant foreign currencies.</p> <p>The Fund uses active currency management with the objective to enhance returns and potentially lower risk over the long term.</p> <p>Active currency management includes cross currency trading, and may involve the Fund gaining foreign currency exposure where no underlying asset related currency exposure exists.</p> <p>When the Fund is not fully invested in the investments outlined above, it may hold cash.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you're prepared to accept a high level of volatility and risk as a trade-off for returns that might typically be expected to be above those returned by other asset classes over the longer term.
Minimum suggested time to invest	5 years
Target asset allocation	2% Cash 98% International shares
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years
Management costs (% pa)	2.20
Fund Manager	AMP

Access Perpetual Wholesale International Share Fund

To provide long-term growth through investment in international shares.

The Fund primarily invests in publicly traded, or to be listed, global equity securities, including emerging markets. The focus is on investing in stocks of companies the investment manager believes are solid but temporarily out-of-favour and provide above-average total return potential. The country and sector allocations within the Fund are a result of the stock selection process.

The currency exposure of the Fund is typically unhedged, although currency hedging may be used to protect investments at the discretion of the investment manager. Derivatives may be used in managing the Fund.

- you want to invest in a portfolio of international shares.

5 years

0–10% Cash

90–100% Global shares

High, between 5 and 6 years in 20 years

2.30

Wellington Management Company, LLP

Investment option profiles

Access Platinum International Fund	
Investment objective	To provide capital growth over the long-term through searching out undervalued listed (and unlisted) investments around the world.
About the investment option	<p>The Fund primarily invests in listed securities.</p> <p>The portfolio will ideally consist of 100 to 200 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. Platinum may short sell securities that it considers overvalued. The portfolio will typically have 50% or more net equity exposure. Derivatives may be used for risk management purposes and to take opportunities to increase returns.</p> <p>The underlying value of derivatives may not exceed 100% of the Net Asset Value (NAV) of the Fund. The underlying value of long stock positions and derivatives will not exceed 150% of the NAV of the Fund. Currency exposure is actively managed.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want long-term wealth creation potential of share investments • you want to achieve investment diversification by accessing international share market opportunities, and • you accept that returns over the shorter term may fluctuate and that returns may even be negative. <p>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 our website.</p>
Minimum suggested time to invest	5 years
Target asset allocation	0–10% Cash 90–100% International shares
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years
Management costs (% pa)	2.70
Fund Manager	Platinum

Financial Reports

The following abridged fund accounts for the financial year ended 30 June 2014 are for the whole of the MLC Superannuation Fund. The assets of MLC Navigator Access Super and Pension make up approximately \$302 million of the MLC Superannuation Fund.

The full audited financial annual statements and auditor's report will be available on our website from December 2014.

You can also call us to receive a paper copy.

MLC Superannuation Fund Abridged Financial Information – Statement of Financial Position

As at 30 June 2014

	2014 \$'000	2013 \$'000
Receivables		
Receivable - MLC Pooled Superannuation Trust	14,539	6,735
Investments		
MLC Pooled Superannuation Trust	15,779,002	14,599,587
Total assets	15,793,541	14,606,322
Liabilities		
Payable – Navigator Australia Limited	3,588	1,466
Payable – MLC Limited	9,134	3,479
Other payables	1,817	1,790
Total liabilities (excluding net assets available to pay benefits)	14,539	6,735
Net assets available to pay benefits	15,779,002	14,599,587
<i>Represented by:</i>		
Total liability for accrued benefits	15,779,002	14,599,587

MLC Superannuation Fund Abridged Financial Information – Operating Statement

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
Investment revenue		
Changes in net market values	1,661,593	1,899,097
Net investment revenue	1,661,593	1,899,097
Contributions revenue		
Employers' contributions	257,077	173,968
Members' contributions	458,604	457,665
Transfers from other funds	1,107,683	1,112,149
Insurance proceeds	9,745	6,101
Other contributions	21,959	35,842
Total contributions revenue	1,855,068	1,785,725
Total revenue	3,516,661	3,684,822
Expenses		
Insurance premiums	38,130	36,064
Administration fees and other expenses	82,075	70,743
Total expenses	120,205	106,807
Benefits accrued as a result of operations before income tax	3,396,456	3,578,015
Income tax (benefit)/expense attributed to benefits accrued as a result of operations	-	-
Benefits accrued as a result of operations	3,396,456	3,578,015

MLC Superannuation Fund Abridged Financial Information – Cash Flow Statement

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
Cash flows from operating activities		
Employers' contributions received	257,077	173,968
Members' contributions received	458,604	457,665
Transfers in received	1,051,247	1,027,448
Other contributions and income received	31,139	41,141
Insurance premiums paid	(32,474)	(35,108)
Administration fees paid	(79,348)	(68,005)
Redemptions paid	(1,682,386)	(1,698,513)
Pensions paid	(534,670)	(462,019)
Net cash flows used in operating activities	(530,811)	(563,423)
Cash flows from investing activities		
Purchase of investments	(1,808,592)	(1,705,308)
Proceeds on sale of investments	2,339,403	2,268,731
Net cash flows from investing activities	530,811	563,423
Net (decrease)/increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the financial year	-	-
Cash and cash equivalents at end of the financial year	-	-



**For more information call us
from anywhere in Australia
on 132 652 or contact
your financial adviser.**

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