This annual report is your update on how your money is invested and a reminder of some things you should know.
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With the market environment continuing to look uncertain in the near future, it’s understandable investors are keeping a close eye on their super.

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

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

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

Geoff Webb
Chairman
MLC Nominees Pty Limited
Looking out for your interests

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

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

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

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

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

Annual audit

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

Meet the board

The directors are:

Geoff Webb – Chairman
B Ec (Hons) 1970
AIA (UK)
AIAA (Australia)
FAICD, FAIM

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

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

Michael Fitzsimons
Diploma of Financial Services
ANZIIF

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

Richard Morath
BA 1968
FIA (UK and Australia), ASIA

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

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

Nicole Smith
BFA 1990, CA
GAICD

The MLC group of companies is the wealth management division of the National Australia Bank (NAB).
Some things you should know

Transfers to an Eligible Rollover Fund

We may transfer your benefit to an Eligible Rollover Fund if:

• you haven’t made a contribution in the last 12 months and your balance falls below $500, or
• we lose contact with you and can’t locate you, or
• other situations permitted under law.

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

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

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

Transfers to the Australian Taxation Office (ATO)

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

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

You will then have to contact the ATO to claim your benefit.
Surcharge assessment for prior years

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

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

If you’ve withdrawn your account balance (in whole or in 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 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
How your money is invested

Objective and strategy

The Trustee’s investment objective is to balance risk and return considerations in securing guarantees to members.

To meet this investment objective, we invest in policies issued by MLC Limited.

MLC Limited in turn invests your money in a suitably structured portfolio of debt securities. Surplus assets, over and above those required to fund guaranteed benefits, are generally invested in a more diversified portfolio to increase potential returns.

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

Investment earnings

In most cases, these contracts earn reversionary bonuses which are an additional allocation to the Sum Insured under a participation (with-profits) policy. They are declared annually and once allocated, are guaranteed additions to your policy, paid on the same events as the Sum Insured.

Your bonuses, where applicable, are advised each year in your annual statement.

Whole of Life and Endowment contracts do not allow investment choice.

Asset allocation

At 30 June 2012 the assets of MLC Limited’s No. 5 Statutory Fund were valued at $1.86 billion and were invested in the following way:

<table>
<thead>
<tr>
<th>Type of investment</th>
<th>% of total portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian interest bearing securities</td>
<td>69.03%</td>
</tr>
<tr>
<td>Australian shares</td>
<td>12.21%</td>
</tr>
<tr>
<td>International shares</td>
<td>15.63%</td>
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<tr>
<td>Property</td>
<td>3.13%</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
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How to contact us

For more information call us from anywhere in Australia on 1300 428 482 or contact your adviser.

Postal address:
MLC Limited
GPO Box 2567
Melbourne Victoria 3001

Registered office:
Ground Floor, MLC Building
105–153 Miller Street
North Sydney NSW 2060

mlc.com.au