



Annual Report 2010/11

This report includes:

Life	Executive Dimension
Life II	Financial Security Plan
Link	Superannuation Plan
Blueprint	Combination Plan
Dimension	Money Plan



Preparation Date: 1 December 2011

You should read this Annual Report with your Annual Statement.

This is an Annual Report for the The Universal Super Scheme ABN 44 928 361 101 and is relevant to:

- Life
- Life II
- Link
- Blueprint
- Dimension
- Executive Dimension
- Financial Security Plan
- Combination Plan
- Money Plan

Trustee and Issuer

MLC Nominees Pty Limited ABN 93 002 814 959
Australian Financial Services Licence Number ('AFSL No.'): 230702 ('We' or the 'Trustee') is the Trustee and issuer of interests.

Administrator

MLC Limited ABN 90 000 000 402

AFSL No. 230694 is:

- the administrator
- the insurer
- the guarantor of the MIF Capital Guaranteed Fund and the MIF Cash Fund

The Trustee currently invests wholly in, and all investment options are held through, insurance policies issued by MLC Limited.

National Australia Bank Group

The Trustee and Administrator are a part of the National Australia Bank Group ('NAB Group').

How to contact MLC



1300 428 482
between 8.30 am and 6.00 pm
Melbourne time



mlc.com.au



MLC Limited
GPO Box 2567
Melbourne Victoria 3001



Facsimile (03) 9820 1534

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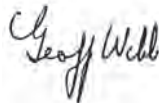
A year in review

With the global events of the past year, you know how important it is for your money to be well-managed and working for you.

Recently, the Government announced reforms designed to make the super system stronger and more efficient, with the overall aim to maximise retirement income for Australians. These reforms are focused on creating better value, making it easier to consolidate super accounts and improving governance.

You can be assured that we place great emphasis on governance and that your interests are well represented while these reforms are finalised by the Government.

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 members who are personally responsible for any decisions they make, their duties include:

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

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

The Trustee 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.

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

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

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
Appointed 14 February 2011

Richard Morath

BA 1968,
FIA (UK and Australia), ASIA

John Reid

B Sc. Mathematical Physics 1971,
FIA (UK and Australia)

Nicole Smith

BFA 1990, CA
GAICD

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 last 12 months and your balance falls below \$500 or \$200 if you have insurance
- we lose contact with you and can't locate you
- your investment switching activity is deemed to be contrary to the interests of other members, 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

We're required by law to transfer your account balance to the Australian Taxation Office if:

- we've lost contact with you and your account balance is less than \$200, or
- your account has been inactive for five years and your account balance is less than \$200, or
- your account has been inactive for five years 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 Australian Taxation Office 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 Australian Taxation Office.

If you've withdrawn your account balance (in whole or in part) or commenced a pension, the Australian Taxation Office 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 Australian Taxation Office. 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 Australian Taxation Office 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

How your money is invested

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 options for you to invest in. Some of these have similar investment objectives and strategies.

About your account value

For all investment options except the Capital Guaranteed Fund

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.

We calculate the unit price as at the end of each business day and use robust unit pricing policies 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

Capital Guaranteed Fund

The value of your account is the sum of all investments plus declared interest, less fees, taxes, switches, withdrawals, transfers and pension payments where applicable.

The earnings rate is calculated once a year and is applied to your account retrospectively on 30 June.

An interim rate is calculated throughout the year with the intention to reflect the period to date earnings.

If you withdraw before the earnings rate is declared, the interim rate will be applied to your account before your benefit is paid.

To smooth out the ups and downs of the rate over time an interest equalisation reserve is maintained. The reserve is topped up when the net earning rate is greater than the declared earnings rate, and amounts are taken out when the net earning rate is below the declared earnings rate. Over time, all net earnings are attributable to continuing capital guaranteed policyholders. MLC Limited maintains the interest equalisation reserve.

MLC Limited's policy is not to declare a negative earnings rate for this Fund.

Investment guarantees

The Capital Guaranteed Fund

MLC Limited guarantees the return of both capital and declared interest (once allocated), net of switches, withdrawals, pension payments, fees and tax (if applicable).

The Cash Fund (Guaranteed Cash)

MLC Limited offers a guarantee ensuring that the unit price upon either withdrawal, switching, or pension payments from the Cash Fund will always be the highest price achieved during the term of that investment.

Derivatives

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

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

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

However, they can also incur significant losses. Exposure is managed in line with the policies outline in our Derivative Risk Statement. This is available on mlc.com.au

Investment Option Profiles

Cash Fund

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), while providing an immediate and ongoing capital guarantee.

About the Investment option: Invests primarily in bank deposits and money-market 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.

Target Asset allocation at 30 June 2011



The investment option may be suited to you if you are seeking...

- a low risk investment.

Minimum suggested time to invest One month

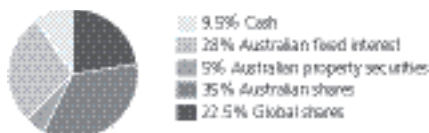
Expected risk (volatility) Low

Growth Fund

Investment Objective: To produce higher returns than those expected from capital stable and balanced strategies over the long-term.

About the Investment option: Maintains a high proportion of growth assets in order to achieve high returns in the long-term. The likelihood of the portfolio incurring a negative return in any particular year is high.

Target Asset allocation at 30 June 2011



The investment option may be suited to you if you are seeking...

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

Minimum suggested time to invest Six years

Expected risk (volatility) Moderate to high

Balanced Fund

Investment Objective: To provide medium to long-term returns that are generally higher than those achievable by investing in capital guaranteed or capital stable funds.

About the Investment option: Maintains a balanced spread of investments between growth and defensive assets. The likelihood of the portfolio incurring a negative return in any particular year is moderate.

Target Asset allocation at 30 June 2011



The investment option may be suited to you if you are seeking...

- to invest in an approximately equal mix of defensive and growth assets
- a portfolio with some long-term capital growth potential and can tolerate moderate changes in value.

Minimum suggested time to invest Five years

Expected risk (volatility) Moderate

Capital Guaranteed Fund

Investment Objective: To avoid a decrease in the value of the fund's assets in both the short and long-term, and to maintain a high level of liquidity.

About the Investment option: Invests primarily in fixed interest and may invest smaller amounts in growth assets.

Target Asset allocation at 30 June 2011



The investment option may be suited to you if you are seeking...

- security and you place a high priority on avoiding capital loss and negative returns in the short-term.

Minimum suggested time to invest Three years

Expected risk (volatility) Low

