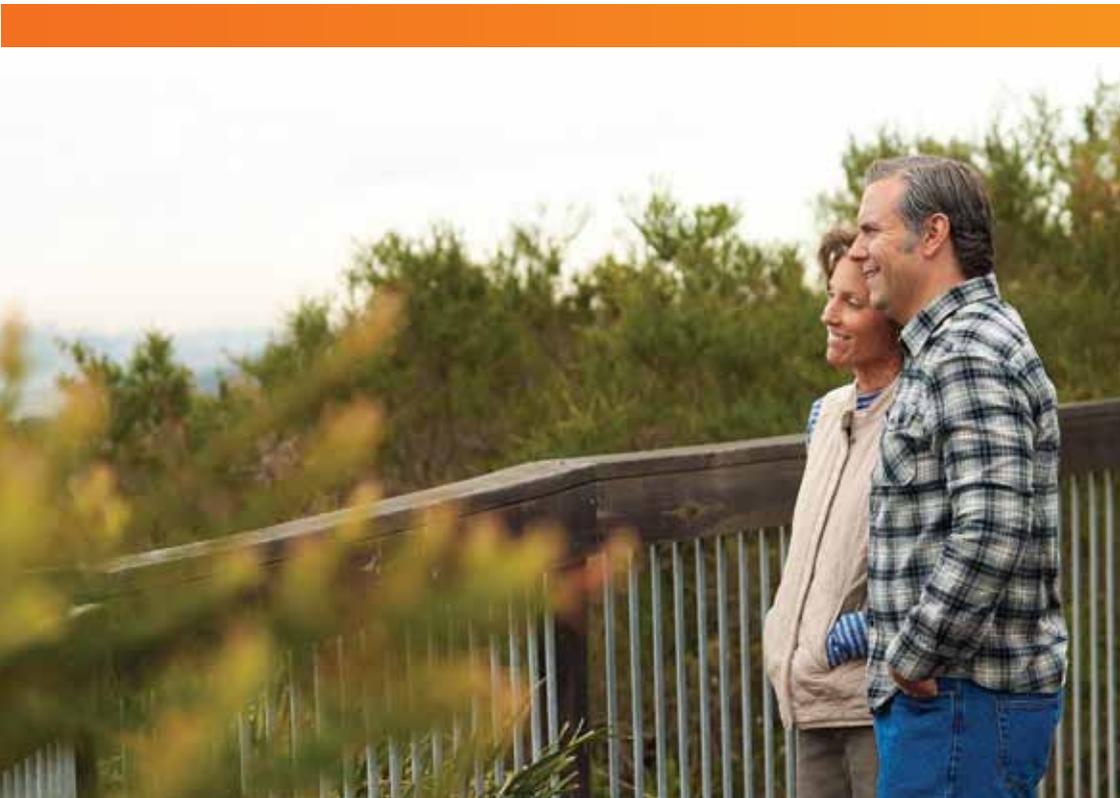


# MLC Navigator Access Super and Pension

## Trustee Annual Report 2010/11





## Preparation Date: 1 December 2011

You should read this Annual Report with your Annual Member Benefit Statement.

MLC Navigator Access Super and Pension Service ('the Service') offers a Superannuation Service and a Pension Service.

### Structure of the Service

The MLC Master Plan ('Master Plan') is made up of two divisions: the MLC Superannuation Fund ABN 40 022 701 955 ('the Fund') and the MLC Pooled Superannuation Trust ABN 89 787 168 280 ('the PST').

The Fund is a regulated superannuation fund that is made up of separate sub plans. Access Super and Pension is a sub plan of the Fund.

The assets of the Service are invested entirely into the PST. The PST then invests funds into the underlying investment options ('Investment options') to correspond with those selected by investors, and holds those investments on behalf of the Service.

### Trustee and Issuer

NULIS Nominees (Australia) Limited ABN 80 008 515 633 ('NULIS'), Australian Financial Services Licence Number ('AFSL No.'): 236465, is the Trustee of the Service and the issuer of interests in the Service. It is also the Trustee of the PST.

### Administrator

Navigator Australia Limited ABN 45 006 302 987 ('Navigator') AFSL No. 236466 is the Administrator of the Service.

### MLC Limited

MLC Limited ABN 90 000 000 402, AFSL No. 230694 is the underwriter and issuer of the Protection<sup>first</sup> insurance products. As a member of the Service, your insurance policy will be issued by MLC Limited to the Trustee and may only be enforced by the Trustee.

### National Australia Bank Group

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

### How to contact MLC

-  1300 428 482  
between 8.00 am to 6.00 pm  
Melbourne time
-  [services@mlc.com.au](mailto:services@mlc.com.au)
-  [mlc.com.au](http://mlc.com.au)
-  Navigator Australia Limited  
GPO Box 2567  
Melbourne Victoria 3001
-  (03) 9869 1595

# Contents

<b>A year in review .....</b>	<b>2</b>
<b>Looking out for your interests .....</b>	<b>3</b>
<b>Some things you should know .....</b>	<b>4</b>
<b>About your account value .....</b>	<b>6</b>
<b>How your money is invested .....</b>	<b>7</b>
<b>Investment option profiles .....</b>	<b>8</b>
<b>MLC Superannuation Fund Financial Report .....</b>	<b>26</b>

# 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.

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

**Geoff Webb**

Chairman

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 members 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 is liable for its activities and has professional indemnity insurance.

The Trustee has appointed Navigator Australia Limited to carry out the day-to-day administration of the Fund.

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 director effective

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 account balance to an Eligible Rollover Fund if:

- you haven't made a contribution within 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

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 Fund, 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 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 to 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](http://ato.gov.au) or call **13 10 20**.

## Illiquid investments and portability

When you ask us to roll over or transfer your account balance, we're required to respond to this 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 30 days, 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 timeframe for a fund is greater than 30 days, or
- a listed investment is under administration, suspended or delisted.

Where we're unable to process your request within 30 days, we'll notify your financial adviser of this and provide details of the illiquid investments.

### Suspended or terminated managed funds

Economic and financial market conditions over the last couple of years resulted in some investment managers suspending 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 [mlc.com.au](http://mlc.com.au)

### 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](mailto:info@sct.gov.au).

More information is available on [sct.gov.au](http://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 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 and occurs 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 shares, markets, bond and property markets.

If you would like to find out more about our unit pricing philosophy, go to [mlc.com.au](https://mlc.com.au)

# How your money is invested

## Investment objective

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 8 to 25.

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 8 to 25 reflect the actual fees for the year ending 30 June 2011.

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 exceeds a specified level. Where applicable, the actual performance fee for the year ending 30 June 2011 is included in the investment fees shown. The actual performance fee charged in future periods may differ from that disclosed in this report.

You can get more information on how performance fees are calculated by going to the investment managers' Product Disclosure Statement available on [mlc.com.au](http://mlc.com.au)

## Asset allocation

This section details the assets that have a value in excess of 5% of the total assets of the Fund as at 30 June 2011.

- NAB Cash Manager – 5.28%

## Derivatives

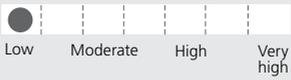
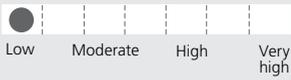
Derivatives are a common tool used to enhance returns or manage risk.

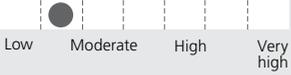
They are contracts that have a value derived from an external reference (eg the level of a share price index).

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 outlined in our Derivative Risk Statement. This is available on [mlc.com.au](http://mlc.com.au)

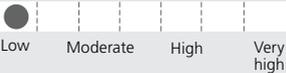
# Investment option profiles

	Access Cash	Access AXA Australian Monthly Income (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 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.	The Fund is in the process of being wound up with capital repayments to investors intended to be complete by mid 2014. AXA will continue to make 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 you're seeking ...	<ul style="list-style-type: none"> <li>■ a low risk investment.</li> </ul>	Not applicable
Minimum time horizon	One month	Not applicable
Target asset allocation	Cash 100%	Mortgages 100%
Risk	 <p>Low Moderate High Very high</p>	 <p>Low Moderate High Very high</p>
Management costs (%pa)	1.35%	2.00%
Fund Manager	Aviva Investors	AXA

Access Challenger Howard Wholesale Mortgage (closed)	Access Aviva Investors Premier Fixed Income
To provide investors with a diversified income producing portfolio that aims to provide regular income and capital stability.	To outperform the benchmark (75% UBS Australian Composite Bond Index and 25% Barclays Capital Global Aggregate Bond Index, hedged into AUD) over rolling three year periods.
To invest in a diversified portfolio of primarily 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 (including other Challenger funds).	To invest in a broadly diversified portfolio of fixed income securities (both Australian and international). It seeks to enhance returns and improve diversification by including high yield fixed income and exposure to bonds issued by overseas governments. The Fund may invest up to 20% in cash.
<ul style="list-style-type: none"> <li>income through a portfolio of mortgages and you're prepared to accept some variability of returns.</li> </ul>	<ul style="list-style-type: none"> <li>access to a diverse portfolio with exposure to both Australian and international fixed income markets via a single diversified fund, and</li> <li>a relatively low risk investment providing income and some capital growth over the medium to longer term.</li> </ul>
Not applicable	Three years
Commercial mortgage loans, interest bearing securities, cash and other short-term investments <span style="float: right;">100%</span>	 <p>■ 25% Global debt securities ■ 75% Australian debt securities</p>
 <p>Low   Moderate   High   Very high</p>	 <p>Low   Moderate   High   Very high</p>
2.00%	1.70%
Challenger	Aviva Investors

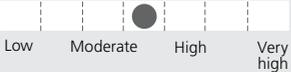
# Investment option profiles

	Access PIMCO EQT Global Bond Fund (previously Access EQT PIMCO Global Bond)	Access BlackRock Monthly Income (closed)
<b>Investment objective</b>	To achieve maximum total return by investing in global fixed interest securities and to seek to preserve capital through prudent investment management.	To achieve a total return of 1.70% pa in excess of the UBS Australia Bank Bill Index before fees over the medium-term. There may be variations in performance in periods of extreme market volatility.
<b>About the investment option</b>	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 debt securities or other debt instruments issued or guaranteed by governments and corporates or asset backed securities. Derivatives may be used. A minimum of 75% of the Fund must be held in securities rated investment grade or better (ie at least BBB-). International debt securities are substantially hedged back to the Australian dollar.
<b>The investment option may be suited to you if you're seeking ...</b>	<ul style="list-style-type: none"> <li>to have a broadly diversified exposure to international fixed interest markets.</li> </ul>	<ul style="list-style-type: none"> <li>potentially higher returns than cash with access to a regular monthly income stream, with some volatility.</li> </ul>
<b>Minimum time horizon</b>	Five to seven years	Three years
<b>Target asset allocation</b>	Global debt securities 100%	Australian and international debt securities (all exposures are intended to be hedged back to AUD floating rate exposures) 100%
<b>Risk</b>	Not available	 <p>Low      Moderate      High      Very high</p>
<b>Management costs (%pa)</b>	1.80%	1.90%
<b>Fund Manager</b>	Equity Trustees	BlackRock

Access AMP Capital Enhanced Yield (closed)	Access Challenger Guaranteed Income Fund (previously Access Challenger High Yield Fund) (closed)
To provide a regular and consistent level of income and returns above the Reserve Bank of Australia Cash Rate, with low to medium levels of volatility in returns.	Aims to provide specified and regular income until 31 March 2014 as well as a maturity price of \$1.00 per unit by holding on annuity by Challenger Life.
The Fund invests in a mix of traded high yield securities and private debt investments.	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.
<ul style="list-style-type: none"> <li>■ due to the Fund's liquidity position, investors are no longer able to withdraw funds by submitting withdrawal requests. The Fund currently makes pro-rata special distributions of capital and income to investors. AMP Capital believes this is the fairest way to deliver the available liquidity to investors. This position will be reviewed on an ongoing basis.</li> </ul>	<ul style="list-style-type: none"> <li>■ the investment option is closed to new and additional investments.</li> </ul>
Three to five years	Three years
Debt securities 100%	Debt securities 100%
Not available	 <p>Low      Moderate      High      Very high</p>
2.05%	2.05%
AMP	Challenger

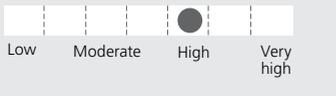
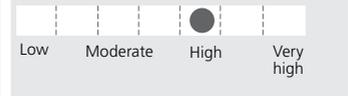
# Investment option profiles

	Access Pre Select Conservative	Access Pre Select Balanced
Investment objective	To provide medium-term returns higher than those generally associated with cash and fixed interest 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 capital guaranteed or capital stable funds.
About the investment option	Invests a high proportion of assets in defensive asset classes such as cash and fixed interest securities with the balance in growth assets. The likelihood of the portfolio incurring a negative return in any particular year is moderate.	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.
The investment option may be suited to you if you're seeking ...	<ul style="list-style-type: none"> <li>to invest with a bias towards defensive assets, with some exposure to growth assets</li> <li>stable returns.</li> </ul>	<ul style="list-style-type: none"> <li>to invest in an approximately equal mix of defensive and growth assets</li> <li>a portfolio with some long-term capital growth potential and can tolerate moderate changes in value.</li> </ul>
Minimum time horizon	Three years	Five years
Target asset allocation	 <ul style="list-style-type: none"> <li>20% Cash</li> <li>25% Australian fixed interest</li> <li>25% Global fixed interest (hedged)</li> <li>13% Australian shares</li> <li>6.5% Global shares (unhedged)</li> <li>6.5% Global shares (hedged)</li> <li>2% Australian property securities</li> <li>2% Global property securities (hedged)</li> </ul>	 <ul style="list-style-type: none"> <li>10% Cash</li> <li>20% Australian fixed interest</li> <li>20% Global fixed interest (hedged)</li> <li>22% Australian shares</li> <li>11% Global shares (unhedged)</li> <li>11% Global shares (hedged)</li> <li>3% Australian property securities</li> <li>3% Global property securities (hedged)</li> </ul>
Risk	 <p>Low    Moderate    High    Very high</p>	 <p>Low    Moderate    High    Very high</p>
Management costs (%pa)	1.85%	1.90%
Fund Manager	Multi-Managers	Multi-Managers

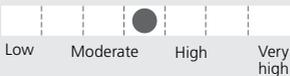
Access Pre Select Growth	Access Pre Select High Growth
<p>To produce higher returns than those expected from capital stable and balanced strategies over the long-term.</p>	<p>To provide higher returns than those expected from capital stable, balanced and growth strategies over the long-term.</p>
<p>Maintains 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.</p>	<p>Dominated by growth assets with a very low allocation to defensive assets. The likelihood of the portfolio incurring a negative return in any particular year is high.</p>
<ul style="list-style-type: none"> <li>■ to invest with a bias to growth assets</li> <li>■ a portfolio with a bias towards long-term capital growth potential and can tolerate moderate to large changes in value.</li> </ul>	<ul style="list-style-type: none"> <li>■ to invest with a strong bias to growth assets</li> <li>■ a portfolio with a strong bias towards long-term capital growth potential and can tolerate moderate to large changes in value.</li> </ul>
Six years	Seven years
 <ul style="list-style-type: none"> <li>■ 2% Cash</li> <li>■ 14% Australian fixed interest</li> <li>■ 14% Global fixed interest (hedged)</li> <li>■ 32% Australian shares</li> <li>■ 16% Global shares (unhedged)</li> <li>■ 16% Global shares (hedged)</li> <li>■ 3% Australian property securities</li> <li>■ 3% Global property securities (hedged)</li> </ul>	 <ul style="list-style-type: none"> <li>■ 1% Cash</li> <li>■ 7% Australian fixed interest</li> <li>■ 7% Global fixed interest (hedged)</li> <li>■ 40% Australian shares</li> <li>■ 20% Global shares (unhedged)</li> <li>■ 20% Global shares (hedged)</li> <li>■ 2.5% Australian property securities</li> <li>■ 2.5% Global property securities (hedged)</li> </ul>
 <p>Low    Moderate    High    Very high</p>	 <p>Low    Moderate    High    Very high</p>
1.95%	2.10%
Multi-Managers	Multi-Managers

# Investment option profiles

	Access One Path – ING Tax Effective (previously Access ING Tax effective Income)	Access Property Securities Index
Investment objective	To provide income and achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 5.0% pa over periods of five years or more.	To closely track the S&P/ASX 200 Property Accumulation Index with the aim of generating returns (before tax and fees and assuming income reinvestment) comparable to the listed property sector of the Australian share market, as measured by that benchmark.
About the investment option	Invests in a diversified mix of Australian assets with a bias toward income producing growth assets. The Trust is actively managed in accordance with ING Investment Management Limited's (INGIM's) investment process.	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 Property 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 property securities and doesn't hedge currency risk.
The investment option may be suited to you if you're seeking ...	<ul style="list-style-type: none"> <li>■ potential for capital growth and income, diversification across a number of asset classes, and</li> <li>■ you're prepared to accept some variability of returns.</li> </ul>	<ul style="list-style-type: none"> <li>■ indirect exposure to property markets via property trusts listed on the Australian Securities Exchange.</li> </ul>
Minimum time horizon	Five years	Three to five years
Target asset allocation	 <ul style="list-style-type: none"> <li>■ 0% Cash</li> <li>■ 30% Australian fixed interest</li> <li>■ 30% Property securities</li> <li>■ 40% Australian shares</li> </ul>	Australian Property Securities 100%
Risk	Not available	 <p>Low    Moderate    High    Very high</p>
Management costs (%pa)	2.15%	1.65%
Fund Manager	One Path	Colonial First State

Access Macquarie Property Securities	Access BlackRock Combined Property Income (closed)
To outperform the S&P/ASX 200 Property Trust Accumulation Index over the medium to long-term (before fees).	To provide a combination of income and growth over the medium to long-term. Aims to outperform the benchmark – 50% Mercer/IPD Australian Pooled Property Fund Index (before fees) and 50% S&P/ASX 300 Property Trust Accumulation Index, over rolling five-year periods.
The Fund will predominantly have 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.	Invests in a portfolio of direct property and listed property securities through investment in the BlackRock Property Trust (Aust) and the BlackRock Wholesale Indexed Australian Listed Property Fund. The Property Trust may borrow up to a maximum of 40% of the value of the Property Trust.
<ul style="list-style-type: none"> <li>■ a diversified portfolio of property securities, and</li> <li>■ some capital growth.</li> </ul>	<ul style="list-style-type: none"> <li>■ exposure to direct property, listed and unlisted property securities.</li> </ul>
Five years	Five years
Property 100%	Property 100%
	
1.90%	2.05%
Macquarie	Merrill Lynch

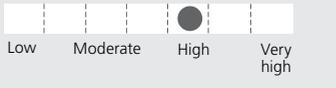
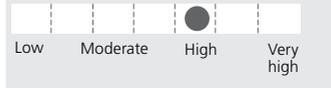
# Investment option profiles

	Access CFS Colliers International Property Securities	Access Australian Shares Index						
Investment objective	To maximise the total return by investing in a broad selection of listed global property-related investments from around the world.	To closely track the S&P/ASX 200 Accumulation Index with the aim of generating returns (before tax and fees and assuming income reinvested) comparable to the Australian sharemarket as measured by that benchmark.						
About the investment option	Invests primarily in property securities sourced anywhere in the world. Fund investments may include securities that provide exposure to commercial, retail and industrial properties and, to a lesser extent, car parks, hotel, leisure properties, appropriate infrastructure projects, and other property related investments.	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 you're seeking ...	<ul style="list-style-type: none"> <li>to diversify your property investment portfolio through investment in overseas listed property securities.</li> </ul>	<ul style="list-style-type: none"> <li>exposure to the Australian listed sharemarket.</li> </ul>						
Minimum time horizon	Five years	Five years						
Target asset allocation	<table border="0"> <tr> <td>Cash</td> <td>0-20%</td> </tr> <tr> <td>Australian shares</td> <td>80-100%</td> </tr> </table>	Cash	0-20%	Australian shares	80-100%	<table border="0"> <tr> <td>Australian shares</td> <td>100%</td> </tr> </table>	Australian shares	100%
Cash	0-20%							
Australian shares	80-100%							
Australian shares	100%							
Risk	 <p>Low      Moderate      High      Very high</p>	 <p>Low      Moderate      High      Very high</p>						
Management costs (%pa)	2.15%	1.65%						
Fund Manager	Colonial First State	Colonial First State						

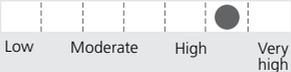
Access Pre Select Australian Equity	Access Pre Select Boutique Australian Equity
To provide medium to long-term capital growth by primarily investing in a well diversified portfolio of Australian equities listed on the Australian Securities Exchange (and other regulated exchanges).	To outperform the S&P/ASX 300 Accumulation Index over rolling three-year periods.
Invests in a variety of Australian companies whose share price is expected to appreciate over time. These investments are made through specialist managers. The likelihood of this portfolio incurring a negative return in any particular year is high.	To provide a 'manage-the-manager' Australian share portfolio using the investment manager expertise of boutique Australian share managers. The key to producing the best possible performance is by selecting a small number of specialist active managers to run concentrated portfolios of securities that is believed to have the most potential to outperform.
<ul style="list-style-type: none"> <li>to invest in an actively managed Australian share portfolio that's diversified across investment managers, industries and companies.</li> </ul>	<ul style="list-style-type: none"> <li>exposure to the Australian listed sharemarket.</li> </ul>
Seven years	Eight years
Australian shares 100%	Australian shares 100%
 <p>Low    Moderate    High    Very high</p>	 <p>Low    Moderate    High    Very high</p>
2.00%	2.25%
Multi-Mangers	Challenger

# Investment option profiles

	Access Perpetual Geared Australian Equity	Access Pre Select Australian Small Companies								
Investment objective	To enhance long-term capital growth through borrowing (gearing) to invest in quality 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).								
About the investment option	<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.</p> <p>The gearing level is the Fund's borrowings divided by the total gross value of assets. It will depend on the present levels and future expectation of the Fund's net income (after fees and taxes and excluding franking credits) and the cost of borrowings. If this 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 by repaying part of the borrowings through inflows or selling some of the Fund's assets.</p>	<p>Invests in a variety of Australian small companies considered to possess strong capital growth potential. These investments are made through specialist managers that exhibit varying investment approaches. The likelihood of this portfolio incurring a negative return in any particular year is very high.</p>								
The investment option may be suited to you if you're seeking ...	<ul style="list-style-type: none"> <li>to invest in a portfolio of Australian industrial shares.</li> </ul>	<ul style="list-style-type: none"> <li>exposure to smaller capitalisation securities listed on the Australian sharemarket and are comfortable with considerable fluctuations in returns.</li> </ul>								
Minimum time horizon	Seven years	Eight years								
Target asset allocation	<table border="0"> <tr> <td>Cash</td> <td>0–10%</td> </tr> <tr> <td>Australian shares</td> <td>90–100%</td> </tr> <tr> <td>Gearing level</td> <td>0–60%</td> </tr> </table>	Cash	0–10%	Australian shares	90–100%	Gearing level	0–60%	<table border="0"> <tr> <td>Australian shares</td> <td>100%</td> </tr> </table>	Australian shares	100%
Cash	0–10%									
Australian shares	90–100%									
Gearing level	0–60%									
Australian shares	100%									
Risk	<p>Low      Moderate      High      Very high</p>	<p>Low      Moderate      High      Very high</p>								
Management costs (%pa)	2.42% (assumes no gearing)	2.25%								
Fund Manager	Perpetual	Multi-Mangers								

Access Investors Mutual Australian Shares	Access Perpetual Industrial
<p>To provide a return (after fees and expenses and before taxes) which exceeds the S&amp;P/ASX 300 Accumulation Index, over rolling four year periods.</p>	<p>To provide long-term capital growth and regular income through investment in quality Australian industrial shares.</p>
<p>The Funds invests in a diversified portfolio of quality Australian industrial and resource shares, where these shares are identified by the investment team as being undervalued. The Fund will usually hold a minimum of 20 different securities.</p>	<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. In determining investment quality investments are carefully selected on the basis of four key criteria:</p> <ul style="list-style-type: none"> <li>- Conservative debt levels</li> <li>- Sound management</li> <li>- Quality business, and</li> <li>- Recurring earnings.</li> </ul> <p>Derivatives may be used in managing the Fund.</p>
<p>■ medium to long-term capital growth with income.</p>	<p>■ to invest in a portfolio of Australian industrial shares.</p>
<p>Five years</p>	<p>Five years</p>
<p>Cash 0–10% Australian shares 90–100%</p>	<p>Cash 0–10% Australian industrial shares 90–100%</p>
 <p>Low      Moderate      High      Very high</p>	 <p>Low      Moderate      High      Very high</p>
<p>2.05%</p>	<p>2.05%</p>
<p>Investors Mutual</p>	<p>Perpetual</p>

# Investment option profiles

	Access Aviva Investors High Growth Shares	Access Schroder Australian Equity
Investment objective	To outperform the S&P/ASX 200 Accumulation Index by 5% pa over a rolling five year period.	To outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long-term.
About the investment option	<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 24% 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>The Fund invests in a broad range of companies from Australia and New Zealand. It invests predominantly in stocks characterised by strong returns on capital and a sustainable business franchise using a fundamental bottom up, active management style.</p>
The investment option may be suited to you if you're seeking ...	<ul style="list-style-type: none"> <li>■ higher risk investment strategies for long-term growth in order to increase returns and capital growth.</li> </ul>	<ul style="list-style-type: none"> <li>■ growth, and</li> <li>■ you also accept that the value of your investment can change.</li> </ul>
Minimum time horizon	Five years	Three to five years
Target asset allocation	Cash and short-term securities 0–10% Australian shares 90–100%	Australian shares 100%
Risk	 <p>Low      Moderate      High      Very high</p>	 <p>Low      Moderate      High      Very high</p>
Management costs (%pa)	2.25%	2.15%
Fund Manager	Aviva Investors	Schroder

**Access International Shares Index**

**Access Pre Select International Equity**

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).

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.

Detailed risk analysis is used to design a portfolio of shares which provides the greatest likelihood of matching performance of the MSCI ex Australia Index. Foreign currency exposures are not hedged to the Australian dollar.

To invest predominantly in international equities through specialist managers. The likelihood of this portfolio incurring a negative return in any particular year is high. The portion of the currency exposure that is hedged to the Australian dollar may move within the range 0–100% at our discretion.

- 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.

- an investment in a diversified portfolio of overseas equities, and
- you're prepared to accept potential capital losses over the short-term from adverse movements in the price of equities as well as from currency fluctuations.

Five years

Eight years

International shares 100%

International shares 100%



1.75%

2.15%

Colonial First State

Multi-Managers

# Investment option profiles

	Access Aberdeen Actively Hedged International Equities	Access AXA Global Equity – Value Fund
Investment objective	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.	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	The Fund invests primarily in a concentrated portfolio of around 40–60 listed international securities (other than those listed on the Australian Securities exchange or other regulated exchanges) with the potential for capital growth and increased earning potential.	The Fund invests in companies that appear undervalued relative to long-term earnings potential. Companies will have a minimum market capitalisation at purchase of US\$1 billion for developed countries or US\$500M for emerging countries. Investments in foreign markets will be exposed to relevant foreign currencies, hedging may be used. Cash may be held if appropriate investments aren't available.
The investment option may be suited to you if you're seeking ...	<ul style="list-style-type: none"> <li>to invest in a portfolio of international shares.</li> </ul>	<ul style="list-style-type: none"> <li>long-term capital growth, and</li> <li>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.</li> </ul>
Minimum time horizon	Five years	Seven years
Target asset allocation	Cash 0–10% International shares 90–100%	Cash 0–5% International shares 95–100%
Risk	<p>Low   Moderate   High   Very high</p>	<p>Low   Moderate   High   Very high</p>
Management costs (%pa)	2.20%	2.20%
Fund Manager	Credit Suisse	AXA

**Access Perpetual International Share Fund**

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

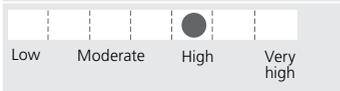
The Fund primarily invests in publically traded, or to be listed, global equity securities, including emerging markets. The focus is on investing in stocks of companies the investment manager believes are solid but temporarily out-of-favour and provide above-average total return potential. The country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

- a portfolio of international shares.

Five years

Cash 0–10%  
International shares 90–100%



2.30%

Perpetual

**Access Platinum International Fund**

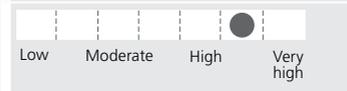
To provide capital growth over the long-term through searching out undervalued listed (and unlisted) investments around the world.

The Fund primarily invests in listed securities. The portfolio will ideally consist of 100 to 200 securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found. Platinum may short sell securities that it considers overvalued. 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. The underlying value of derivatives may not exceed 100% of the 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.

- long-term wealth creation potential of share investments
- 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.

Five years

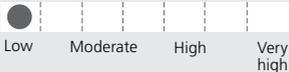
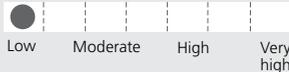
Cash 0–100%  
Global shares 0–100%



2.70%

Platinum

# Investment option profiles

	Access Pre Select Cap. Protected Growth (1)	Access Pre Select Cap. Protected Aust. Equities (1)
<b>Investment objective</b>	To provide long-term capital growth, with an element of protection of initial capital invested.	To provide long-term capital growth, with an element of protection of initial capital invested.
<b>About the investment option</b>	Invests in underlying funds which have exposure to growth and income biased assets and has a benchmark exposure to growth biased assets of 70%, and to income biased assets of 30%. It will also have exposure to cash deposits and derivative investments as part of offering the Capital Protection.	Invests in underlying funds which have exposure to a diversified portfolio of Australian shares. It will also have exposure to cash deposits and derivative investments as part of offering the Capital Protection.
<b>The investment option may be suited to you if you're seeking ...</b>	<ul style="list-style-type: none"> <li>■ long-term capital growth via exposure to assets invested across a number of quality fund managers, asset classes and investment styles, and</li> <li>■ an element of protection against investment loss and accept volatility in investment returns may be experienced.</li> </ul>	<ul style="list-style-type: none"> <li>■ long-term capital growth via exposure to a diversified portfolio of Australian shares, and</li> <li>■ an element of protection against investment loss and accept volatility in investment returns may be experienced.</li> </ul>
<b>Minimum time horizon</b>	Until the Capital Protection matures on 31 May 2013	Until the Capital Protection matures on 31 May 2013
<b>Target asset allocation</b>	Cash 100%	Cash 100%
<b>Risk</b>	 <p>Low Moderate High Very high</p>	 <p>Low Moderate High Very high</p>
<b>Management costs (%pa)</b>	2.35%	2.60%
<b>Fund Manager</b>	Deutsche	Deutsche

**Access Pre Select Cap. Protected Growth (2)**

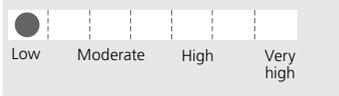
To provide long-term capital growth, with an element of protection of initial capital invested.

Invests in underlying funds which have exposure to growth and income biased assets and has a benchmark exposure to growth biased assets of 70%, and to income biased assets of 30%. It will also have exposure to cash deposits and derivative investments as part of offering the Capital Protection which aren't at 100%.

- long-term capital growth via exposure to assets invested across a number of quality fund managers, asset classes and investment styles, and
- an element of protection against investment loss and accept volatility in investment returns may be experienced.

Until the Capital Protection matures on 30 May 2014

Cash 100%



2.45%

Deutsche

**Access Pre Select Cap. Protected Aust Equities (2)**

To provide long-term capital growth, with an element of protection of initial capital invested.

Invests in underlying funds which have exposure to a diversified portfolio of Australian shares. It will also have exposure to cash deposits and derivative investments as part of offering the Capital Protection which is now 100%.

- long-term capital growth via exposure to a diversified portfolio of Australian shares, and
- an element of protection against investment loss and accept volatility in investment returns may be experienced.

Until the Capital Protection matures on 30 May 2014

Cash 100%



2.65%

Deutsche

# MLC Superannuation Fund Financial Report

## **This section shows the financial position of MLC Superannuation Fund as at 30 June 2011.**

MLC Navigator Access Super and Pension is a sub plan of the MLC Superannuation Fund. The following abridged fund accounts are for the whole of MLC Superannuation Fund. The assets of MLC Navigator Access Super and Pension make up approximately \$345 million of the Fund.

The Fund accounts refer to the Parent entity which is the MLC Superannuation Fund. The consolidated information includes the MLC Superannuation Fund and its subsidiaries - the MLC Pooled Superannuation Trust, the Cash Account Income Fund and the Separately Managed Account.

The full audited financial annual statements and auditor's report will be available on **mlc.com.au** from December 2011.

You can also call client services on **1300 428 482** to receive a paper copy.

# Abridged Financial Information – Statement of Financial Position

As at 30 June 2011

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>				
<b>Cash and cash equivalents</b>	324,918	240,740	-	-
<b>Receivables</b>				
Outstanding settlements	60,290	17,269	-	-
Investment revenue receivable	224,031	117,993	-	-
Receivable – MLC Pooled Superannuation Trust	-	-	4,006	3,577
Other receivables	1,424	26	-	20
GST receivable	1,802	1,923	229	205
<b>Investments</b>				
Investment in the Cash Management Account	477,733	-	-	-
Australian Bank Bills	-	13,930	-	-
Semi-Government securities	-	45,420	-	-
Corporate Bonds	-	29,950	-	-
Discount securities	196,303	536,192	-	-
Floating rate notes	-	314,577	-	-
Listed shares	502,973	353,767	-	-
Unlisted unit trusts	6,843,207	6,952,111	-	-
Term deposits	530,543	299,444	-	-
Investment held in the MLC PST	-	-	9,043,052	8,579,732
<b>Other</b>				
Income tax receivable	-	3,302	-	-
Deferred tax assets	84,235	99,299	-	-
<b>Total assets</b>	<b>9,247,459</b>	<b>9,025,943</b>	<b>9,047,287</b>	<b>8,583,534</b>
<b>Liabilities</b>				
Outstanding settlements	15,614	4,082	-	-
Fees payable to related parties	14,415	16,487	4,225	3,784
Distribution payable to external unitholders	2,661	5,301	-	-
Net asset value attributable to external unitholders	165,676	420,320	-	-
Other payables	800	21	10	18
Income tax payable	5,241	-	-	-
<b>Total liabilities</b>	<b>204,407</b>	<b>446,211</b>	<b>4,235</b>	<b>3,802</b>
<b>(excluding net assets available to pay benefits)</b>				
<b>Net assets available to pay benefits</b>	<b>9,043,052</b>	<b>8,579,732</b>	<b>9,043,052</b>	<b>8,579,732</b>
<b>Represented by:</b>				
<b>Liability for accrued benefits</b>	<b>9,043,052</b>	<b>8,579,732</b>	<b>9,043,052</b>	<b>8,579,732</b>

# Abridged Financial Information – Operating Statement

As at 30 June 2011

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Investment income</b>				
Rebates	4,203	6,501	-	-
Dividends	19,168	9,799	-	-
Interest	44,332	31,775	-	-
Distributions	421,977	297,204	-	-
Changes in net market values	170,390	487,331	497,363	716,690
<b>Net investment revenue</b>	<b>660,070</b>	<b>832,610</b>	<b>497,363</b>	<b>716,690</b>
<b>Contributions revenue</b>				
Employer contributions	182,877	175,608	182,877	175,608
Member contributions	317,889	285,632	317,889	285,632
Transfers from other funds	720,227	645,391	720,227	645,391
Compensation to members	484	464	484	464
Insurance proceeds	2,927	1,102	2,927	1,102
<b>Total contribution revenue</b>	<b>1,224,404</b>	<b>1,108,197</b>	<b>1,224,404</b>	<b>1,108,197</b>
<b>Total revenue</b>	<b>1,884,474</b>	<b>1,940,807</b>	<b>1,721,767</b>	<b>1,824,887</b>
<b>Expenses</b>				
Adviser review fees	12,742	8,086	12,742	8,086
Deferred entry fees	6,462	7,479	6,462	7,479
Entry fees	6,555	7,083	6,555	7,083
Insurance premiums	23,129	16,883	23,129	16,883
Management fees	126,304	133,955	-	-
Other fees	1,862	1,415	1,600	1,137
Superannuation contributions surcharge	73	86	73	86
Increase in amounts due to external unitholders	14,643	17,209	-	-
<b>Total expenses</b>	<b>191,770</b>	<b>192,196</b>	<b>50,561</b>	<b>40,754</b>
<b>Benefits accrued as a result of operations before income tax</b>	<b>1,692,704</b>	<b>1,748,611</b>	<b>1,671,206</b>	<b>1,784,133</b>
<b>Income tax expense attributed to benefits accrued as a result of operations</b>	<b>(21,498)</b>	<b>35,522</b>	<b>-</b>	<b>-</b>
<b>Benefits accrued as a result of operations</b>	<b>1,671,206</b>	<b>1,784,133</b>	<b>1,671,206</b>	<b>1,784,133</b>

## Liability for accrued benefits

The liability for accrued benefits is the Parent's present obligation to pay benefits to members and beneficiaries arising from their investing in the Parent up to reporting date. It is measured as the difference between the carrying amounts of total assets and liabilities as at reporting date. Benefits in respect of members who ceased with the Parent prior to reporting date and whose benefits were unpaid as at 30 June 2011 are included in the liability for accrued benefits amount.

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Liability for accrued benefits at beginning of the year	8,579,732	7,757,171	8,579,732	7,757,171
Add: Benefits accrued as a result of operations	1,671,206	1,784,133	1,671,206	1,784,133
Less: Members' redemptions	(932,460)	(697,838)	(932,460)	(697,838)
Less: Pension payments	(275,426)	(263,734)	(275,426)	(263,734)
<b>Liability for accrued benefits at the end of the financial year</b>	<b><u>9,043,052</u></b>	<b><u>8,579,732</u></b>	<b><u>9,043,052</u></b>	<b><u>8,579,732</u></b>

# Abridged Financial Information – Cash Flow Statement

For the year ended 30 June 2011

	<b>Consolidated</b>		<b>Parent entity</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows provided by operating activities</b>				
Employer contributions received	182,897	175,608	182,897	175,608
Member contributions received	338,294	285,612	338,294	285,612
Interest received	49,630	28,430	-	-
Distributions received	310,613	338,593	-	-
Dividends received	19,168	9,799	-	-
Rebates received	4,203	6,500	-	-
Transfers in received	679,417	612,660	679,417	612,660
Compensation received	484	465	484	465
Other Income received	2,292	994	2,927	994
Management fees paid	(128,666)	(134,259)	-	-
Entry fees paid	(6,878)	(7,332)	(6,608)	(7,048)
Deferred entry fees paid	(6,762)	(7,719)	(6,762)	(7,719)
Insurance premiums paid	(22,380)	(16,181)	(22,380)	(16,181)
Adviser review fees paid	(12,736)	(8,088)	(12,736)	(8,088)
Other	(1,584)	(1,168)	(1,584)	(1,168)
Redemptions paid	(932,460)	(697,727)	(932,460)	(697,727)
Pensions paid	(275,433)	(263,726)	(275,433)	(263,726)
Tax received from the ATO	2,109	11,345	-	-
Superannuation contributions surcharge paid	(73)	(86)	(73)	(86)
<b>Net cash flows used in operating activities</b>	<b>202,135</b>	<b>333,720</b>	<b>(54,017)</b>	<b>73,596</b>
<b>Cash flows from investing activities</b>				
Purchase of investments	(3,775,789)	(5,129,726)	(1,204,686)	(1,076,030)
Proceeds on sale of investments	3,672,476	4,812,726	1,258,703	1,002,434
Amounts paid to external unitholders	(14,643)	(17,209)	-	-
<b>Net cash flows from investing activities</b>	<b>(117,956)</b>	<b>(334,209)</b>	<b>54,017</b>	<b>(73,596)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>84,179</b>	<b>(489)</b>	-	-
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>240,740</b>	<b>241,229</b>	-	-
<b>Cash and cash equivalents at end of financial year</b>	<b>324,919</b>	<b>240,740</b>	-	-

This page has been left blank intentionally.

This page has been left blank intentionally.

