

# MLC Investment Trust

## Financial Report

For the year ended  
30 June 2016



**MLC Investment Trust**  
**Financial report**  
**For the year ended 30 June 2016**

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The MLC Investment Trust consists of 23 separate schemes:

**Horizon 4 Balanced Portfolio**

ARSN 087 446 375

**Horizon 3 Conservative Growth Portfolio**

ARSN 096 796 379

**Wholesale Income Builder**

ARSN 087 447 265

**MLC Wholesale Inflation Plus - Moderate Portfolio**

ARSN 165 016 151

**Horizon 5 Growth Portfolio**

ARSN 087 446 633

**Horizon 2 Income Portfolio**

ARSN 117 295 584

**MLC Wholesale Inflation Plus - Conservative Portfolio**

ARSN 165 016 035

**MLC Wholesale Inflation Plus - Assertive Portfolio**

ARSN 117 295 315

**MLC Wholesale Diversified Debt Fund**

ARSN 130 171 078

**Horizon 6 Share Portfolio**

ARSN 096 796 075

**Wholesale Property Securities Fund**

ARSN 087 447 425

**Wholesale Global Share Fund**

ARSN 087 446 875

**MLC Wholesale Australian Share Fund**

ARSN 087 447 078

**MLC Investment Trust MLC Platinum Global Fund**

ARSN 092 475 904

**Horizon 1 Bond Portfolio**

ARSN 117 295 495

**MLC Global Property Fund**

ARSN 124 947 164

**MLC Wholesale Australian Share Index Fund**

ARSN 150 845 971

**Horizon 7 Accelerated Growth Portfolio**

ARSN 102 215 501

**MLC Hedged Global Share Fund**

ARSN 124 946 998

**Wholesale Australian Share Growth Style Fund**

ARSN 111 074 125

**Wholesale Australian Share Value Style Fund**

ARSN 111 074 054

**Wholesale Global Share Growth Style Fund**

ARSN 111 074 170

**Wholesale Global Share Value Style Fund**

ARSN 111 074 152

## **Directors' report**

The Directors of MLC Investments Limited, the Responsible Entity of the following schemes (the 'Schemes'):

Horizon 4 Balanced Portfolio (Horizon 4 Balanced Portfolio')	Horizon 3 Conservative Growth Portfolio (Horizon 3 Conservative Growth Portfolio')
Wholesale Income Builder (Income Builder')	MLC Wholesale Inflation Plus - Moderate Portfolio (Inflation Plus - Moderate Portfolio')
Horizon 5 Growth Portfolio (Horizon 5 Growth Portfolio')	Horizon 2 Income Portfolio (Horizon 2 Income Portfolio')
MLC Wholesale Inflation Plus - Conservative Portfolio (Inflation Plus - Conservative Portfolio')	MLC Wholesale Inflation Plus - Assertive Portfolio (Inflation Plus - Assertive Portfolio')
MLC Wholesale Diversified Debt Fund (Diversified Debt Fund')	Horizon 6 Share Portfolio (Horizon 6 Share Portfolio')
Wholesale Property Securities Fund (Property Securities Fund')	Wholesale Global Share Fund (Global Share Fund')
MLC Wholesale Australian Share Fund (Australian Share Fund')	MLC Investment Trust MLC Platinum Global Fund (Platinum Global Fund')
Horizon 1 Bond Portfolio (Horizon 1 Bond Portfolio')	MLC Global Property Fund (Global Property Fund')
MLC Wholesale Australian Share Index Fund (Australian Share Index Fund')	Horizon 7 Accelerated Growth Portfolio (Horizon 7 Accelerated Growth Portfolio')
MLC Hedged Global Share Fund (Hedged Global Share Fund')	Wholesale Australian Share Growth Style Fund (Australian Share Growth Style Fund')
Wholesale Australian Share Value Style Fund (Australian Share Value Style Fund')	Wholesale Global Share Growth Style Fund (Global Share Growth Style Fund')
Wholesale Global Share Value Style Fund (Global Share Value Style Fund')	

present their report together with the financial report of the Schemes for the year ended 30 June 2016 and the independent audit report thereon.

## **Directors of the Responsible Entity**

The names of the persons who were Directors of MLC Investments Limited during or since the end of the year are as follows:

<b>Name</b>	<b>Appointment / Resignation Date</b>
S C Birkenleigh	Appointed 9 September 2015
J G Duffield	Appointed 24 August 2011
P Gupta	Appointed 1 September 2012
G J Mulcahy	Appointed 7 July 2014

The registered office of MLC Investments Limited is located at Ground Floor, MLC Building, 105-153 Miller St, North Sydney NSW 2060.

## **Principal activities**

The Schemes are unlisted registered managed investment schemes domiciled in Australia.

The Schemes invest and transact in unlisted managed investment schemes in accordance with the provisions of the Constitutions of the Schemes.

The Schemes did not have any employees during the year (2015: Nil).

There have been no significant changes to the activities of the Schemes during the year.

The Schemes are for profit entities for the purposes of preparing financial statements.

## **Results and review of operations**

The results of the operations of the Schemes are disclosed in the Statements of Profit or Loss and Other Comprehensive Income. These results are affected by the performance of the markets to which the individual Schemes have exposure.

For details in relation to the Schemes' investment exposure and strategy, information can be obtained from the investment fund profiles located on the MLC website at [mlc.com.au](http://mlc.com.au) or alternatively in the Product Disclosure Statement.

## **Distributions**

The distributions for the year ended 30 June 2016 were as follows:

	\$'000	c/unit
Horizon 4 Balanced Portfolio	77,883	7.56
Horizon 3 Conservative Growth Portfolio	39,096	6.71
Income Builder	35,281	11.80
Inflation Plus - Moderate Portfolio	13,438	3.75
Horizon 5 Growth Portfolio	31,039	8.94
Horizon 2 Income Portfolio	22,308	6.83
Inflation Plus Assertive Portfolio Class A	29,242	8.12
Inflation Plus Assertive Portfolio Class B	285	6.84
Inflation Plus - Conservative Portfolio	8,218	2.99
Diversified Debt Fund Class A	9,136	4.81
Diversified Debt Fund Class B	108	3.55
Horizon 6 Share Portfolio	16,727	9.71
Property Securities Fund	6,492	3.13
Global Share Fund	20,448	15.99
Australian Share Fund	3,950	6.14
Platinum Global Fund	6,553	7.55
Horizon 1 Bond Portfolio	2,193	2.59
Global Property Fund Class A	6,644	5.85
Global Property Fund Class B	324	6.63
Australian Share Index Fund	2,158	5.00
Horizon 7 Accelerated Growth Portfolio	4,174	14.14
Hedged Global Share Fund Class A	1,703	5.15
Hedged Global Share Fund Class B	68	4.84
	<b>Whole Dollars \$</b>	<b>c/unit</b>
Australian Share Growth Style Fund	327,299	12.53
Australian Share Value Style Fund	74,233	1.44
Global Share Growth Style Fund	1,327,181	65.37
Global Share Value Style Fund	-	-

## **Units on issue**

Units on issue as at year end and movements during the year are shown in Statements of Changes in Net Assets Attributable to Unitholders.

The total assets of the Schemes are set out in the Statements of Financial Position. The basis for valuation of the Schemes' assets is disclosed in Note 1 to the financial statements.

## **State of affairs**

In the opinion of the Responsible Entity, there were no significant changes in the state of affairs of the Schemes that occurred during the year unless otherwise disclosed.

The Australian Share Growth Style Fund, Australian Share Value Style Fund, Global Share Growth Style Fund and Global Share Value Style Fund commenced winding up their operations during the year.

## **Likely developments**

The Schemes will continue to pursue their policy of competitive returns through a selection process that identifies investment managers in each asset class.

Further information about likely developments in the operations of the Schemes and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Schemes.

## **Auditor's independence**

The Directors received a declaration of independence from the auditor of the Schemes, a copy of which is attached to the Directors' report on page 6.

## **Events subsequent to the balance date**

There has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to significantly affect the operations of the Schemes, the results of those operations, or the state of affairs of the Schemes, in future financial years.

## **Interests of the Responsible Entity**

Units held by MLC Investments Limited and its related parties in the Schemes during the financial year ended 30 June 2016 are detailed in Note 7(h) and 7(i) to the financial statements.

Fees paid to the Responsible Entity during the financial year ended 30 June 2016 are detailed in Note 7(e) to the financial statements.

## **Environmental regulation**

The operations of the Schemes are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

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**Indemnities and insurance premiums for Officers or Auditors**

*Indemnification*

The Schemes have not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer of the Responsible Entity or an auditor of the Schemes during the year.

*Insurance premiums*

During the year the ultimate parent company of the Responsible Entity, National Australia Bank Limited, has paid, or agreed to pay, premiums in respect of its officers for liability, legal expenses, insurance contracts, and premiums in respect of such insurance contracts, for the financial year ended 30 June 2016. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the officers of the Responsible Entity.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

**Rounding**

With the exception of Australian Share Growth Style Fund, Australian Share Value Style Fund, Global Share Growth Style Fund and Global Share Value Style Fund, the Schemes meet the criteria set out in Instrument 2016/191 issued by the Australian Securities and Investments Commission, and in accordance with that Corporate Instrument, amounts in the financial report and the Directors' report have been rounded off to the nearest thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors of MLC Investments Limited:

Director: SANDRA BIRKENSLEIGH

Signature: 

Dated at Sydney this 30<sup>th</sup> day of August 2016

## Auditor's Independence Declaration to the Directors of MLC Investments Limited, as Responsible Entity for MLC Investment Trust

As lead auditor for the audit of MLC Investment Trust consisting of the Schemes listed below for the financial year ended 30 June 2016:

Wholesale Horizon 7 Accelerated Growth Portfolio	Wholesale Hedged Global Share Fund (Multi Class)
Wholesale Australian Share Growth Style Fund	Wholesale Horizon 2 Income Portfolio
Wholesale Australian Share Value Style Fund	Wholesale Global Share Fund
Wholesale Horizon 4 Balanced Portfolio	MLC Investment Trust MLC Platinum Global Fund
Wholesale Horizon 1 Bond Portfolio	Wholesale Property Securities Fund
Wholesale IncomeBuilder™	MLC Wholesale Australian Share Index Fund
Wholesale Horizon 3 Conservative Growth Portfolio	MLC Wholesale Australian Share Fund
Wholesale Horizon 6 Share Portfolio	MLC Wholesale Diversified Debt Fund (Multi Class)
Wholesale Global Share Growth Style Fund	MLC Wholesale Inflation Plus - Conservative Portfolio
Wholesale Global Property Fund (Multi Class)	MLC Wholesale Inflation Plus - Moderate Portfolio
Wholesale Global Share Value Style Fund	MLC Wholesale Inflation Plus - Assertive Portfolio (Multi Class)
Wholesale Horizon 5 Growth Portfolio	

I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

  
Ernst & Young



Rita Da Silva  
Partner  
30 August 2016



MLC Investment Trust  
Statements of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2016

		Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>									
Dividend and distribution income	7(h)	68,584	33,241	33,357	14,154	34,066	45,104	15,274	9,589
Interest income		56	88	29	51	42	50	34	21
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		(73,981)	49,991	(33,928)	24,221	(61,131)	398	(11,993)	(728)
Other revenue		9,273	8,708	5,683	5,009	6,099	6,385	-	-
<b>Total investment income</b>		<b>3,932</b>	<b>92,028</b>	<b>5,141</b>	<b>43,435</b>	<b>(20,924)</b>	<b>51,937</b>	<b>3,315</b>	<b>8,882</b>
<b>Expenses</b>									
Responsible Entity's fees	7(e)	-	-	-	-	-	-	1,076	400
Other expenses		1	-	1	-	1	-	1	2
<b>Total operating expenses</b>		<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1,077</b>	<b>402</b>
<b>Net operating profit/(loss)</b>		<b>3,931</b>	<b>92,028</b>	<b>5,140</b>	<b>43,435</b>	<b>(20,925)</b>	<b>51,937</b>	<b>2,238</b>	<b>8,480</b>
<b>Financing costs</b>									
Distributions	3	77,883	42,035	39,096	19,222	35,281	53,415	13,438	9,654
<b>Net profit/(loss)</b>		<b>(73,952)</b>	<b>49,993</b>	<b>(33,956)</b>	<b>24,213</b>	<b>(56,206)</b>	<b>(1,478)</b>	<b>(11,200)</b>	<b>(1,174)</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Change in net assets attributable to unitholders</b>		<b>(73,952)</b>	<b>49,993</b>	<b>(33,956)</b>	<b>24,213</b>	<b>(56,206)</b>	<b>(1,478)</b>	<b>(11,200)</b>	<b>(1,174)</b>
		Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Inflation Plus Assertive Portfolio	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>									
Dividend and distribution income	7(h)	27,614	11,323	16,327	10,934	9,130	5,987	35,768	32,335
Interest income		23	31	26	40	27	16	26	26
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		(32,421)	23,060	(7,872)	8,050	(6,130)	(159)	(33,424)	(2,981)
Other revenue		3,408	3,267	-	-	-	-	-	-
<b>Total investment income</b>		<b>(1,376)</b>	<b>37,681</b>	<b>8,481</b>	<b>19,024</b>	<b>3,027</b>	<b>5,844</b>	<b>2,370</b>	<b>29,380</b>
<b>Expenses</b>									
Responsible Entity's fees	7(e)	-	-	1,333	1,226	815	299	1,708	1,201
Other expenses		-	-	-	-	-	-	1	-
<b>Total operating expenses</b>		<b>-</b>	<b>-</b>	<b>1,333</b>	<b>1,226</b>	<b>815</b>	<b>299</b>	<b>1,709</b>	<b>1,201</b>
<b>Net operating profit/(loss)</b>		<b>(1,376)</b>	<b>37,681</b>	<b>7,148</b>	<b>17,798</b>	<b>2,212</b>	<b>5,545</b>	<b>661</b>	<b>28,179</b>
<b>Financing costs</b>									
Distributions	3	31,039	14,619	22,308	8,741	8,218	5,945	29,527	28,747
<b>Net profit/(loss)</b>		<b>(32,415)</b>	<b>23,062</b>	<b>(15,160)</b>	<b>9,057</b>	<b>(6,006)</b>	<b>(400)</b>	<b>(28,866)</b>	<b>(568)</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Change in net assets attributable to unitholders</b>		<b>(32,415)</b>	<b>23,062</b>	<b>(15,160)</b>	<b>9,057</b>	<b>(6,006)</b>	<b>(400)</b>	<b>(28,866)</b>	<b>(568)</b>

The above Statements of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2016

		Diversified Debt Fund		Horizon 6 Share Portfolio		Property Securities Fund		Global Share Fund	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>									
Dividend and distribution income	7(h)	9,977	8,716	15,066	5,078	6,898	6,460	26,368	2,808
Interest income		21	29	14	19	9	11	9	16
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		1,297	(468)	(18,748)	13,822	22,858	15,912	(29,167)	26,233
Other revenue		-	-	1,653	1,613	-	-	70	250
<b>Total investment income</b>		<b>11,295</b>	<b>8,277</b>	<b>(2,015)</b>	<b>20,532</b>	<b>29,765</b>	<b>22,383</b>	<b>(2,720)</b>	<b>29,307</b>
<b>Expenses</b>									
Responsible Entity's fees	7(e)	695	662	-	-	416	382	-	-
Other expenses		-	-	1	-	-	-	-	-
<b>Total operating expenses</b>		<b>695</b>	<b>662</b>	<b>1</b>	<b>-</b>	<b>416</b>	<b>382</b>	<b>-</b>	<b>-</b>
<b>Net operating profit/(loss)</b>		<b>10,600</b>	<b>7,615</b>	<b>(2,016)</b>	<b>20,532</b>	<b>29,349</b>	<b>22,001</b>	<b>(2,720)</b>	<b>29,307</b>
<b>Financing costs</b>									
Distributions	3	9,244	8,089	16,727	6,715	6,492	6,095	20,448	3,068
<b>Net profit/(loss)</b>		<b>1,356</b>	<b>(474)</b>	<b>(18,743)</b>	<b>13,817</b>	<b>22,857</b>	<b>15,906</b>	<b>(23,168)</b>	<b>26,239</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Change in net assets attributable to unitholders</b>		<b>1,356</b>	<b>(474)</b>	<b>(18,743)</b>	<b>13,817</b>	<b>22,857</b>	<b>15,906</b>	<b>(23,168)</b>	<b>26,239</b>
		Australian Share Fund		Platinum Global Fund		Horizon 1 Bond Portfolio		Global Property Fund	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>									
Dividend and distribution income	7(h)	4,899	4,326	10,410	16,550	2,365	2,281	6,970	2,471
Interest income		6	7	8	8	16	13	9	15
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		(4,145)	737	(18,601)	6,238	(115)	575	(1,964)	6,106
Other revenue		-	-	751	883	-	-	-	-
<b>Total investment income</b>		<b>760</b>	<b>5,070</b>	<b>(7,432)</b>	<b>23,679</b>	<b>2,266</b>	<b>2,869</b>	<b>5,015</b>	<b>8,592</b>
<b>Expenses</b>									
Responsible Entity's fees	7(e)	317	352	-	-	257	405	367	369
Other expenses		-	-	-	1	1	1	-	-
<b>Total operating expenses</b>		<b>317</b>	<b>352</b>	<b>-</b>	<b>1</b>	<b>258</b>	<b>406</b>	<b>367</b>	<b>369</b>
<b>Net operating profit/(loss)</b>		<b>443</b>	<b>4,718</b>	<b>(7,432)</b>	<b>23,678</b>	<b>2,008</b>	<b>2,463</b>	<b>4,648</b>	<b>8,223</b>
<b>Financing costs</b>									
Distributions	3	3,950	3,977	6,553	7,499	2,193	2,013	6,968	2,469
<b>Net profit/(loss)</b>		<b>(3,507)</b>	<b>741</b>	<b>(13,985)</b>	<b>16,179</b>	<b>(185)</b>	<b>450</b>	<b>(2,320)</b>	<b>5,754</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Change in net assets attributable to unitholders</b>		<b>(3,507)</b>	<b>741</b>	<b>(13,985)</b>	<b>16,179</b>	<b>(185)</b>	<b>450</b>	<b>(2,320)</b>	<b>5,754</b>

The above Statements of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2016

		Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Hedged Global Share Fund		Australian Share Growth Style Fund	
		2016	2015	2016	2015	2016	2015	2016	2015
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Whole Dollars \$	Whole Dollars \$
<b>Investment income</b>									
Dividend and distribution income	7(h)	2,277	1,808	4,506	1,548	1,772	261	53,117	224,472
Interest income		3	6	7	7	5	4	1,211	817
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		(1,913)	(66)	(5,338)	4,084	(2,447)	2,072	(36,902)	5,510
Other revenue		-	-	-	-	-	-	-	-
<b>Total investment income</b>		<b>367</b>	<b>1,748</b>	<b>(825)</b>	<b>5,639</b>	<b>(670)</b>	<b>2,337</b>	<b>17,426</b>	<b>230,799</b>
<b>Expenses</b>									
Responsible Entity's fees	7(e)	121	97	267	264	143	135	9,434	30,010
Other expenses		-	-	-	-	-	-	-	125
<b>Total operating expenses</b>		<b>121</b>	<b>97</b>	<b>267</b>	<b>264</b>	<b>143</b>	<b>135</b>	<b>9,434</b>	<b>30,135</b>
<b>Net operating profit/(loss)</b>		<b>246</b>	<b>1,651</b>	<b>(1,092)</b>	<b>5,375</b>	<b>(813)</b>	<b>2,202</b>	<b>7,992</b>	<b>200,664</b>
<b>Financing costs</b>									
Distributions	3	2,158	1,721	4,174	1,224	1,771	261	327,299	195,220
<b>Net profit/(loss)</b>		<b>(1,912)</b>	<b>(70)</b>	<b>(5,266)</b>	<b>4,151</b>	<b>(2,584)</b>	<b>1,941</b>	<b>(319,307)</b>	<b>5,444</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Change in net assets attributable to unitholders</b>		<b>(1,912)</b>	<b>(70)</b>	<b>(5,266)</b>	<b>4,151</b>	<b>(2,584)</b>	<b>1,941</b>	<b>(319,307)</b>	<b>5,444</b>

		Australian Share Value Style Fund		Global Share Growth Style Fund		Global Share Value Style Fund	
	Notes	2016 Whole Dollars \$	2015 Whole Dollars \$	2016 Whole Dollars \$	2015 Whole Dollars \$	2016 Whole Dollars \$	2015 Whole Dollars \$
<b>Investment income</b>							
Dividend and distribution income	7(h)	88,315	385,961	482,478	103,372	-	299,844
Interest income		1,493	1,057	1,584	700	1,864	2,561
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		(196,824)	33,476	(249,223)	650,192	82,101	1,481,875
Other revenue		-	-	-	-	-	-
<b>Total investment income</b>		<b>(107,016)</b>	<b>420,494</b>	<b>234,839</b>	<b>754,264</b>	<b>83,965</b>	<b>1,784,280</b>
<b>Expenses</b>							
Responsible Entity's fees	7(e)	15,662	43,154	11,338	22,148	26,942	78,459
Other expenses		-	23	-	88	-	109
<b>Total operating expenses</b>		<b>15,662</b>	<b>43,177</b>	<b>11,338</b>	<b>22,236</b>	<b>26,942</b>	<b>78,568</b>
<b>Net operating profit/(loss)</b>		<b>(122,678)</b>	<b>377,317</b>	<b>223,501</b>	<b>732,028</b>	<b>57,023</b>	<b>1,705,712</b>
<b>Financing costs</b>							
Distributions	3	74,233	343,934	1,327,181	87,141	-	223,861
<b>Net profit/(loss)</b>		<b>(196,911)</b>	<b>33,383</b>	<b>(1,103,680)</b>	<b>644,887</b>	<b>57,023</b>	<b>1,481,851</b>
Other comprehensive income		-	-	-	-	-	-
<b>Change in net assets attributable to unitholders</b>		<b>(196,911)</b>	<b>33,383</b>	<b>(1,103,680)</b>	<b>644,887</b>	<b>57,023</b>	<b>1,481,851</b>

The above Statements of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Financial Position  
As at 30 June 2016

		Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>									
Cash and cash equivalents	10(b)	65,680	34,974	32,651	14,852	24,194	38,553	19,043	10,295
Receivables	5	839	770	483	456	498	543	3	4
Financial assets designated as held at fair value through profit or loss	4	1,095,089	1,002,556	612,763	592,584	485,220	516,875	374,067	167,266
<b>Total assets</b>		<b>1,161,608</b>	<b>1,038,300</b>	<b>645,897</b>	<b>607,892</b>	<b>509,912</b>	<b>555,971</b>	<b>393,113</b>	<b>177,565</b>
<b>Liabilities</b>									
Accounts payable and accrued expenses	6	1	5	1	2	2	2	70	43
Distributions payable	6	67,036	32,872	32,504	14,054	19,276	37,923	12,645	9,269
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>67,037</b>	<b>32,877</b>	<b>32,505</b>	<b>14,056</b>	<b>19,278</b>	<b>37,925</b>	<b>12,715</b>	<b>9,312</b>
<b>Net assets attributable to unitholders</b>		<b>1,094,571</b>	<b>1,005,423</b>	<b>613,392</b>	<b>593,836</b>	<b>490,634</b>	<b>518,046</b>	<b>380,398</b>	<b>168,253</b>
		Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Inflation Plus Assertive Portfolio	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>									
Cash and cash equivalents	10(b)	21,375	9,970	18,909	6,177	9,780	6,622	35,517	28,966
Receivables	5	292	285	1	3	3	4	3	3
Financial assets designated as held at fair value through profit or loss	4	364,393	359,820	336,646	312,220	291,821	130,641	316,301	236,947
<b>Total assets</b>		<b>386,060</b>	<b>370,075</b>	<b>355,556</b>	<b>318,400</b>	<b>301,604</b>	<b>137,267</b>	<b>351,821</b>	<b>265,916</b>
<b>Liabilities</b>									
Accounts payable and accrued expenses	6	1	3	34	89	43	30	72	93
Distributions payable	6	27,486	11,616	18,098	4,832	7,294	5,452	29,527	28,747
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>27,487</b>	<b>11,619</b>	<b>18,132</b>	<b>4,921</b>	<b>7,337</b>	<b>5,482</b>	<b>29,599</b>	<b>28,840</b>
<b>Net assets attributable to unitholders</b>		<b>358,573</b>	<b>358,456</b>	<b>337,424</b>	<b>313,479</b>	<b>294,267</b>	<b>131,785</b>	<b>322,222</b>	<b>237,076</b>
		Diversified Debt Fund		Horizon 6 Share Portfolio		Property Securities Fund		Global Share Fund	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>									
Cash and cash equivalents	10(b)	5,542	6,279	15,761	7,357	2,768	2,132	19,042	3,682
Receivables	5	3	1	147	143	1	1	1	21
Financial assets designated as held at fair value through profit or loss	4	198,213	199,897	171,851	169,063	146,038	123,682	116,415	153,343
<b>Total assets</b>		<b>203,758</b>	<b>206,177</b>	<b>187,759</b>	<b>176,563</b>	<b>148,807</b>	<b>125,815</b>	<b>135,458</b>	<b>157,046</b>
<b>Liabilities</b>									
Accounts payable and accrued expenses	6	20	48	-	3	13	23	17	1
Distributions payable	6	4,896	5,063	16,727	6,715	2,903	1,435	20,447	3,068
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>4,916</b>	<b>5,111</b>	<b>16,727</b>	<b>6,718</b>	<b>2,916</b>	<b>1,458</b>	<b>20,464</b>	<b>3,069</b>
<b>Net assets attributable to unitholders</b>		<b>198,842</b>	<b>201,066</b>	<b>171,032</b>	<b>169,845</b>	<b>145,891</b>	<b>124,357</b>	<b>114,994</b>	<b>153,977</b>

The above Statements of Financial Position are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Financial Position  
As at 30 June 2016

		Australian Share Fund		Platinum Global Fund		Horizon 1 Bond Portfolio		Global Property Fund	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>									
Cash and cash equivalents	10(b)	515	2,815	6,914	8,028	1,771	1,380	7,298	3,129
Receivables	5	-	-	53	72	1	1	1	1
Financial assets designated as held at fair value through profit or loss	4	93,912	64,785	89,997	120,447	83,939	93,069	77,587	79,701
<b>Total assets</b>		<b>94,427</b>	<b>67,600</b>	<b>96,964</b>	<b>128,547</b>	<b>85,711</b>	<b>94,450</b>	<b>84,886</b>	<b>82,831</b>
<b>Liabilities</b>									
Accounts payable and accrued expenses	6	23	29	-	1	8	22	6	26
Distributions payable	6	-	2,537	6,553	7,499	1,208	796	6,907	2,447
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>23</b>	<b>2,566</b>	<b>6,553</b>	<b>7,500</b>	<b>1,216</b>	<b>818</b>	<b>6,913</b>	<b>2,473</b>
<b>Net assets attributable to unitholders</b>		<b>94,404</b>	<b>65,034</b>	<b>90,411</b>	<b>121,047</b>	<b>84,495</b>	<b>93,632</b>	<b>77,973</b>	<b>80,358</b>
		Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Hedged Global Share Fund		Australian Share Growth Style Fund	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Whole Dollars \$	Whole Dollars \$
<b>Assets</b>									
Cash and cash equivalents	10(b)	1,126	1,043	4,804	1,671	2,117	507	-	145,654
Receivables	5	-	-	-	-	-	3	-	51
Financial assets designated as held at fair value through profit or loss	4	56,946	44,993	33,934	35,066	26,630	25,121	-	3,444,411
<b>Total assets</b>		<b>58,072</b>	<b>46,036</b>	<b>38,738</b>	<b>36,737</b>	<b>28,747</b>	<b>25,631</b>	<b>-</b>	<b>3,590,116</b>
<b>Liabilities</b>									
Accounts payable and accrued expenses	6	4	6	9	16	6	11	-	1,800
Distributions payable	6	784	776	4,174	1,224	1,771	261	-	113,334
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>788</b>	<b>782</b>	<b>4,183</b>	<b>1,240</b>	<b>1,777</b>	<b>272</b>	<b>-</b>	<b>115,134</b>
<b>Net assets attributable to unitholders</b>		<b>57,284</b>	<b>45,254</b>	<b>34,555</b>	<b>35,497</b>	<b>26,970</b>	<b>25,359</b>	<b>-</b>	<b>3,474,982</b>
		Australian Share Value Style Fund		Global Share Growth Style Fund		Global Share Value Style Fund			
		2016	2015	2016	2015	2016	2015		
Notes		Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$		
<b>Assets</b>									
Cash and cash equivalents	10(b)	-	258,026	-	138,278	-	238,890		
Receivables	5	-	109	-	64	-	170		
Financial assets designated as held at fair value through profit or loss	4	-	5,931,604	-	4,002,005	-	12,946,985		
<b>Total assets</b>		<b>-</b>	<b>6,189,739</b>	<b>-</b>	<b>4,140,347</b>	<b>-</b>	<b>13,186,045</b>		
<b>Liabilities</b>									
Accounts payable and accrued expenses	6	-	3,016	-	2,537	-	6,328		
Distributions payable	6	-	230,477	-	87,141	-	223,861		
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>-</b>	<b>233,493</b>	<b>-</b>	<b>89,678</b>	<b>-</b>	<b>230,189</b>		
<b>Net assets attributable to unitholders</b>		<b>-</b>	<b>5,956,246</b>	<b>-</b>	<b>4,050,669</b>	<b>-</b>	<b>12,955,856</b>		

The above Statements of Financial Position are to be read in conjunction with the accompanying notes.

**MLC Investment Trust**  
**Statements of Changes in Net Assets Attributable to Unitholders**  
**For the year ended 30 June 2016**

	<b>Horizon 4 Balanced Portfolio</b>		<b>Horizon 3 Conservative Growth Portfolio</b>		<b>Income Builder</b>		<b>Inflation Plus - Moderate Portfolio</b>	
	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000
<b>Net assets attributable to unitholders</b>								
<b>Balance at 30 June 2014</b>	881,996	837,140	483,701	458,400	490,945	268,242	59,225	58,354
Applications	235,076	210,951	176,545	159,899	105,585	54,179	151,014	139,452
Redemptions	(161,642)	(145,020)	(90,623)	(81,900)	(77,006)	(39,418)	(40,812)	(39,365)
Change in net assets attributable to unitholders	49,993	-	24,213	-	(1,478)	-	(1,174)	-
<b>Balance at 30 June 2015</b>	<b>1,005,423</b>	<b>903,071</b>	<b>593,836</b>	<b>536,399</b>	<b>518,046</b>	<b>283,003</b>	<b>168,253</b>	<b>158,441</b>
Applications	342,870	307,493	148,100	134,242	107,545	60,819	265,895	249,168
Redemptions	(179,770)	(163,126)	(94,588)	(86,034)	(78,751)	(45,438)	(42,550)	(40,015)
Change in net assets attributable to unitholders	(73,952)	-	(33,956)	-	(56,206)	-	(11,200)	-
<b>Balance at 30 June 2016</b>	<b>1,094,571</b>	<b>1,047,438</b>	<b>613,392</b>	<b>584,607</b>	<b>490,634</b>	<b>298,384</b>	<b>380,398</b>	<b>367,594</b>
	<b>Horizon 5 Growth Portfolio</b>		<b>Horizon 2 Income Portfolio</b>		<b>Inflation Plus - Conservative Portfolio</b>		<b>Inflation Plus - Assertive Portfolio Class A</b>	
	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000
<b>Net assets attributable to unitholders</b>								
<b>Balance at 30 June 2014</b>	326,896	312,624	252,064	244,097	35,904	35,244	135,343	145,326
Applications	62,126	55,825	109,340	101,831	105,632	98,588	123,034	121,619
Redemptions	(53,628)	(48,461)	(56,982)	(53,055)	(9,351)	(8,787)	(24,641)	(24,401)
Change in net assets attributable to unitholders	23,062	-	9,057	-	(400)	-	(640)	-
<b>Balance at 30 June 2015</b>	<b>358,456</b>	<b>319,988</b>	<b>313,479</b>	<b>292,873</b>	<b>131,785</b>	<b>125,045</b>	<b>233,096</b>	<b>242,544</b>
Applications	86,872	78,245	104,176	96,967	202,865	191,273	157,630	163,161
Redemptions	(54,340)	(49,419)	(65,071)	(60,779)	(34,377)	(32,508)	(43,695)	(45,581)
Change in net assets attributable to unitholders	(32,415)	-	(15,160)	-	(6,006)	-	(28,532)	-
<b>Balance at 30 June 2016</b>	<b>358,573</b>	<b>348,814</b>	<b>337,424</b>	<b>329,061</b>	<b>294,267</b>	<b>283,810</b>	<b>318,499</b>	<b>360,124</b>
	<b>Inflation Plus - Assertive Portfolio Class B</b>		<b>Wholesale Diversified Debt Fund Class A</b>		<b>Wholesale Diversified Debt Fund Class B</b>		<b>Horizon 6 Share Portfolio</b>	
	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000
<b>Net assets attributable to unitholders</b>								
<b>Balance at 30 June 2014</b>	2,976	3,177	180,406	174,276	2,802	2,776	154,432	152,768
Applications	1,654	1,650	58,119	55,117	481	459	35,983	33,177
Redemptions	(722)	(731)	(39,911)	(37,834)	(357)	(343)	(34,387)	(31,581)
Change in net assets attributable to unitholders	72	-	(526)	-	52	-	13,817	-
<b>Balance at 30 June 2015</b>	<b>3,980</b>	<b>4,096</b>	<b>198,088</b>	<b>191,559</b>	<b>2,978</b>	<b>2,892</b>	<b>169,845</b>	<b>154,364</b>
Applications	1,235	1,258	38,829	37,246	551	533	44,974	41,046
Redemptions	(1,158)	(1,193)	(42,592)	(40,840)	(368)	(355)	(25,044)	(23,141)
Change in net assets attributable to unitholders	(334)	-	1,334	-	22	-	(18,743)	-
<b>Balance at 30 June 2016</b>	<b>3,723</b>	<b>4,161</b>	<b>195,659</b>	<b>187,965</b>	<b>3,183</b>	<b>3,070</b>	<b>171,032</b>	<b>172,269</b>

The above Statements of Changes in Net Assets Attributable to Unitholders are to be read in conjunction with the accompanying notes.

**MLC Investment Trust**  
**Statements of Changes in Net Assets Attributable to Unitholders**  
**For the year ended 30 June 2016**

	Property Securities Fund		Global Share Fund		Australian Share Fund		Platinum Global Fund	
	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000
<b>Net assets attributable to unitholders</b>								
<b>Balance at 30 June 2014</b>	123,586	234,645	118,867	133,491	71,115	72,542	134,089	127,051
Applications	17,729	30,366	31,347	31,575	8,796	8,639	51	43
Redemptions	(32,864)	(57,142)	(22,476)	(22,359)	(15,618)	(15,116)	(29,272)	(25,895)
Change in net assets attributable to unitholders	15,906	-	26,239	-	741	-	16,179	-
<b>Balance at 30 June 2015</b>	<b>124,357</b>	<b>207,869</b>	<b>153,977</b>	<b>142,707</b>	<b>65,034</b>	<b>66,065</b>	<b>121,047</b>	<b>101,199</b>
Applications	20,089	31,129	25,690	23,724	44,913	46,548	42	35
Redemptions	(21,412)	(33,175)	(41,505)	(38,551)	(12,036)	(12,511)	(16,693)	(14,432)
Change in net assets attributable to unitholders	22,857	-	(23,168)	-	(3,507)	-	(13,985)	-
<b>Balance at 30 June 2016</b>	<b>145,891</b>	<b>205,823</b>	<b>114,994</b>	<b>127,880</b>	<b>94,404</b>	<b>100,102</b>	<b>90,411</b>	<b>86,802</b>

	Horizon 1 Bond Portfolio		Global Property Fund Class A		Global Property Fund Class B		Australian Share Index Fund	
	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000
<b>Net assets attributable to unitholders</b>								
<b>Balance at 30 June 2014</b>	109,722	107,660	63,970	103,238	4,785	6,685	29,882	23,520
Applications	22,562	22,004	16,535	24,293	519	637	21,118	16,050
Redemptions	(39,102)	(38,183)	(10,351)	(15,360)	(854)	(1,091)	(5,676)	(4,332)
Change in net assets attributable to unitholders	450	-	5,411	-	343	-	(70)	-
<b>Balance at 30 June 2015</b>	<b>93,632</b>	<b>91,481</b>	<b>75,565</b>	<b>112,171</b>	<b>4,793</b>	<b>6,231</b>	<b>45,254</b>	<b>35,238</b>
Applications	18,492	18,021	11,943	17,394	640	796	21,083	16,923
Redemptions	(27,444)	(26,733)	(10,990)	(16,036)	(1,658)	(2,145)	(7,141)	(5,783)
Change in net assets attributable to unitholders	(185)	-	(2,211)	-	(109)	-	(1,912)	-
<b>Balance at 30 June 2016</b>	<b>84,495</b>	<b>82,769</b>	<b>74,307</b>	<b>113,529</b>	<b>3,666</b>	<b>4,882</b>	<b>57,284</b>	<b>46,378</b>

	Horizon 7 Accelerated Growth Portfolio		Hedged Global Share Fund Class A		Hedged Global Share Fund Class B		Australian Share Growth Style Fund	
	\$'000	No. '000	\$'000	No. '000	\$'000	No. '000	Whole Dollars \$	No.
<b>Net assets attributable to unitholders</b>								
<b>Balance at 30 June 2014</b>	34,996	28,864	23,747	29,676	1,496	1,951	4,451,224	3,709,143
Applications	7,259	5,485	3,177	3,804	254	314	686,389	555,283
Redemptions	(10,909)	(8,135)	(4,859)	(5,790)	(397)	(511)	(1,668,075)	(1,343,445)
Change in net assets attributable to unitholders	4,151	-	1,853	-	88	-	5,444	-
<b>Balance at 30 June 2015</b>	<b>35,497</b>	<b>26,214</b>	<b>23,918</b>	<b>27,690</b>	<b>1,441</b>	<b>1,754</b>	<b>3,474,982</b>	<b>2,920,981</b>
Applications	11,318	8,589	9,207	11,039	97	123	163,556	134,958
Redemptions	(6,994)	(5,280)	(4,740)	(5,669)	(369)	(460)	(3,319,231)	(3,055,939)
Change in net assets attributable to unitholders	(5,266)	-	(2,482)	-	(102)	-	(319,307)	-
<b>Balance at 30 June 2016</b>	<b>34,555</b>	<b>29,523</b>	<b>25,903</b>	<b>33,060</b>	<b>1,067</b>	<b>1,417</b>	<b>-</b>	<b>-</b>

	Australian Share Value Style Fund		Global Share Growth Style Fund		Global Share Value Style Fund	
	Whole Dollars \$	No.	Whole Dollars \$	No.	Whole Dollars \$	No.
<b>Net assets attributable to unitholders</b>						
<b>Balance at 30 June 2014</b>	5,675,066	6,367,842	2,789,481	2,203,559	11,037,666	11,405,674
Applications	990,849	1,054,701	1,528,279	1,031,580	3,793,333	3,668,486
Redemptions	(743,052)	(799,630)	(911,978)	(649,352)	(3,356,994)	(3,229,644)
Change in net assets attributable to unitholders	33,383	-	644,887	-	1,481,851	-
<b>Balance at 30 June 2015</b>	<b>5,956,246</b>	<b>6,622,913</b>	<b>4,050,669</b>	<b>2,585,787</b>	<b>12,955,856</b>	<b>11,844,516</b>
Applications	110,533	120,184	241,923	147,893	1,016,260	919,111
Redemptions	(5,869,868)	(6,743,097)	(3,188,912)	(2,733,680)	(14,029,139)	(12,763,627)
Change in net assets attributable to unitholders	(196,911)	-	(1,103,680)	-	57,023	-
<b>Balance at 30 June 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The above Statements of Changes in Net Assets Attributable to Unitholders are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Cash Flows  
For the year ended 30 June 2016

		Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>									
Dividends and distribution income received		-	-	-	-	-	-	-	-
Interest received		58	87	30	54	44	53	33	19
Other income received		9,201	8,601	5,655	4,912	6,147	6,328	-	-
Responsible Entity's fees paid		-	-	-	-	-	-	(1,051)	(374)
Payment of other expenses		(5)	(1)	(2)	-	(4)	-	-	(2)
<b>Net cash provided by/(used in) operating activities</b>	10(a)	<b>9,254</b>	<b>8,687</b>	<b>5,683</b>	<b>4,966</b>	<b>6,187</b>	<b>6,381</b>	<b>(1,018)</b>	<b>(357)</b>
<b>Cash flows from investing activities</b>									
Proceeds from sale of investments		101,831	36,190	55,061	17,149	52,218	59,750	20,152	11,940
Purchases of investments		(199,760)	(77,490)	(75,810)	(91,440)	(47,630)	(42,720)	(223,670)	(111,890)
<b>Net cash provided by/(used in) investing activities</b>		<b>(97,929)</b>	<b>(41,300)</b>	<b>(20,749)</b>	<b>(74,291)</b>	<b>4,588</b>	<b>17,030</b>	<b>(203,518)</b>	<b>(99,950)</b>
<b>Cash flows from financing activities</b>									
Applications received		340,778	234,036	147,556	176,153	107,108	105,295	265,861	150,182
Redemptions paid		(179,770)	(161,642)	(94,588)	(90,623)	(78,751)	(77,006)	(42,550)	(40,812)
Distributions paid		(41,627)	(23,527)	(20,103)	(11,606)	(53,491)	(29,903)	(10,027)	(1,357)
<b>Net cash provided by/(used in) financing activities</b>		<b>119,381</b>	<b>48,867</b>	<b>32,865</b>	<b>73,924</b>	<b>(25,134)</b>	<b>(1,614)</b>	<b>213,284</b>	<b>108,013</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>30,706</b>	<b>16,254</b>	<b>17,799</b>	<b>4,599</b>	<b>(14,359)</b>	<b>21,797</b>	<b>8,748</b>	<b>7,706</b>
Cash and cash equivalents at the beginning of the financial year		34,974	18,720	14,852	10,253	38,553	16,756	10,295	2,589
Effects of exchange rate changes on cash		-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	10(b)	<b>65,680</b>	<b>34,974</b>	<b>32,651</b>	<b>14,852</b>	<b>24,194</b>	<b>38,553</b>	<b>19,043</b>	<b>10,295</b>

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.



**MLC Investment Trust**  
**Statements of Cash Flows**  
**For the year ended 30 June 2016**

	<b>Horizon 5 Growth Portfolio</b>		<b>Horizon 2 Income Portfolio</b>		<b>Inflation Plus - Conservative Portfolio</b>		<b>Inflation Plus Assertive Portfolio</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Notes	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>								
Dividends and distribution income received	-	-	-	-	-	-	-	-
Interest received	23	33	27	38	27	15	27	25
Other income received	3,402	3,232	-	-	-	-	-	-
Responsible Entity's fees paid	-	-	(1,387)	(1,206)	(800)	(279)	(1,728)	(1,166)
Payment of other expenses	(3)	-	(2)	-	(1)	-	(3)	-
<b>Net cash provided by/(used in) operating activities</b>	<b>3,422</b>	<b>3,265</b>	<b>(1,362)</b>	<b>(1,168)</b>	<b>(774)</b>	<b>(264)</b>	<b>(1,704)</b>	<b>(1,141)</b>
10(a)								
<b>Cash flows from investing activities</b>								
Proceeds from sale of investments	32,488	16,958	94,073	15,610	6,740	8,120	47,449	28,110
Purchases of investments	(41,870)	(16,550)	(110,043)	(58,554)	(164,920)	(99,290)	(124,460)	(99,190)
<b>Net cash provided by/(used in) investing activities</b>	<b>(9,382)</b>	<b>408</b>	<b>(15,970)</b>	<b>(42,944)</b>	<b>(158,180)</b>	<b>(91,170)</b>	<b>(77,011)</b>	<b>(71,080)</b>
<b>Cash flows from financing activities</b>								
Applications received	83,178	59,833	103,902	109,236	202,803	105,621	158,174	124,688
Redemptions paid	(54,340)	(53,628)	(65,071)	(56,982)	(34,377)	(9,351)	(44,853)	(25,363)
Distributions paid	(11,473)	(6,493)	(8,767)	(6,416)	(6,314)	(1,185)	(28,055)	(3,025)
<b>Net cash provided by/(used in) financing activities</b>	<b>17,365</b>	<b>(288)</b>	<b>30,064</b>	<b>45,838</b>	<b>162,112</b>	<b>95,085</b>	<b>85,266</b>	<b>96,300</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>11,405</b>	<b>3,385</b>	<b>12,732</b>	<b>1,726</b>	<b>3,158</b>	<b>3,651</b>	<b>6,551</b>	<b>24,079</b>
Cash and cash equivalents at the beginning of the financial year	9,970	6,585	6,177	4,451	6,622	2,971	28,966	4,887
Effects of exchange rate changes on cash	-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	<b>21,375</b>	<b>9,970</b>	<b>18,909</b>	<b>6,177</b>	<b>9,780</b>	<b>6,622</b>	<b>35,517</b>	<b>28,966</b>
10(b)								

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

**MLC Investment Trust**  
**Statements of Cash Flows**  
**For the year ended 30 June 2016**

		<b>Diversified Debt Fund</b>		<b>Horizon 6 Share Portfolio</b>		<b>Property Securities Fund</b>		<b>Global Share Fund</b>	
		<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	Notes	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>									
Dividends and distribution income received		-	-	-	-	-	-	-	-
Interest received		20	29	15	20	10	11	9	17
Other income received		-	-	1,647	1,596	-	-	105	258
Responsible Entity's fees paid		(721)	(655)	-	-	(427)	(382)	-	-
Payment of other expenses		(3)	-	(3)	-	(1)	-	-	-
<b>Net cash provided by/(used in) operating activities</b>	10(a)	<b>(704)</b>	<b>(626)</b>	<b>1,659</b>	<b>1,616</b>	<b>(418)</b>	<b>(371)</b>	<b>114</b>	<b>275</b>
<b>Cash flows from investing activities</b>									
Proceeds from sale of investments		21,349	13,423	19,919	14,550	13,741	23,860	42,049	7,859
Purchases of investments		(8,392)	(22,605)	(26,390)	(11,190)	(6,340)	(2,130)	(7,920)	(14,150)
<b>Net cash provided by/(used in) investing activities</b>		<b>12,957</b>	<b>(9,182)</b>	<b>(6,471)</b>	<b>3,360</b>	<b>7,401</b>	<b>21,730</b>	<b>34,129</b>	<b>(6,291)</b>
<b>Cash flows from financing activities</b>									
Applications received		39,380	58,600	44,822	35,913	19,689	17,110	25,490	31,199
Redemptions paid		(42,960)	(40,268)	(25,044)	(34,387)	(21,412)	(32,864)	(41,505)	(22,476)
Distributions paid		(9,410)	(5,032)	(6,562)	(3,810)	(4,624)	(5,379)	(2,868)	(1,788)
<b>Net cash provided by/(used in) financing activities</b>		<b>(12,990)</b>	<b>13,300</b>	<b>13,216</b>	<b>(2,284)</b>	<b>(6,347)</b>	<b>(21,133)</b>	<b>(18,883)</b>	<b>6,935</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(737)</b>	<b>3,492</b>	<b>8,404</b>	<b>2,692</b>	<b>636</b>	<b>226</b>	<b>15,360</b>	<b>919</b>
Cash and cash equivalents at the beginning of the financial year		6,279	2,787	7,357	4,665	2,132	1,906	3,682	2,763
Effects of exchange rate changes on cash		-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	10(b)	<b>5,542</b>	<b>6,279</b>	<b>15,761</b>	<b>7,357</b>	<b>2,768</b>	<b>2,132</b>	<b>19,042</b>	<b>3,682</b>

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

**MLC Investment Trust**  
**Statements of Cash Flows**  
**For the year ended 30 June 2016**

		Australian Share Fund		Platinum Global Fund		Horizon 1 Bond Portfolio		Global Property Fund	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>									
Dividends and distribution income received		-	-	-	-	-	-	-	-
Interest received		7	11	9	8	16	13	8	16
Other income received		-	-	770	883	-	-	-	-
Responsible Entity's fees paid		(321)	(353)	-	-	(264)	(433)	(386)	(363)
Payment of other expenses		(1)	-	(3)	-	(7)	-	(1)	(1)
<b>Net cash provided by/(used in) operating activities</b>	10(a)	<b>(315)</b>	<b>(342)</b>	<b>776</b>	<b>891</b>	<b>(255)</b>	<b>(420)</b>	<b>(379)</b>	<b>(348)</b>
<b>Cash flows from investing activities</b>									
Proceeds from sale of investments		11,392	13,180	22,260	35,940	16,731	27,616	11,219	3,960
Purchases of investments		(39,770)	(2,040)	-	-	(5,353)	(9,049)	(4,100)	(7,140)
<b>Net cash provided by/(used in) investing activities</b>		<b>(28,378)</b>	<b>11,140</b>	<b>22,260</b>	<b>35,940</b>	<b>11,378</b>	<b>18,567</b>	<b>7,119</b>	<b>(3,180)</b>
<b>Cash flows from financing activities</b>									
Applications received		44,892	8,781	-	51	18,492	22,562	12,585	17,054
Redemptions paid		(12,035)	(15,618)	(16,693)	(29,272)	(27,444)	(39,102)	(12,648)	(11,205)
Distributions paid		(6,464)	(3,544)	(7,457)	-	(1,780)	(2,649)	(2,508)	(844)
<b>Net cash provided by/(used in) financing activities</b>		<b>26,393</b>	<b>(10,381)</b>	<b>(24,150)</b>	<b>(29,221)</b>	<b>(10,732)</b>	<b>(19,189)</b>	<b>(2,571)</b>	<b>5,005</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,300)</b>	<b>417</b>	<b>(1,114)</b>	<b>7,610</b>	<b>391</b>	<b>(1,042)</b>	<b>4,169</b>	<b>1,477</b>
Cash and cash equivalents at the beginning of the financial year		2,815	2,398	8,028	418	1,380	2,422	3,129	1,652
Effects of exchange rate changes on cash		-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	10(b)	<b>515</b>	<b>2,815</b>	<b>6,914</b>	<b>8,028</b>	<b>1,771</b>	<b>1,380</b>	<b>7,298</b>	<b>3,129</b>

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Cash Flows  
For the year ended 30 June 2016

		Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Hedged Global Share Fund		Australian Share Growth Style Fund	
		2016	2015	2016	2015	2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Whole Dollars \$	Whole Dollars \$
<b>Cash flows from operating activities</b>									
Dividends and distribution income received		-	-	-	-	-	-	-	-
Interest received		5	7	7	6	4	3	1,263	841
Other income received		-	-	-	-	-	-	-	-
Responsible Entity's fees paid		(124)	(95)	(273)	(262)	(145)	(135)	(11,235)	(30,271)
Payment of other expenses		-	-	-	-	-	-	-	(17)
<b>Net cash provided by/(used in) operating activities</b>	10(a)	<b>(119)</b>	<b>(88)</b>	<b>(266)</b>	<b>(256)</b>	<b>(141)</b>	<b>(132)</b>	<b>(9,972)</b>	<b>(29,447)</b>
<b>Cash flows from investing activities</b>									
Proceeds from sale of investments		3,520	2,260	6,670	7,000	3,740	3,440	3,590,626	1,650,000
Purchases of investments		(15,110)	(15,950)	(6,370)	(2,210)	(5,925)	(1,110)	(130,000)	(460,000)
<b>Net cash provided by/(used in) investing activities</b>		<b>(11,590)</b>	<b>(13,690)</b>	<b>300</b>	<b>4,790</b>	<b>(2,185)</b>	<b>2,330</b>	<b>3,460,626</b>	<b>1,190,000</b>
<b>Cash flows from financing activities</b>									
Applications received		21,083	21,118	11,294	7,249	9,306	3,431	163,408	686,244
Redemptions paid		(7,141)	(5,676)	(6,994)	(10,909)	(5,109)	(5,256)	(3,319,231)	(1,668,075)
Distributions paid		(2,150)	(1,611)	(1,201)	(628)	(261)	(189)	(440,485)	(139,604)
<b>Net cash provided by/(used in) financing activities</b>		<b>11,792</b>	<b>13,831</b>	<b>3,099</b>	<b>(4,288)</b>	<b>3,936</b>	<b>(2,014)</b>	<b>(3,596,308)</b>	<b>(1,121,435)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>83</b>	<b>53</b>	<b>3,133</b>	<b>246</b>	<b>1,610</b>	<b>184</b>	<b>(145,654)</b>	<b>39,118</b>
Cash and cash equivalents at the beginning of the financial year		1,043	990	1,671	1,425	507	323	145,654	106,536
Effects of exchange rate changes on cash		-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	10(b)	<b>1,126</b>	<b>1,043</b>	<b>4,804</b>	<b>1,671</b>	<b>2,117</b>	<b>507</b>	<b>-</b>	<b>145,654</b>

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

**MLC Investment Trust**  
**Statements of Cash Flows**  
**For the year ended 30 June 2016**

	Notes	Australian Share Value Style Fund		Global Share Growth Style Fund		Global Share Value Style Fund	
		2016 Whole Dollars \$	2015 Whole Dollars \$	2016 Whole Dollars \$	2015 Whole Dollars \$	2016 Whole Dollars \$	2015 Whole Dollars \$
<b>Cash flows from operating activities</b>							
Dividends and distribution income received		-	-	-	-	-	-
Interest received		1,604	1,100	1,648	711	2,034	2,697
Other income received		-	-	-	-	-	-
Responsible Entity's fees paid		(18,679)	(42,725)	(13,876)	(21,161)	(33,270)	(76,881)
Payment of other expenses		-	-	-	(24)	-	-
<b>Net cash provided by/(used in) operating activities</b>	10(a)	<u>(17,075)</u>	<u>(41,625)</u>	<u>(12,228)</u>	<u>(20,474)</u>	<u>(31,236)</u>	<u>(74,184)</u>
<b>Cash flows from investing activities</b>							
Proceeds from sale of investments		5,887,095	990,000	4,455,261	960,000	13,599,086	2,030,000
Purchases of investments		(64,000)	(850,000)	(220,000)	(1,448,000)	(570,000)	(2,150,000)
<b>Net cash provided by/(used in) investing activities</b>		<u>5,823,095</u>	<u>140,000</u>	<u>4,235,261</u>	<u>(488,000)</u>	<u>13,029,086</u>	<u>(120,000)</u>
<b>Cash flows from financing activities</b>							
Applications received		110,383	990,709	241,847	1,528,245	875,971	3,687,939
Redemptions paid		(5,869,868)	(743,052)	(3,188,912)	(911,978)	(14,029,139)	(3,356,994)
Distributions paid		(304,561)	(215,202)	(1,414,246)	(33,901)	(83,572)	(78,237)
<b>Net cash provided by/(used in) financing activities</b>		<u>(6,064,046)</u>	<u>32,455</u>	<u>(4,361,311)</u>	<u>582,366</u>	<u>(13,236,740)</u>	<u>252,708</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(258,026)</u>	<u>130,830</u>	<u>(138,278)</u>	<u>73,892</u>	<u>(238,890)</u>	<u>58,524</u>
Cash and cash equivalents at the beginning of the financial year		258,026	127,196	138,278	64,386	238,890	180,366
Effects of exchange rate changes on cash		-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	10(b)	<u>-</u>	<u>258,026</u>	<u>-</u>	<u>138,278</u>	<u>-</u>	<u>238,890</u>

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial report of the Schemes for the financial year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 30 August 2016.

### **(a) Statement of compliance**

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board ('AASB') and International Financial Reporting Standards (IFRS'), as issued by the International Accounting Standards Board.

### **(b) Basis of preparation**

The Schemes' financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on the basis of historical costs, except for financial assets and financial liabilities held at fair value and held for trading, that have been measured at fair value.

The current year financial statements for the Australian Share Growth Style Fund, Australian Share Value Style Fund, Global Share Growth Style Fund and Global Share Value Style Fund have been prepared on a liquidation basis.

The Statements of Financial Position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets and liabilities at fair value and net assets attributable to unitholders.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The financial statements are presented in Australian Dollars, and all values are rounded to the nearest \$'000 except where otherwise indicated.

### **(c) Basis of consolidation**

The Schemes are investment entities and, as such, do not consolidate any entities subject to their control. Instead, interests in controlled entities are classified at fair value through profit or loss, and measured at fair value. The Schemes may hold a controlling interest in any of their underlying investments and therefore are required to provide additional disclosures as set out in Note 8.

### **(d) Unit prices**

The unit price for the units of the Schemes is calculated as at the close of business on each business day.

### **(e) Terms and conditions on units**

Each unit issued confers upon the unitholders of each Scheme an equal interest in the Scheme, and is of equal value. A unit does not confer any interest in any particular asset or investment of each Scheme. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- (i) have their units redeemed;
- (ii) receive income distributions;
- (iii) attend and vote at meetings of unitholders; and
- (iv) participate in the termination and winding up of the Scheme.

The rights, obligations and restrictions attached to any unit of a Scheme are identical in all respects.

### **(f) Financial assets and liabilities held at fair value through profit or loss**

The Schemes have classified all of their investments as designated at fair value through profit or loss except derivatives which are held for trading for risk management purposes. Securities designated as at fair value through profit or loss are initially recognised at fair value.

Investments are valued at their fair value as at reporting date. Gains and losses arising from changes in the fair value of the financial assets designated as held at fair value through profit or loss are included in the Statements of Profit or Loss and Other Comprehensive Income in the period in which they arise.

### **(g) Fair value measurement**

Assets and liabilities measured at fair value in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement in its entirety as detailed below:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### **(h) Significant accounting judgements, estimates, or assumptions**

The Schemes may make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements.

#### *Estimates and assumptions*

Estimates are continually evaluated and based on historical experience, available information and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Fair value of financial assets and liabilities held through profit or loss*

Fair value is the price that would be received from disposing an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date.

The Schemes measure investments in financial assets and financial liabilities at fair value through profit or loss. Management applies judgement in selecting valuation techniques where there is no market price available for an instrument. Further details on the determination of fair values of financial instruments is set out in Note 9(e).

#### *Judgements*

(i) The Schemes meet the definition criteria of an investment entity under AASB 10 and therefore are required to measure their interests in controlled entities at fair value through profit or loss. The criteria which define an investment entity are as follows:

- (a) An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- (b) An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- (c) An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) Significant accounting judgements, estimates, or assumptions (continued)**

(ii) The Schemes have assessed whether their investments in unlisted registered managed investment schemes should be classified as structured entities. A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. The Schemes have considered the voting rights and other similar rights and concluded on whether these rights are the dominant factor in determining control. The Schemes have concluded that their investments in unlisted registered managed investment schemes meet the definition of structured entities as the voting rights of these unlisted registered managed investment schemes are not substantive in nature.

**(i) Cash and cash equivalents**

Cash and cash equivalents in the Statements of Financial Position comprise cash at bank and short term deposits.

**(j) Receivables**

Receivables may include amounts for dividends, interest, distributions, outstanding settlements and other income and are measured initially at fair value plus transaction costs. Amounts are generally received within 30 days of being recorded as receivable. Given the short-term nature of most receivables, the recoverable amount approximates fair value.

**(k) Accounts payable and accrued expenses**

Payables include outstanding settlements and accrued expenses owing by the Schemes which are unpaid as at balance date. They are measured initially at fair value plus transaction costs. Given the short-term nature of most payables, the nominal amount payable approximates fair value.

**(l) Foreign currency transactions**

Transactions during the year denominated in foreign currency have been translated at the exchange rate prevailing at the transaction date. Overseas investments and monetary items held, together with any accrued income, are translated at the exchange rate prevailing at the year end.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in the Statements of Profit or Loss and Other Comprehensive Income as part of the 'Changes in the fair value of financial assets and liabilities at fair value through profit or loss'.

**(m) Income and expenses**

Revenue is brought to account on an accrual basis except where otherwise stated.

Dividend and distribution income, from listed securities and unlisted registered managed investment schemes, are recognised on the date the shares or trust units are quoted ex dividend/distribution. Income on fixed interest securities and money market securities is recognised on an ex interest accrual basis.

Interest income on discount securities is brought to account on a straight line basis and is derived from interest earned and amortised premium or discount to face value on investments.

Changes in the fair value of investments are recognised as income and are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or cost (if the investment was acquired during the year).

Expenses are brought to account on an accrual basis.

The Responsible Entity is entitled to receive a fee, calculated in accordance with the Schemes' Constitutions, for the provision of management services to the Schemes. The Responsible Entity is entitled to be reimbursed, under the Schemes' Constitutions, for certain expenses incurred in administering the Schemes. The amount reimbursed has been calculated in accordance with the Schemes' Constitutions.

Other expenses also include government duties and bank interest expense. Auditors' remuneration has not been charged against the Schemes' income as this cost is borne by the Responsible Entity.

**(n) Transfers to/from net assets attributable to unitholders**

Unrealised gains and losses arising on movements in the fair value of assets, unrealised foreign currency movements on other assets, accrued dividends and interest not yet payable to the Schemes are transferred to net assets attributable to unitholders. They are included in the determination of distributable income when assessable for taxation purposes. The taxable portion of realised capital gains is included in distributable income (net of any realised capital losses) by transfer from net assets attributable to unitholders. Non assessable income and net capital losses carried forward are also reflected as movements against components of net assets attributable to unitholders for the current financial year.

**(o) Taxation**

Under current legislation the Schemes are not subject to income tax as unitholders are presently entitled to the taxable income (including assessable realised net capital gains), which is distributed each year.

The unit price is based upon fair values of underlying assets and thus may include a share of unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed.

Net realised capital losses are not distributed to unitholders, but are retained to be offset against any future realised capital gains. Where realised assessable capital gains exceed realised capital losses, the excess is distributed to unitholders as assessable income for taxation purposes.

**(p) Distributions to unitholders**

The income of the Schemes is accumulated and reinvested or paid to unitholders on the last Sunday of September, December and March and the last day of June, except for the Horizon 6 Share Portfolio, Global Share Fund, Platinum Global Fund, Horizon 7 Accelerated Growth Portfolio, Hedged Global Share Fund, and Inflation Plus - Assertive Portfolio which reinvested or paid to unitholders on last day of June only. The income of the Schemes may also be accumulated and paid to unitholders on other dates as determined by the Responsible Entity.

Undistributed income/(loss) includes income earned and expenses not yet paid at the last distribution day on 30 June 2016 and realised capital losses which are retained to offset future realised capital gains. These are not distributed but held for distributions in future periods.

Distributable income does not include unrealised gains and losses arising on movements in the fair value of investments; as such, unrealised gains and losses are transferred to net assets attributable to unitholders and are not assessable or distributable until realised.

The Schemes distributions are expressed as cents per unit for the distribution period.

**(q) Goods and services tax**

Responsible Entity fees and other expenses are recognised net of the amount of goods and services tax ('GST') recoverable from the Australian Taxation Office ('ATO') as a reduced input tax credit ('RITC').

Creditors and accruals are stated with the amount of GST included.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (q) Goods and services tax (continued)

The net amount of GST recoverable from the ATO is included in payables in the Statements of Financial Position.

### (r) Derecognition of financial instruments

The derecognition of financial instruments takes place when the Schemes no longer control the contractual rights of the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

### (s) Capital management

The Responsible Entity manages its net assets attributable to unitholders as capital, notwithstanding that net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Schemes are subject to daily applications and redemptions at the discretion of unitholders.

The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Schemes.

In order to maintain or adjust the capital structure, the Responsible Entity may return capital to unitholders. The Schemes do not have any externally imposed capital requirements.

### (t) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities due to mandatory distributions. The units can be put back to the Schemes at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to put the units back to the Schemes.

### (u) Application of accounting standards

Changes in Accounting Policy

Since 1 July 2015, the Schemes have not adopted any new and amended Australian Accounting Standards that effected the financial statements.

#### Australian Accounting Standards issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Schemes for the annual reporting period ended 30 June 2016. The impact of these standards and interpretations has been assessed, to the extent applicable to the Schemes and are discussed below.

#### *AASB 9 Financial Instruments*

This standard makes changes to the way financial assets are classified for the purpose of determining their measurement basis. AASB 9 applies to annual reporting periods beginning on or after 1 January 2018 and will therefore apply to the Schemes from 1 July 2018. The Schemes do not intend to early adopt AASB 9 as permitted by the standard. The application of the standard is not expected to change the measurement basis of any of the Schemes current financial instruments.

#### *AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure initiative: AASB 101 Presentation of Financial Statements*

These amendments clarify the materiality requirements in AASB 101. These amendments also clarify that specific line items in the statement of comprehensive income and the statement of financial position may be disaggregated and that the entities have flexibility as to the order in which they present the notes to financial statements. These amendments are not expected to impact the Schemes' financial position or performance and become effective for the annual periods beginning on or after 1 January 2016 and will therefore apply to the Schemes from 1 July 2016.

## NOTE 2 - AUDITOR'S REMUNERATION

The Schemes have regular audits on the financial reports. The Responsible Entity pays the cost of the audit fees being \$7,000 (2015: \$7,000) for audit and review of the financial reports, and \$2,374 (2015: \$2,374) for Compliance Plan audits.

## NOTE 3 - DISTRIBUTIONS

Distributions paid during the year by the Schemes were as follows:

	Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2016</b>								
September	2,684	0.29	1,843	0.33	4,217	1.41	-	-
December	4,211	0.45	2,298	0.40	6,990	2.33	793	0.31
March	3,952	0.42	2,450	0.42	4,798	1.60	-	-
June	67,036	6.40	32,505	5.56	19,276	6.46	12,645	3.44
	<u>77,883</u>	<u>7.56</u>	<u>39,096</u>	<u>6.71</u>	<u>35,281</u>	<u>11.80</u>	<u>13,438</u>	<u>3.75</u>
<b>2015</b>								
September	2,914	0.34	1,651	0.34	4,136	1.50	-	-
December	3,856	0.44	2,168	0.43	5,991	2.16	385	0.46
March	2,393	0.27	1,349	0.26	5,365	1.92	-	-
June	32,872	3.64	14,054	2.62	37,923	13.40	9,269	5.85
	<u>42,035</u>	<u>4.69</u>	<u>19,222</u>	<u>3.65</u>	<u>53,415</u>	<u>18.98</u>	<u>9,654</u>	<u>6.31</u>



NOTE 3 -DISTRIBUTIONS (continued)

	Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Inflation Plus - Assertive Portfolio Class A	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2016</b>								
September	826	0.25	1,493	0.48	-	-	-	-
December	1,342	0.40	1,533	0.48	924	0.42	-	-
March	1,385	0.41	1,184	0.37	-	-	-	-
June	<u>27,486</u>	<u>7.88</u>	<u>18,098</u>	<u>5.50</u>	<u>7,294</u>	<u>2.57</u>	<u>29,242</u>	<u>8.12</u>
	<u>31,039</u>	<u>8.94</u>	<u>22,308</u>	<u>6.83</u>	<u>8,218</u>	<u>2.99</u>	<u>29,242</u>	<u>8.12</u>
<b>2015</b>								
September	819	0.26	1,510	0.59	-	-	-	-
December	1,288	0.41	1,227	0.46	493	0.70	-	-
March	896	0.28	1,172	0.43	-	-	-	-
June	<u>11,616</u>	<u>3.63</u>	<u>4,832</u>	<u>1.65</u>	<u>5,452</u>	<u>4.36</u>	<u>28,330</u>	<u>11.68</u>
	<u>14,619</u>	<u>4.58</u>	<u>8,741</u>	<u>3.13</u>	<u>5,945</u>	<u>5.06</u>	<u>28,330</u>	<u>11.68</u>
	Inflation Plus - Assertive Portfolio Class B		Wholesale Diversified Debt Fund Class A		Wholesale Diversified Debt Fund Class B		Horizon 6 Share Portfolio	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2016</b>								
September	-	-	2,110	1.09	23	0.78	-	-
December	-	-	1,182	0.62	12	0.38	-	-
March	-	-	1,013	0.53	8	0.26	-	-
June	<u>285</u>	<u>6.84</u>	<u>4,831</u>	<u>2.57</u>	<u>65</u>	<u>2.13</u>	<u>16,727</u>	<u>9.71</u>
	<u>285</u>	<u>6.84</u>	<u>9,136</u>	<u>4.81</u>	<u>108</u>	<u>3.55</u>	<u>16,727</u>	<u>9.71</u>
<b>2015</b>								
September	-	-	1,695	0.95	18	0.64	-	-
December	-	-	822	0.45	5	0.18	-	-
March	-	-	486	0.26	-	0.01	-	-
June	<u>417</u>	<u>10.18</u>	<u>5,000</u>	<u>2.61</u>	<u>63</u>	<u>2.17</u>	<u>6,715</u>	<u>4.35</u>
	<u>417</u>	<u>10.18</u>	<u>8,003</u>	<u>4.27</u>	<u>86</u>	<u>3.00</u>	<u>6,715</u>	<u>4.35</u>
	Property Securities Fund		Global Share Fund		Australian Share Fund		Platinum Global Fund	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2016</b>								
September	1,423	0.68	-	-	239	0.36	-	-
December	1,071	0.51	-	-	692	1.08	-	-
March	1,096	0.53	-	-	552	0.86	-	-
June	<u>2,902</u>	<u>1.41</u>	<u>20,448</u>	<u>15.99</u>	<u>2,467</u>	<u>3.84</u>	<u>6,553</u>	<u>7.55</u>
	<u>6,492</u>	<u>3.13</u>	<u>20,448</u>	<u>15.99</u>	<u>3,950</u>	<u>6.14</u>	<u>6,553</u>	<u>7.55</u>
<b>2015</b>								
September	1,815	0.79	-	-	304	0.43	-	-
December	703	0.33	-	-	782	1.11	-	-
March	2,142	1.02	-	-	354	0.52	-	-
June	<u>1,435</u>	<u>0.69</u>	<u>3,068</u>	<u>2.15</u>	<u>2,537</u>	<u>3.84</u>	<u>7,499</u>	<u>7.41</u>
	<u>6,095</u>	<u>2.83</u>	<u>3,068</u>	<u>2.15</u>	<u>3,977</u>	<u>5.90</u>	<u>7,499</u>	<u>7.41</u>
	Horizon 1 Bond Portfolio		Global Property Fund Class A		Global Property Fund Class B		Australian Share Index Fund	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2016</b>								
September	407	0.46	-	-	-	-	294	0.76
December	325	0.38	47	0.04	2	0.04	698	1.66
March	252	0.29	12	0.01	-	-	383	0.89
June	<u>1,209</u>	<u>1.46</u>	<u>6,585</u>	<u>5.80</u>	<u>322</u>	<u>6.59</u>	<u>783</u>	<u>1.69</u>
	<u>2,193</u>	<u>2.59</u>	<u>6,644</u>	<u>5.85</u>	<u>324</u>	<u>6.63</u>	<u>2,158</u>	<u>5.00</u>
<b>2015</b>								
September	534	0.54	-	-	-	-	205	0.75
December	405	0.43	21	0.02	1	0.02	466	1.50
March	278	0.30	-	-	-	-	274	0.84
June	<u>796</u>	<u>0.87</u>	<u>2,300</u>	<u>2.05</u>	<u>147</u>	<u>2.36</u>	<u>776</u>	<u>2.20</u>
	<u>2,013</u>	<u>2.14</u>	<u>2,321</u>	<u>2.07</u>	<u>148</u>	<u>2.38</u>	<u>1,721</u>	<u>5.29</u>

NOTE 3 - DISTRIBUTIONS (continued)

	Horizon 7 Accelerated Growth Portfolio		Hedged Global Share Fund Class A		Hedged Global Share Fund Class B		Australian Share Growth Style Fund	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	Whole Dollars \$	c/unit
<b>2016</b>								
September	-	-	-	-	-	-	8,656	0.30
December	-	-	-	-	-	-	318,643	12.23
March	-	-	-	-	-	-	-	-
June	<u>4,174</u>	<u>14.14</u>	<u>1,703</u>	<u>5.15</u>	<u>68</u>	<u>4.84</u>	<u>-</u>	<u>-</u>
	<u>4,174</u>	<u>14.14</u>	<u>1,703</u>	<u>5.15</u>	<u>68</u>	<u>4.84</u>	<u>327,299</u>	<u>12.53</u>
<b>2015</b>								
September	-	-	-	-	-	-	18,706	0.50
December	-	-	-	-	-	-	49,731	1.40
March	-	-	-	-	-	-	13,449	0.43
June	<u>1,224</u>	<u>4.67</u>	<u>246</u>	<u>0.89</u>	<u>15</u>	<u>0.85</u>	<u>113,334</u>	<u>3.88</u>
	<u>1,224</u>	<u>4.67</u>	<u>246</u>	<u>0.89</u>	<u>15</u>	<u>0.85</u>	<u>195,220</u>	<u>6.21</u>
	Australian Share Value Style Fund		Global Share Growth Style Fund		Global Share Value Style Fund			
	Whole Dollars \$	c/unit	Whole Dollars \$	c/unit	Whole Dollars \$	c/unit		
<b>2016</b>								
September	33,964	0.52	-	-	-	-		
December	40,269	0.92	1,327,181	65.37	-	-		
March	-	-	-	-	-	-		
June	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
	<u>74,233</u>	<u>1.44</u>	<u>1,327,181</u>	<u>65.37</u>	<u>-</u>	<u>-</u>		
<b>2015</b>								
September	27,323	0.43	-	-	-	-		
December	52,644	0.81	-	-	-	-		
March	33,490	0.50	-	-	-	-		
June	<u>230,477</u>	<u>3.48</u>	<u>87,141</u>	<u>3.37</u>	<u>223,861</u>	<u>1.89</u>		
	<u>343,934</u>	<u>5.22</u>	<u>87,141</u>	<u>3.37</u>	<u>223,861</u>	<u>1.89</u>		

NOTE 4 - FINANCIAL ASSETS DESIGNATED AS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>1,095,089</u>	<u>1,002,556</u>	<u>612,763</u>	<u>592,584</u>	<u>485,220</u>	<u>516,875</u>	<u>374,067</u>	<u>167,266</u>
<b>Total financial assets designated as held at fair value through profit or loss</b>	<u>1,095,089</u>	<u>1,002,556</u>	<u>612,763</u>	<u>592,584</u>	<u>485,220</u>	<u>516,875</u>	<u>374,067</u>	<u>167,266</u>
	Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Inflation Plus Assertive Portfolio	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>364,393</u>	<u>359,820</u>	<u>336,646</u>	<u>312,220</u>	<u>291,821</u>	<u>130,641</u>	<u>316,301</u>	<u>236,947</u>
<b>Total financial assets designated as held at fair value through profit or loss</b>	<u>364,393</u>	<u>359,820</u>	<u>336,646</u>	<u>312,220</u>	<u>291,821</u>	<u>130,641</u>	<u>316,301</u>	<u>236,947</u>

NOTE 4 - FINANCIAL ASSETS DESIGNATED AS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	Diversified Debt Fund		Horizon 6 Share Portfolio		Property Securities Fund		Global Share Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unlisted managed investment schemes								
Units held in unlisted managed investment schemes	198,213	199,897	171,851	169,063	146,038	123,682	116,415	153,343
Total financial assets designated as held at fair value through profit or loss	198,213	199,897	171,851	169,063	146,038	123,682	116,415	153,343
	Australian Share Fund		Platinum Global Fund		Horizon 1 Bond Portfolio		Global Property Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Unlisted managed investment schemes								
Units held in unlisted managed investment schemes	93,912	64,785	89,997	120,447	83,939	93,069	77,587	79,701
Total financial assets designated as held at fair value through profit or loss	93,912	64,785	89,997	120,447	83,939	93,069	77,587	79,701
	Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Hedged Global Share Fund		Australian Share Growth Style Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Whole Dollars \$	Whole Dollars \$
Unlisted managed investment schemes								
Units held in unlisted managed investment schemes	56,946	44,993	33,934	35,066	26,630	25,121	-	3,444,411
Total financial assets designated as held at fair value through profit or loss	56,946	44,993	33,934	35,066	26,630	25,121	-	3,444,411
	Australian Share Value Style Fund		Global Share Growth Style Fund		Global Share Value Style Fund			
	2016	2015	2016	2015	2016	2015		
	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$		
Unlisted managed investment schemes								
Units held in unlisted managed investment schemes	-	5,931,604	-	4,002,005	-	12,946,985		
Total financial assets designated as held at fair value through profit or loss	-	5,931,604	-	4,002,005	-	12,946,985		

Units held in unlisted managed investment schemes are detailed in 7(h).

NOTE 5 - RECEIVABLES

	Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amounts owing from Responsible entity	834	763	480	452	492	540	-	-
Other receivables	5	7	3	4	6	3	3	4
	839	770	483	456	498	543	3	4

NOTE 5 - RECEIVABLES (continued)

	Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Inflation Plus Assertive Portfolio	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amounts owing from Responsible entity	290	284	-	-	-	-	-	-
Other receivables	2	1	1	3	3	4	3	3
	<u>292</u>	<u>285</u>	<u>1</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>3</u>	<u>3</u>
	Diversified Debt Fund		Horizon 6 Share Portfolio		Property Securities Fund		Global Share Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amounts owing from Responsible entity	-	-	146	140	-	-	-	19
Other receivables	3	1	1	3	1	1	1	2
	<u>3</u>	<u>1</u>	<u>147</u>	<u>143</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>21</u>
	Australian Share Fund		Platinum Global Fund		Horizon 1 Bond Portfolio		Global Property Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amounts owing from Responsible entity	-	-	53	71	-	-	-	-
Other receivables	-	-	-	1	1	1	1	1
	<u>-</u>	<u>-</u>	<u>53</u>	<u>72</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Hedged Global Share Fund		Australian Share Growth Style Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Whole Dollars \$	Whole Dollars \$
Amounts owing from Responsible entity	-	-	-	-	-	-	-	51
Other receivables	-	-	-	-	-	3	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>51</u>
	Australian Share Value Style Fund		Global Share Growth Style Fund		Global Share Value Style Fund			
	2016	2015	2016	2015	2016	2015		
	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$		
Amounts owing from Responsible entity	-	-	-	-	-	-		
Other receivables	-	109	-	64	-	170		
	<u>-</u>	<u>109</u>	<u>-</u>	<u>64</u>	<u>-</u>	<u>170</u>		

NOTE 6 - ACCOUNTS PAYABLE & ACCRUED EXPENSES

	Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amounts owing to Responsible Entity	-	-	-	-	-	-	67	42
Other payables	1	5	1	2	2	2	3	1
Distributions payable	67,036	32,872	32,504	14,054	19,276	37,923	12,645	9,269
	<u>67,037</u>	<u>32,877</u>	<u>32,505</u>	<u>14,056</u>	<u>19,278</u>	<u>37,925</u>	<u>12,715</u>	<u>9,312</u>

NOTE 6- ACCOUNTS PAYABLE & ACCRUED EXPENSES (continued)

	Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Inflation Plus Assertive Portfolio	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amounts owing to Responsible								
Entity	-	-	34	89	43	29	72	91
Other payables	1	3	-	-	-	1	-	2
Distributions payable	27,486	11,616	18,098	4,832	7,294	5,452	29,527	28,747
	27,487	11,619	18,132	4,921	7,337	5,482	29,599	28,840
	Diversified Debt Fund		Horizon 6 Share Portfolio		Property Securities Fund		Global Share Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amounts owing to Responsible								
Entity	20	46	-	-	13	22	17	-
Other payables	-	2	-	3	-	1	-	1
Distributions payable	4,896	5,063	16,727	6,715	2,903	1,435	20,447	3,068
	4,916	5,111	16,727	6,718	2,916	1,458	20,464	3,069
	Australian Share Fund		Platinum Global Fund		Horizon 1 Bond Portfolio		Global Property Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amounts owing to Responsible								
Entity	23	27	-	-	8	16	6	25
Other payables	-	2	-	1	-	6	-	1
Distributions payable	-	2,537	6,553	7,499	1,208	796	6,907	2,447
	23	2,566	6,553	7,500	1,216	818	6,913	2,473
	Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Hedged Global Share Fund		Australian Share Growth Style Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Whole Dollars \$	Whole Dollars \$
Amounts owing to Responsible								
Entity	4	6	9	16	6	10	-	1,520
Other payables	-	-	-	-	-	1	-	280
Distributions payable	784	776	4,174	1,224	1,771	261	-	113,334
	788	782	4,183	1,240	1,777	272	-	115,134
	Australian Share Value Style Fund		Global Share Growth Style Fund		Global Share Value Style Fund			
	2016	2015	2016	2015	2016	2015		
	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$		
Amounts owing to Responsible								
Entity	-	2,770	-	2,108	-	6,328		
Other payables	-	246	-	429	-	-		
Distributions payable	-	230,477	-	87,141	-	223,861		
	-	233,493	-	89,678	-	230,189		

## **NOTE 7 - RELATED PARTIES**

### **(a) Responsible Entity**

The Responsible Entity of each of the Schemes is MLC Investments Limited ABN 30 002 641 661, whose immediate and ultimate holding companies are MLC Holdings Limited ABN 32 003 113 068 and National Australia Bank Limited ABN 12 004 044 937 respectively.

The Responsible Entity is incorporated and domiciled in Australia.

### **(b) Key management personnel**

#### **Directors**

The names of persons who were Directors of MLC Investments Limited at any time during the financial year were as follows:

<b>Name</b>	<b>Appointment / Resignation Date</b>
S C Birkensleigh	Appointed 9 September 2015
J G Duffield	Appointed 24 August 2011
P Gupta	Appointed 1 September 2012
G J Mulcahy	Appointed 7 July 2014

In addition to the Directors noted above, the Responsible Entity is considered to be a Key Management Personnel of the Schemes.

Key management personnel are paid by a related party of the Responsible Entity. Payments made from the Schemes to the Responsible Entity do not include any amounts directly attributable to key management personnel remuneration.

### **(c) Other related party transactions with the Schemes**

From time to time the Directors of MLC Investments Limited, or their Director related entities, may invest into or withdraw from the Schemes. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors.

### **(d) Amounts payable to/(receivable from) the Responsible Entity**

The net amount of payables to MLC Investments Limited by the Schemes at balance date are shown in the table below:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Horizon 4 Balanced Portfolio	<b>(834,303)</b>	(763,064)
Horizon 3 Conservative Growth Portfolio	<b>(480,170)</b>	(452,218)
Income Builder	<b>(492,049)</b>	(540,307)
Inflation Plus - Moderate Portfolio	<b>66,828</b>	41,919
Horizon 5 Growth Portfolio	<b>(289,949)</b>	(283,630)
Horizon 2 Income Portfolio	<b>34,391</b>	88,858
Inflation Plus - Conservative Portfolio	<b>43,417</b>	28,936
Inflation Plus Assertive Portfolio	<b>71,540</b>	90,745
Diversified Debt Fund	<b>20,400</b>	45,878
Horizon 6 Share Portfolio	<b>(146,092)</b>	(140,074)
Property Securities Fund	<b>12,515</b>	21,929
Global Share Fund	<b>16,586</b>	(19,421)
Australian Share Fund	<b>23,088</b>	27,153
Platinum Global Fund	<b>(52,628)</b>	(71,381)
Horizon 1 Bond Portfolio	<b>7,933</b>	15,649
Global Property Fund	<b>6,220</b>	24,796
Australian Share Index Fund	<b>3,906</b>	6,000
Horizon 7 Accelerated Growth Portfolio	<b>9,287</b>	15,811
Hedged Global Share Fund	<b>5,642</b>	9,525
Australian Share Growth Style Fund	-	1,520
Australian Share Value Style Fund	-	2,770
Global Share Growth Style Fund	-	2,108
Global Share Value Style Fund	-	6,328

### **(e) Responsible Entity's fees**

The Responsible Entity's fees have been calculated in accordance with the Schemes' Constitutions. Total fees paid and payable (net of rebates where applicable) are as follows:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Horizon 4 Balanced Portfolio*	-	-
Horizon 3 Conservative Growth Portfolio*	-	-
Income Builder*	-	-
Inflation Plus - Moderate Portfolio	<b>1,076,196</b>	399,543
Horizon 5 Growth Portfolio*	-	-
Horizon 2 Income Portfolio	<b>1,332,957</b>	1,225,988
Inflation Plus Assertive Portfolio	<b>1,708,402</b>	1,201,268
Inflation Plus - Conservative Portfolio	<b>815,370</b>	299,075
Diversified Debt Fund	<b>695,334</b>	661,685
Horizon 6 Share Portfolio*	-	-
Property Securities Fund	<b>415,877</b>	381,895
Global Share Fund*	-	-
Australian Share Fund	<b>316,973</b>	352,252
Platinum Global Fund*	-	-
Horizon 1 Bond Portfolio	<b>256,565</b>	404,866

**NOTE 7 - RELATED PARTIES (continued)**

	2016 \$	2015 \$
<b>(e) Responsible Entity's fees (continued)</b>		
Global Property Fund	366,774	369,244
Australian Share Index Fund	121,080	97,007
Horizon 7 Accelerated Growth Portfolio	266,577	263,736
Hedged Global Share Fund	142,590	135,096
Australian Share Growth Style Fund	9,434	30,010
Australian Share Value Style Fund	15,662	43,154
Global Share Growth Style Fund	11,338	22,148
Global Share Value Style Fund	26,942	78,459

\*The Schemes received a rebate from the Responsible Entity to reduce the effect of management fee paid.

**(f) Expense reimbursement**

The Responsible Entity is entitled, under the Schemes' Constitutions, to be reimbursed for certain expenses incurred in administering the Schemes. The basis on which the expenses are reimbursable is defined in the Constitutions. There were no expense reimbursements during the year (2015:Nil).

**(g) Interests in unconsolidated structured entities**

The Schemes' maximum exposure to loss from their investments in unlisted managed investment schemes, which have been assessed to be structured entities, is restricted to their fair value which are disclosed in Note 7(h). The Schemes have not sponsored or provided support, financial or otherwise to the unlisted managed investment schemes they hold.

**(h) Related party investments**

The Schemes may purchase and sell units in other unlisted managed investment schemes managed by MLC Investments Limited or its related parties in the ordinary course of business at application and redemption prices calculated in accordance with the Constitutions.

Details of both shares in National Australia Bank Limited and units in other managed investment schemes operated by the Responsible Entity held by the Schemes are set out below. Cash and cash equivalents in the Statements of Financial Position for all the Schemes are held with the National Australia Bank Limited.

The principal activities of all the below named Schemes are to invest and transact in money market securities, listed equities, fixed interest securities, unlisted managed investment schemes, unlisted property trusts, other debt instruments and derivatives in accordance with the provisions of the Schemes' Constitutions. Investment activities may include the use of hedging instruments to reduce the volatility of investment returns.

The Schemes are unlisted registered managed investment schemes and along with their related parties are domiciled in Australia.

MLC Investments Limited and its related parties	Number of units	Interest held in the Scheme %	Fair value of investment \$	Distributions received \$
<b>Horizon 4 Balanced Portfolio</b>				
<b>2016</b>				
MasterKey Unit Trust Balanced Portfolio	<u>807,228,284</u>	69.37	<u>1,095,089,119</u>	<u>68,584,239</u>
<b>2015</b>				
MasterKey Unit Trust Balanced Portfolio	<u>689,902,186</u>	58.49	<u>1,002,555,507</u>	<u>33,240,980</u>
<b>Horizon 3 Conservative Growth Portfolio</b>				
<b>2016</b>				
MasterKey Unit Trust Conservative Growth Portfolio	<u>620,327,541</u>	80.28	<u>612,763,267</u>	<u>33,357,068</u>
<b>2015</b>				
MasterKey Unit Trust Conservative Growth Portfolio	<u>569,042,611</u>	77.45	<u>592,584,472</u>	<u>14,153,712</u>
<b>Income Builder</b>				
<b>2016</b>				
MasterKey Unit Trust Incomebuilder	<u>203,998,943</u>	21.11	<u>485,220,054</u>	<u>34,065,636</u>
<b>2015</b>				
MasterKey Unit Trust Incomebuilder	<u>193,658,737</u>	20.36	<u>516,874,974</u>	<u>45,104,196</u>
<b>Inflation Plus - Moderate Portfolio</b>				
<b>2016</b>				
WM Pool - Equities Trust No. 59	<u>3,661,963</u>	29.95	<u>374,067,094</u>	<u>15,273,800</u>
<b>2015</b>				
WM Pool - Equities Trust No. 59	<u>1,587,301</u>	38.22	<u>167,266,071</u>	<u>9,589,470</u>
<b>Horizon 5 Growth Portfolio</b>				
<b>2016</b>				
MasterKey Unit Trust Growth Portfolio	<u>306,519,087</u>	70.66	<u>364,393,262</u>	<u>27,614,153</u>
<b>2015</b>				
MasterKey Unit Trust Growth Portfolio	<u>277,951,550</u>	67.65	<u>359,819,956</u>	<u>11,323,409</u>

**NOTE 7 - RELATED PARTIES (continued)**

**(h) Related party investments (continued)**

MLC Investments Limited and its related parties	Number of units	Interest held in the Scheme %	Fair value of investment \$	Distributions received \$
<b>Horizon 2 Income Portfolio</b>				
<b>2016</b>				
Antares Enhanced Cash Trust	41,468,928	0.56	42,682,931	864,998
MasterKey Unit Trust Incomebuilder	23,711,024	2.45	56,397,667	3,593,780
WM Pool - Equities Trust No. 58	167,430	2.68	17,150,614	600,465
WM Pool - Equities Trust No. 73	33,712	0.71	3,395,196	77,063
WM Pool - Fixed Interest Trust No. 17	165,946	1.91	16,982,184	257,949
WM Pool - Fixed Interest Trust No. 23	333,112	1.82	33,510,305	1,366,795
WM Pool - Fixed Interest Trust No. 5	101,052	1.81	10,904,192	188,299
WM Pool - Global Properties Trust	124,460	1.84	13,580,475	1,166,156
WM Sector - Diversified Debt (All) Trust	57,312	0.25	6,002,909	558,780
WM Sector - Diversified Debt (Short) Trust	1,054,365	5.26	107,861,805	3,098,983
WM Sector - Global Equities (Hedged) Trust	44,710	0.49	3,823,336	233,389
WM Sector - Global Equities (Unhedged) Trust	151,185	0.30	17,441,832	3,635,574
WM Sector - Property Securities Trust	81,701	0.83	6,912,214	685,022
	<u>67,494,937</u>		<u>336,645,660</u>	<u>16,327,253</u>
<b>2015</b>				
Antares Enhanced Cash Trust	32,896,153	0.66	33,860,405	649,362
MasterKey Unit Trust Incomebuilder	13,534,104	1.42	36,122,510	2,926,511
WM Pool - Equities Trust No. 58	60,278	2.85	6,297,595	338,855
WM Pool - Equities Trust No. 73	23,612	1.05	2,373,554	55,504
WM Pool - Fixed Interest Trust No. 17	-	-	-	-
WM Pool - Fixed Interest Trust No. 23	304,001	1.36	31,469,195	1,541,456
WM Pool - Fixed Interest Trust No. 5	33,931	0.60	3,697,327	196,084
WM Pool - Global Properties Trust	113,904	1.07	12,718,535	366,733
WM Sector - Diversified Debt (All) Trust	205,195	0.59	21,333,980	956,261
WM Sector - Diversified Debt (Short) Trust	1,171,975	4.29	119,573,583	2,262,716
WM Sector - Global Equities (Hedged) Trust	33,019	0.36	3,094,479	31,541
WM Sector - Global Equities (Unhedged) Trust	87,849	0.15	12,912,285	281,482
WM Sector - Property Securities Trust	402,399	3.75	28,766,261	1,327,556
	<u>48,866,420</u>		<u>312,219,709</u>	<u>10,934,061</u>
<b>Inflation Plus - Conservative Portfolio</b>				
<b>2016</b>				
WM Pool - Equities Trust No. 58	<u>2,848,864</u>	<u>45.54</u>	<u>291,821,282</u>	<u>9,130,365</u>
<b>2015</b>				
WM Pool - Equities Trust No. 58	<u>1,250,452</u>	<u>59.06</u>	<u>130,641,185</u>	<u>5,986,731</u>
<b>Inflation Plus Assertive Portfolio</b>				
<b>2016</b>				
WM Pool - LTAR Part 1 Ns Trust	<u>3,752,928</u>	<u>63.22</u>	<u>316,301,283</u>	<u>35,767,617</u>
<b>2015</b>				
WM Pool - LTAR Part 1 Ns Trust	<u>2,543,884</u>	<u>64.97</u>	<u>236,947,292</u>	<u>32,334,562</u>
<b>Diversified Debt Fund</b>				
<b>2016</b>				
WM Pool - Diversified Debt (All) Trust	1,794,313	7.77	187,936,688	9,790,879
WM Pool Fixed Interest Trust No. 5	95,236	1.71	10,276,675	185,775
	<u>1,889,549</u>		<u>198,213,363</u>	<u>9,976,654</u>
<b>2015</b>				
WM Pool - Diversified Debt (All) Trust	1,808,982	5.21	188,078,553	8,042,909
WM Pool Fixed Interest Trust No. 5	108,461	1.91	11,818,424	673,459
	<u>1,917,443</u>		<u>199,896,977</u>	<u>8,716,368</u>
<b>Horizon 6 Share Portfolio</b>				
<b>2016</b>				
MasterKey Unit Trust Share Portfolio	<u>183,284,233</u>	<u>64.83</u>	<u>171,850,596</u>	<u>15,065,709</u>
<b>2015</b>				
MasterKey Unit Trust Share Portfolio	<u>162,309,328</u>	<u>60.52</u>	<u>169,063,181</u>	<u>5,078,089</u>



**NOTE 7 - RELATED PARTIES (continued)**

**(h) Related party investments (continued)**

MLC Investments Limited and its related parties	Number of units	Interest held in the Scheme %	Fair value of investment \$	Distributions received \$
<b>Property Securities Fund</b>				
<b>2016</b>				
WM Sector - Property Securities Trust	<u>1,726,148</u>	<u>17.62</u>	<u>146,037,930</u>	<u>6,897,736</u>
<b>2015</b>				
WM Sector - Property Securities Trust	<u>1,730,135</u>	<u>16.14</u>	<u>123,682,052</u>	<u>6,459,916</u>
<b>Global Share Fund</b>				
<b>2016</b>				
MasterKey Unit Trust Global Share Fund	<u>6,102,392</u>	<u>19.75</u>	<u>9,408,315</u>	<u>4,171,875</u>
WM Sector - Global Equities (Unhedged) Trust	<u>927,527</u>	<u>1.83</u>	<u>107,006,689</u>	<u>22,196,479</u>
	<u>7,029,919</u>		<u>116,415,004</u>	<u>26,368,354</u>
<b>2015</b>				
MasterKey Unit Trust Global Share Fund	28,720,797	54.15	52,433,175	608,408
WM Sector - Global Equities (Unhedged) Trust	686,546	1.15	100,909,992	2,199,792
	<u>29,407,343</u>		<u>153,343,167</u>	<u>2,808,200</u>
<b>Australian Share Fund</b>				
<b>2016</b>				
WM Pool - Equities Trust No. 41	<u>915,471</u>	<u>7.64</u>	<u>93,912,188</u>	<u>4,899,487</u>
<b>2015</b>				
WM Pool - Equities Trust No. 41	<u>598,853</u>	<u>4.79</u>	<u>64,785,163</u>	<u>4,325,578</u>
<b>Platinum Global Fund</b>				
<b>2016</b>				
MasterKey Unit Trust MLC-Platinum Global Fund	<u>51,355,526</u>	<u>9.79</u>	<u>89,996,605</u>	<u>10,410,297</u>
<b>2015</b>				
MasterKey Unit Trust MLC-Platinum Global Fund	<u>57,294,638</u>	<u>10.79</u>	<u>120,447,309</u>	<u>16,550,082</u>
<b>Horizon 1 Bond Portfolio</b>				
<b>2016</b>				
Antares Enhanced Cash Trust	<u>20,588,753</u>	<u>0.28</u>	<u>21,191,488</u>	<u>512,630</u>
WM Pool - Fixed Interest Trust No. 5	<u>16,649</u>	<u>0.30</u>	<u>1,796,599</u>	<u>32,478</u>
WM Pool - Fixed Interest Trust No. 7	<u>41,887</u>	<u>0.39</u>	<u>4,195,919</u>	<u>66,277</u>
WM Pool - Fixed Interest Trust No. 9	-	-	-	1,400
WM Pool - Fixed Interest Trust No. 17	<u>82,184</u>	<u>0.95</u>	<u>8,410,444</u>	<u>244,171</u>
WM Pool - Fixed Interest Trust No. 22	<u>50,764</u>	<u>0.33</u>	<u>4,864,933</u>	<u>273,333</u>
WM Sector - Diversified Debt (Short) Trust	<u>425,023</u>	<u>2.12</u>	<u>43,480,064</u>	<u>1,235,009</u>
	<u>21,205,260</u>		<u>83,939,447</u>	<u>2,365,298</u>
<b>2015</b>				
Antares Enhanced Cash Trust	21,628,864	0.44	22,262,849	664,645
WM Pool - Fixed Interest Trust No. 5	20,225	0.36	2,203,866	147,504
WM Pool - Fixed Interest Trust No. 7	46,462	0.52	4,677,104	289
WM Pool - Fixed Interest Trust No. 9	1,931	1.24	76,204	117,046
WM Pool - Fixed Interest Trust No. 17	93,012	2.03	9,492,296	278,713
WM Pool - Fixed Interest Trust No. 22	56,613	0.59	5,661,692	33,697
WM Sector - Diversified Debt (Short) Trust	477,276	1.75	48,695,256	1,039,204
	<u>22,324,383</u>		<u>93,069,267</u>	<u>2,281,098</u>
<b>Global Property Fund</b>				
<b>2016</b>				
WM Pool - Global Properties Trust	<u>711,058</u>	<u>10.50</u>	<u>77,587,384</u>	<u>6,970,287</u>
<b>2015</b>				
WM Pool - Global Properties Trust	<u>713,782</u>	<u>6.74</u>	<u>79,701,261</u>	<u>2,471,487</u>
<b>Australian Share Index Fund</b>				
<b>2016</b>				
WM Pool - Equities Trust No. 30	<u>46,336,848</u>	<u>3.31</u>	<u>56,945,716</u>	<u>2,276,530</u>
<b>2015</b>				
WM Pool - Equities Trust No. 30	<u>35,141,910</u>	<u>2.70</u>	<u>44,992,573</u>	<u>1,807,674</u>

**NOTE 7 - RELATED PARTIES (continued)**

**(h) Related party investments (continued)**

MLC Investments Limited and its related parties	Number of units	Interest held in the Scheme %	Fair value of investment \$	Distributions received \$
<b>Horizon 7 Accelerated Growth Portfolio</b>				
<b>2016</b>				
MLC Horizon 7 Trust	26,228,269	5.36	27,281,465	3,931,490
WM Pool - LTAR Part 1 Ns Trust	20,362	0.52	1,716,141	233,745
WM Sector - Global Equities (Hedged) Trust	57,726	0.63	4,936,357	340,726
	<u>26,306,357</u>		<u>33,933,963</u>	<u>4,505,961</u>
<b>2015</b>				
MLC Horizon 7 Trust	23,030,042	4.71	27,957,550	1,242,475
WM Pool - LTAR Part 1 Ns Trust	21,933	0.56	2,042,898	254,815
WM Sector - Global Equities (Hedged) Trust	54,049	0.58	5,065,452	51,160
	<u>23,106,024</u>		<u>35,065,900</u>	<u>1,548,450</u>
<b>Hedged Global Share Fund</b>				
<b>2016</b>				
WM Sector - Global Equities (Hedged) Trust	311,417	3.39	26,630,434	1,772,119
<b>2015</b>				
WM Sector - Global Equities (Hedged) Trust	268,044	2.90	25,120,791	261,047
<b>Australian Share Growth Style Fund</b>				
<b>2016</b>				
WM Sector - Australian Equities Growth Trust	-	-	-	53,117
<b>2015</b>				
WM Sector - Australian Equities Growth Trust	28,055	5.88	3,444,411	224,472
<b>Australian Share Value Style Fund</b>				
<b>2016</b>				
WM Sector - Australian Equities Value Trust	-	-	-	88,315
<b>2015</b>				
WM Sector - Australian Equities Value Trust	57,988	10.58	5,931,604	385,961
<b>Global Share Growth Style Fund</b>				
<b>2016</b>				
WM Sector - Global Equities Growth Trust	-	-	-	482,478
<b>2015</b>				
WM Sector - Global Equities Growth Trust	23,564	13.83	4,002,005	103,372
<b>Global Share Value Style Fund</b>				
<b>2016</b>				
WM Sector - Global Equities Value Trust	-	-	-	-
<b>2015</b>				
WM Sector - Global Equities Value Trust	105,936	27.67	12,946,985	299,844

**(i) Unitholder investing activities**

Details of holdings in the Schemes by MLC Investments Limited and its related parties or other Schemes managed by MLC Investments Limited and its related parties are set out below:

MLC Investments Limited and its related parties	Number of units	Interest held in the Scheme %	Fair value of investment \$	Distributions received \$
<b>Horizon 4 Balanced Portfolio</b>				
<b>2016</b>				
AUSMAQ Systems Limited	15,379,271	1.47	16,071,306	1,158,351
Masterkey Investment Services	237,970,088	22.72	248,678,250	17,998,518
MLC Limited	99,494,166	9.50	103,971,198	6,367,627
National Nominees (Australia) Limited	726,968	0.07	759,680	53,606
MLC Navigator Investment Plan	143,371,556	13.69	149,822,979	10,898,842
NULIS Nominees (Australia) Limited	358,116,482	34.19	374,230,982	26,938,415
<b>2015</b>				
AUSMAQ Systems Limited	13,426,359	1.49	14,948,077	614,842
Masterkey Investment Services	223,771,252	24.78	249,133,064	10,314,027
MLC Limited	-	-	-	-
National Nominees (Australia) Limited	501,037	0.06	557,823	21,989
MLC Navigator Investment Plan	139,478,930	15.44	155,287,209	6,547,358
NULIS Nominees (Australia) Limited	339,543,673	37.60	378,026,913	15,812,690

**NOTE 7 - RELATED PARTIES (continued)**

**(i) Unitholder investing activities (continued)**

MLC Investments Limited and its related parties	Number of units	Interest held in the Scheme %	Fair value of investment \$	Distributions received \$
<b>Horizon 3 Conservative Growth Portfolio</b>				
<b>2016</b>				
AUSMAQ Systems Limited	9,074,774	1.55	9,521,596	609,762
Masterkey Investment Services	198,505,705	33.96	208,279,690	13,247,812
National Nominees (Australia) Limited	346,921	0.06	364,002	23,218
MLC Navigator Investment Plan	115,991,397	19.84	121,702,558	7,728,638
NULIS Nominees (Australia) Limited	219,885,606	37.61	230,712,290	14,732,693
<b>2015</b>				
AUSMAQ Systems Limited	9,045,692	1.69	10,014,292	319,514
Masterkey Investment Services	172,616,792	32.18	191,100,341	6,155,525
National Nominees (Australia) Limited	335,948	0.06	371,921	12,019
MLC Navigator Investment Plan	101,997,940	19.00	112,919,728	3,642,453
NULIS Nominees (Australia) Limited	212,908,893	39.69	235,706,860	7,647,889
<b>Income Builder</b>				
<b>2016</b>				
AUSMAQ Systems Limited	3,348,555	1.12	5,506,019	389,805
Masterkey Investment Services	158,968,474	53.28	261,391,334	18,688,546
National Nominees (Australia) Limited	2,077,904	0.70	3,416,690	398,154
MLC Navigator Investment Plan	56,769,995	19.03	93,346,714	6,672,348
NULIS Nominees (Australia) Limited	55,786,947	18.70	91,730,292	6,604,534
<b>2015</b>				
AUSMAQ Systems Limited	2,929,930	1.04	5,363,306	554,079
Masterkey Investment Services	142,936,330	50.51	261,648,321	26,819,594
National Nominees (Australia) Limited	6,027,493	2.13	11,033,468	1,156,130
MLC Navigator Investment Plan	54,039,736	19.10	98,921,011	10,292,695
NULIS Nominees (Australia) Limited	57,006,290	20.14	104,351,358	10,755,812
<b>Inflation Plus - Moderate Portfolio</b>				
<b>2016</b>				
AUSMAQ Systems Limited	245,917	0.07	254,484	8,780
Masterkey Investment Services	61,552,977	16.74	63,697,382	2,266,675
MLC Investment Trusts	109	-	113	4
MLC Navigator Investment Plan	114,634,734	31.19	118,628,420	4,225,134
NULIS Nominees (Australia) Limited	173,092,069	47.09	179,122,312	6,284,089
<b>2015</b>				
AUSMAQ Systems Limited	-	-	-	-
Masterkey Investment Services	28,657,655	18.09	30,432,714	1,760,283
MLC Investment Trusts	103	-	110	7
MLC Navigator Investment Plan	60,445,866	38.15	64,189,891	3,674,721
NULIS Nominees (Australia) Limited	63,769,899	40.25	67,719,816	3,885,273
<b>Horizon 5 Growth Portfolio</b>				
<b>2016</b>				
AUSMAQ Systems Limited	1,360,028	0.39	1,398,084	119,387
Masterkey Investment Services	72,219,030	20.70	74,239,840	6,472,171
MLC Limited	3,986,009	1.14	4,097,544	314,097
National Nominees (Australia) Limited	319,958	0.09	328,911	28,591
MLC Navigator Investment Plan	42,461,248	12.17	43,649,386	3,810,311
NULIS Nominees (Australia) Limited	93,036,532	26.67	95,639,852	8,277,467
<b>2015</b>				
AUSMAQ Systems Limited	1,151,024	0.36	1,289,400	53,476
Masterkey Investment Services	67,394,919	21.06	75,497,148	3,069,828
MLC Limited	-	-	-	-
National Nominees (Australia) Limited	317,656	0.10	355,845	13,602
MLC Navigator Investment Plan	42,346,159	13.23	47,437,022	1,934,939
NULIS Nominees (Australia) Limited	84,006,404	26.25	94,105,669	3,815,771
<b>Horizon 2 Income Portfolio</b>				
<b>2016</b>				
AUSMAQ Systems Limited	897,153	0.27	919,946	62,887
Masterkey Investment Services	145,569,127	44.24	149,267,459	9,921,804
MLC Investment Trusts	3,110	-	3,189	212
MLC Limited	8,135,664	2.47	8,342,358	447,462
MLC Navigator Investment Plan	57,460,895	17.46	58,920,747	3,959,938
NULIS Nominees (Australia) Limited	83,048,909	25.24	85,158,851	5,656,994

**NOTE 7 - RELATED PARTIES (continued)**

**(i) Unitholder investing activities (continued)**

MLC Investments Limited and its related parties	Number of units	Interest held in the Scheme %	Fair value of investment \$	Distributions received \$
<b>Horizon 2 Income Portfolio (continued)</b>				
<b>2015</b>				
AUSMAQ Systems Limited	788,197	0.27	843,645	22,304
Masterkey Investment Services	133,118,424	45.45	142,483,048	4,015,263
MLC Investment Trusts	3,025	-	3,238	94
MLC Limited	-	-	-	-
MLC Navigator Investment Plan	56,603,204	19.33	60,585,130	1,755,372
NULIS Nominees (Australia) Limited	77,674,068	26.52	83,138,289	2,372,357
<b>Inflation Plus - Conservative Portfolio</b>				
<b>2016</b>				
AUSMAQ Systems Limited	1,137,449	0.40	1,179,348	34,881
Masterkey Investment Services	56,195,642	19.80	58,265,681	1,644,251
MLC Investment Trusts	107	-	111	3
MLC Navigator Investment Plan	94,153,076	33.17	97,621,325	2,744,267
NULIS Nominees (Australia) Limited	118,166,909	41.64	122,519,738	3,387,748
<b>2015</b>				
AUSMAQ Systems Limited	1,284,019	1.03	1,353,212	55,983
Masterkey Investment Services	26,945,422	21.55	28,397,465	1,282,069
MLC Investment Trusts	103	0.00	108	5
MLC Navigator Investment Plan	45,927,752	36.73	48,402,721	2,201,750
NULIS Nominees (Australia) Limited	45,682,506	36.53	48,144,259	2,172,658
<b>Inflation Plus Assertive Portfolio</b>				
<b>2016</b>				
AUSMAQ Systems Limited	5,397,880	1.48	4,774,561	438,308
Masterkey Investment Services	40,517,192	11.12	35,838,481	3,236,716
MLC Navigator Investment Plan	175,645,341	48.22	155,362,745	14,262,402
NULIS Nominees (Australia) Limited	108,792,375	29.86	96,229,606	8,833,941
P K Gupta	529,703	0.15	468,536	43,012
<b>2015</b>				
AUSMAQ Systems Limited	-	-	-	-
Masterkey Investment Services	26,012,493	10.55	25,003,619	2,976,809
MLC Navigator Investment Plan	138,834,824	56.29	133,450,222	16,215,907
NULIS Nominees (Australia) Limited	61,292,480	24.85	58,915,298	7,158,962
P K Gupta	-	-	-	-
<b>Diversified Debt Fund</b>				
<b>2016</b>				
Masterkey Investment Services	24,767,829	12.97	25,779,907	1,195,368
MLC Investment Trusts	149	-	155	7
National Nominees (Australia) Limited	9,239,226	4.84	9,616,765	449,419
MLC Navigator Investment Plan	54,064,576	28.30	56,273,795	2,697,740
NULIS Nominees (Australia) Limited	99,793,847	52.24	103,871,682	4,742,456
<b>2015</b>				
Masterkey Investment Services	26,845,470	13.81	27,758,560	1,062,851
MLC Investment Trusts	142	-	147	6
National Nominees (Australia) Limited	9,459,163	4.86	9,780,895	385,009
MLC Navigator Investment Plan	59,797,953	30.75	61,831,849	2,572,417
NULIS Nominees (Australia) Limited	94,828,849	48.77	98,054,244	3,939,941
<b>Horizon 6 Share Portfolio</b>				
<b>2016</b>				
AUSMAQ Systems Limited	59,589	0.03	59,161	5,786
Masterkey Investment Services	66,873,352	38.82	66,392,470	6,493,403
MLC Limited	10,175,211	5.91	10,102,042	988,013
MLC Navigator Investment Plan	36,788,016	21.35	36,523,475	3,572,116
NULIS Nominees (Australia) Limited	42,777,927	24.83	42,470,313	4,153,737
<b>2015</b>				
AUSMAQ Systems Limited	40,757	0.03	44,844	1,773
Masterkey Investment Services	64,037,664	41.48	70,459,149	2,785,638
MLC Limited	-	-	-	-
MLC Navigator Investment Plan	34,828,476	22.56	38,320,960	1,515,039
NULIS Nominees (Australia) Limited	41,660,246	26.99	45,837,797	1,812,221

**NOTE 7 - RELATED PARTIES (continued)**

**(i) Unitholder investing activities (continued)**

MLC Investments Limited and its related parties	Number of units	Interest held in the Scheme %	Fair value of investment \$	Distributions received \$
<b>Property Securities Fund</b>				
<b>2016</b>				
AUSMAQ Systems Limited	915,734	0.44	649,090	27,751
Masterkey Investment Services	28,077,955	13.64	19,902,219	874,047
MLC Limited	4,948,631	2.40	3,507,689	69,776
National Nominees (Australia) Limited	4,271	-	3,027	134
MLC Navigator Investment Plan	32,202,953	15.65	22,826,101	1,035,660
NULIS Nominees (Australia) Limited	75,316,516	36.59	53,385,862	2,396,332
<b>2015</b>				
AUSMAQ Systems Limited	850,371	0.41	508,735	27,938
Masterkey Investment Services	27,063,550	13.02	16,190,796	747,524
MLC Limited	-	-	-	-
National Nominees (Australia) Limited	4,271	0.01	2,555	121
MLC Navigator Investment Plan	32,885,209	15.82	19,673,609	1,053,821
NULIS Nominees (Australia) Limited	78,561,690	37.79	46,999,609	2,281,016
<b>Global Share Fund</b>				
<b>2016</b>				
AUSMAQ Systems Limited	376,645	0.29	338,694	60,226
Masterkey Investment Services	14,739,707	11.53	13,254,524	2,356,879
MLC Limited	3,730,908	2.92	3,354,979	596,572
National Nominees (Australia) Limited	2,968,531	2.32	2,669,420	474,668
MLC Navigator Investment Plan	42,090,450	32.91	37,849,388	6,730,263
NULIS Nominees (Australia) Limited	43,825,463	34.27	39,409,580	7,007,692
<b>2015</b>				
AUSMAQ Systems Limited	642,976	0.45	693,757	13,824
Masterkey Investment Services	14,661,672	10.27	15,819,619	315,226
MLC Limited	-	-	-	-
National Nominees (Australia) Limited	7,838,996	5.49	8,458,102	168,538
MLC Navigator Investment Plan	49,255,320	34.52	53,145,396	1,058,989
NULIS Nominees (Australia) Limited	48,040,723	33.66	51,834,872	1,032,876
<b>Australian Share Fund</b>				
<b>2016</b>				
Masterkey Investment Services	28,015,602	27.99	26,421,003	1,693,461
MLC Limited	35,879,260	35.84	33,837,076	-
National Nominees (Australia) Limited	3,887	-	3,666	239
MLC Navigator Investment Plan	16,779,713	16.76	15,824,641	1,052,852
NULIS Nominees (Australia) Limited	17,345,029	17.33	16,357,780	1,047,394
<b>2015</b>				
Masterkey Investment Services	27,954,867	42.31	27,517,453	1,659,708
MLC Limited	-	-	-	-
National Nominees (Australia) Limited	3,887	0.01	3,826	229
MLC Navigator Investment Plan	18,377,730	27.82	18,090,170	1,121,295
NULIS Nominees (Australia) Limited	17,043,518	25.80	16,776,835	1,037,598
<b>Platinum Global Fund</b>				
<b>2016</b>				
AUSMAQ Systems Limited	2,052,298	2.36	2,137,659	154,949
Masterkey Investment Services	1,470,764	1.69	1,531,937	111,043
National Nominees (Australia) Limited	7,160	0.01	7,458	541
MLC Navigator Investment Plan	12,403,741	14.29	12,919,645	936,482
NULIS Nominees (Australia) Limited	25,527,044	29.41	26,588,782	1,927,292
<b>2015</b>				
AUSMAQ Systems Limited	1,937,656	1.91	2,317,704	143,580
Masterkey Investment Services	1,590,074	1.57	1,901,947	117,824
National Nominees (Australia) Limited	7,160	0.01	8,565	531
MLC Navigator Investment Plan	14,654,291	14.48	17,528,554	1,085,883
NULIS Nominees (Australia) Limited	28,602,718	28.26	34,212,797	2,119,461

**NOTE 7 - RELATED PARTIES (continued)**

**(i) Unitholder investing activities (continued)**

MLC Investments Limited and its related parties	Number of units	Interest held in the Scheme %	Fair value of investment \$	Distributions received \$
<b>Horizon 1 Bond Portfolio</b>				
<b>2016</b>				
Masterkey Investment Services	22,518,157	27.21	22,988,008	573,810
MLC Investment Trusts	3,009	0.01	3,072	77
MLC Navigator Investment Plan	35,102,179	42.41	35,834,601	959,869
NULIS Nominees (Australia) Limited	23,854,424	28.82	24,352,157	624,846
<b>2015</b>				
Masterkey Investment Services	20,846,653	22.79	21,337,039	428,384
MLC Investment Trusts	2,951	0.01	3,021	63
MLC Navigator Investment Plan	44,188,935	48.30	45,228,414	1,010,521
NULIS Nominees (Australia) Limited	24,832,261	27.15	25,416,402	539,789
<b>Global Property Fund</b>				
<b>2016</b>				
AUSMAQ Systems Limited	14,955,918	12.63	9,848,052	876,558
Masterkey Investment Services	17,083,375	14.43	11,248,923	1,038,142
MLC Investment Trusts	185	-	122	11
National Nominees (Australia) Limited	7,101,798	6.00	4,676,335	415,581
MLC Navigator Investment Plan	27,477,173	23.20	18,092,947	1,608,002
NULIS Nominees (Australia) Limited	51,263,427	43.29	33,755,528	2,998,845
<b>2015</b>				
AUSMAQ Systems Limited	17,925,899	15.14	12,165,643	371,125
MLC Investment Trusts	179	0.01	122	4
Masterkey Investment Services	17,238,866	14.56	11,699,379	375,991
National Nominees (Australia) Limited	7,750,689	6.56	5,260,105	160,426
MLC Navigator Investment Plan	28,226,057	23.84	19,155,978	584,072
NULIS Nominees (Australia) Limited	46,686,573	39.43	31,684,446	965,712
<b>Australian Share Index Fund</b>				
<b>2016</b>				
Masterkey Investment Services	43,081,422	92.89	53,212,348	2,102,695
MLC Investment Trusts	119	-	147	6
MLC Limited	2,824,705	6.09	3,488,956	47,738
MLC Navigator Investment Plan	472,049	1.02	583,055	7,978
<b>2015</b>				
Masterkey Investment Services	35,238,191	100.00	45,254,225	1,720,879
MLC Investment Trusts	114	0.01	146	6
MLC Limited	-	-	-	-
MLC Navigator Investment Plan	-	-	-	-
<b>Horizon 7 Accelerated Growth Portfolio</b>				
<b>2016</b>				
AUSMAQ Systems Limited	47,749	0.16	55,887	6,752
Masterkey Investment Services	9,622,591	32.59	11,262,657	1,360,634
MLC Navigator Investment Plan	3,505,005	11.87	4,102,395	495,608
NULIS Nominees (Australia) Limited	11,429,225	38.71	13,377,212	1,616,092
<b>2015</b>				
AUSMAQ Systems Limited	47,027	0.18	63,679	2,196
Masterkey Investment Services	9,279,303	35.40	12,565,236	433,343
MLC Navigator Investment Plan	3,763,930	14.36	5,096,791	175,776
NULIS Nominees (Australia) Limited	9,502,258	36.25	12,867,143	443,755
<b>Hedged Global Share Fund</b>				
<b>2016</b>				
Masterkey Investment Services	6,110,051	17.72	4,779,572	310,274
MLC Investment Trusts	157	0.01	123	8
MLC Navigator Investment Plan	15,922,114	46.18	12,455,033	819,989
NULIS Nominees (Australia) Limited	7,330,004	21.26	5,733,877	377,495

**NOTE 7 - RELATED PARTIES (continued)**

**(i) Unitholder investing activities (continued)**

MLC Investments Limited and its related parties	Number of units	Interest held in the Scheme %	Fair value of investment \$	Distributions received \$
<b>Hedged Global Share Fund (continued)</b>				
<b>2015</b>				
Masterkey Investment Services	6,464,460	21.95	5,567,060	56,832
MLC Investment Trusts	155	0.01	134	1
MLC Navigator Investment Plan	9,549,958	32.43	8,224,228	84,995
NULIS Nominees (Australia) Limited	8,446,641	28.69	7,274,074	75,175
<b>Australian Share Growth Style Fund</b>				
<b>2016</b>				
MLC Navigator Investment Plan	-	-	-	<b>33,178</b>
NULIS Nominees (Australia) Limited	-	-	-	<b>66,218</b>
MLC Investments Limited	-	-	-	<b>492</b>
MLC MasterKey Investment Service	-	-	-	<b>218,769</b>
<b>2015</b>				
MLC Navigator Investment Plan	342,434	11.72	407,381	22,526
NULIS Nominees (Australia) Limited	601,140	20.58	715,155	38,718
MLC Investments Limited	3,801	0.13	4,522	235
MLC MasterKey Investment Service	1,904,627	65.21	2,265,867	129,016
<b>Australian Share Value Style Fund</b>				
<b>2016</b>				
National Australia Pooled Superannuation Trust	-	-	-	<b>161</b>
MLC Navigator Investment Plan	-	-	-	<b>13,074</b>
NULIS Nominees (Australia) Limited	-	-	-	<b>42,498</b>
MLC Investments Limited	-	-	-	<b>64</b>
MLC MasterKey Investment Service	-	-	-	<b>17,919</b>
<b>2015</b>				
National Australia Pooled Superannuation Trust	11,164	0.17	10,041	583
MLC Navigator Investment Plan	1,143,885	17.27	1,028,741	59,322
NULIS Nominees (Australia) Limited	3,747,095	56.58	3,369,909	190,421
MLC Investments Limited	4,304	0.06	3,871	224
MLC MasterKey Investment Service	1,680,621	25.38	1,511,448	91,458
<b>Global Share Growth Style Fund</b>				
<b>2016</b>				
MLC Navigator Investment Plan	-	-	-	<b>477,369</b>
NULIS Nominees (Australia) Limited	-	-	-	<b>218,270</b>
MLC Investments Limited	-	-	-	<b>1,500</b>
MLC MasterKey Investment Service	-	-	-	<b>630,041</b>
<b>2015</b>				
MLC Navigator Investment Plan	902,901	35.00	1,414,407	30,428
NULIS Nominees (Australia) Limited	557,942	21.58	874,023	18,803
MLC Investments Limited	2,247	0.09	3,520	76
MLC MasterKey Investment Service	1,122,698	43.42	1,758,722	37,835
<b>Global Share Value Style Fund</b>				
<b>2016</b>				
National Pooled Superannuation Fund	-	-	-	-
MLC Navigator Investment Plan	-	-	-	-
NULIS Nominees (Australia) Limited	-	-	-	-
MLC Investments Limited	-	-	-	-
MLC MasterKey Investment Service	-	-	-	-
<b>2015</b>				
National Pooled Superannuation Fund	7,525,848	63.54	8,231,979	142,239
MLC Navigator Investment Plan	1,424,539	12.03	1,558,200	26,924
NULIS Nominees (Australia) Limited	1,493,301	12.61	1,633,414	28,223
MLC Investments Limited	2,695	0.02	2,947	51
MLC MasterKey Investment Service	1,022,624	8.63	1,118,575	19,328

## **NOTE 8 - INVESTMENT IN CONTROLLED ENTITIES**

The Schemes meet the definition of an investment entity. Therefore they do not consolidate their underlying controlled entities.

The ownership and investment interest for the Schemes' underlying controlled entities are detailed in Note 7(h). The principal place of business of the Responsible Entity is the MLC Building, 105-153 Miller St, North Sydney NSW 2060.

### *Restrictions*

The Schemes receive income in the form of distributions and interest from their investments in unconsolidated controlled entities, and there are no significant restrictions on the transfer of funds from these entities to the Schemes.

### *Support*

The Schemes did not provide any support during the year (2015: nil) to their underlying controlled entities. The Schemes have no contractual commitments or current intentions to provide any other financial or other support to their unconsolidated controlled entities.

## **NOTE 9 - FINANCIAL RISK MANAGEMENT**

### **(a) Financial Risk Management Objectives, Policies and Processes**

The Schemes' activities expose them to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk, equity and other price risk), liquidity and cash flow risk. The Schemes' overall risk management programme is aligned to the investment strategy of each Scheme as detailed in their Constitution and Product Disclosure Statement. It focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Schemes' financial performance. The Responsible Entity monitors the risk management framework, which is performed internally and reported on a quarterly basis.

### **(b) Credit Risk**

The Schemes take on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

There was no significant direct credit risk in the Schemes as at 30 June 2016 (2015:Nil).

### **(c) Market Risk**

#### *(i) Currency Risk*

Currency risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate due to changes in foreign exchange rates.

There was no significant direct foreign exchange risk in the Schemes as at 30 June 2016 (2015:Nil).

#### *(ii) Interest Rate Risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

There was no significant direct interest risk in the Schemes as at 30 June 2016 (2015:Nil).

#### *(iii) Equity and Other Price Risk*

Equity and other price risk is the risk that the fair value of equities and unit prices decrease as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market.

To mitigate the impact of equity and other price risk the investment process ensures there is diversification of equity exposures within the Schemes.

Changes in price as disclosed in this note are based on an analysis of the yearly change in relevant market indices over the last 10 years. These represent what is considered to be a reasonably possible change rather than extreme fluctuations that may occur from time to time. As such, actual future market movement may differ.

The effect on the Statements of Profit or Loss and Other Comprehensive Income due to reasonably possible changes in market factors, as represented by the equity indices, with all other variables held constant are indicated in the following tables:

### **Horizon 4 Balanced Portfolio**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities Funds	26%	-15%	94,898	(54,749)	28%	-15%	93,562	(50,123)
International Equities Funds	26%	-14%	88,778	(47,803)	26%	-14%	81,275	(43,764)
Property Equities Funds	34%	-26%	16,047	(12,272)	34%	-26%	14,691	(11,235)
Fixed Interest Funds	7%	-7%	23,901	(23,901)	7%	-7%	21,882	(21,882)
Total			223,624	(138,725)			211,410	(127,004)

### **Horizon 3 Conservative Growth Portfolio**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities Funds	26%	-15%	35,592	(20,534)	28%	-15%	37,067	(19,858)
International Equities Funds	26%	-14%	37,281	(20,074)	26%	-14%	36,053	(19,413)
Property Equities Funds	34%	-26%	6,667	(5,098)	33%	-26%	6,258	(4,930)
Fixed Interest Funds	7%	-7%	21,901	(21,901)	7%	-7%	21,180	(21,180)
Total			101,441	(67,607)			100,558	(65,381)



**NOTE 9 - FINANCIAL RISK MANAGEMENT (continued)**

**(c) Market Risk (continued)**

*(iii) Equity and Other Price Risk (continued)*

**Income Builder**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities Funds	26%	-15%	123,634	(71,328)	28%	-15%	144,725	(77,531)
Fixed Interest Funds	7%	-7%	679	(679)	7%	-7%	724	(724)
Total			124,313	(72,007)			145,449	(78,255)

**Inflation Plus - Moderate Portfolio**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities Funds	26%	-15%	6,852	(3,953)	28%	-15%	3,300	(1,768)
International Equities Funds	26%	-14%	19,943	(10,738)	26%	-14%	8,918	(4,802)
Fixed Interest Funds	7%	-7%	19,039	(19,039)	7%	-7%	8,483	(8,483)
Total			45,834	(33,730)			20,701	(15,053)

**Horizon 5 Growth Portfolio**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities Funds	26%	-15%	36,675	(21,158)	28%	-15%	39,000	(20,893)
International Equities Funds	26%	-14%	37,688	(20,294)	26%	-14%	37,215	(20,039)
Property Equities Funds	34%	-26%	5,340	(4,083)	34%	-26%	5,273	(4,032)
Fixed Interest Funds	7%	-7%	4,387	(4,387)	7%	-7%	4,332	(4,332)
Total			84,090	(49,922)			85,820	(49,296)

**Horizon 2 Income Portfolio**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities Funds	26%	-15%	10,713	(6,181)	28%	-15%	10,700	(5,732)
International Equities Funds	26%	-14%	4,464	(2,404)	26%	-14%	4,140	(2,229)
Property Equities Funds	34%	-26%	15,200	(11,624)	34%	-26%	14,097	(10,780)
Fixed Interest Funds	7%	-7%	16,350	(16,350)	7%	-7%	15,163	(15,163)
Total			46,727	(36,559)			44,100	(33,904)

**Inflation Plus - Conservative Portfolio**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities Funds	26%	-15%	4,889	(2,820)	28%	-15%	2,357	(1,263)
International Equities Funds	26%	-14%	8,414	(4,530)	26%	-14%	3,767	(2,028)
Fixed Interest Funds	7%	-7%	16,846	(16,846)	7%	-7%	7,591	(7,591)
Total			30,149	(24,196)			13,715	(10,882)

**Inflation Plus - Assertive Portfolio**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities Funds	26%	-15%	6,343	(3,659)	28%	-15%	5,117	(2,741)
International Equities Funds	26%	-14%	36,700	(19,761)	26%	-14%	27,492	(14,804)
Fixed Interest Funds	7%	-7%	10,553	(10,553)	7%	-7%	7,796	(7,796)
Total			53,596	(33,973)			40,405	(25,341)

NOTE 9 - FINANCIAL RISK MANAGEMENT - (continued)

(c) Market Risk (continued)

(iii) Equity and Other Price Risk (continued)

Diversified Debt Fund

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Fixed Interest Funds	7%	-7%	13,875	(13,875)	7%	-7%	13,993	(13,993)
Total			13,875	(13,875)			13,993	(13,993)

Horizon 6 Share Portfolio

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities Funds	26%	-15%	19,490	(11,244)	28%	-15%	20,649	(11,062)
International Equities Funds	26%	-14%	24,240	(13,052)	26%	-14%	23,846	(12,840)
Property Equities Funds	34%	-26%	1,245	(952)	34%	-26%	1,224	(936)
Total			44,975	(25,248)			45,719	(24,838)

Property Securities Fund

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Property Equities Funds	34%	-26%	49,653	(37,970)	34%	-26%	42,052	(32,157)
Total			49,653	(37,970)			42,052	(32,157)

Global Share Fund

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
International Equities Funds	26%	-14%	30,268	(16,298)	26%	-14%	39,869	(21,468)
Total			30,268	(16,298)			39,869	(21,468)

Australian Share Fund

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities Funds	26%	-15%	24,417	(14,087)	28%	-15%	18,140	(9,718)
Total			24,417	(14,087)			18,140	(9,718)

Platinum Global Fund

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
International Equities Funds	26%	-14%	23,399	(12,600)	26%	-14%	31,316	(16,863)
Total			23,399	(12,600)			31,316	(16,863)

**NOTE 9 - FINANCIAL RISK MANAGEMENT (continued)**

**(c) Market Risk (continued)**

*(iii) Equity and Other Price Risk (continued)*

**Horizon 1 Bond Portfolio**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Fixed Interest Funds	7%	-7%	5,876	(5,876)	7%	-7%	6,515	(6,515)
Total			5,876	(5,876)			6,515	(6,515)

**Global Property Fund**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Property Equities Funds	34%	-26%	26,380	(20,173)	34%	-26%	27,098	(20,722)
Total			26,380	(20,173)			27,098	(20,722)

**Australian Share Index Fund**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities Funds	26%	-15%	14,806	(8,542)	28%	-15%	12,598	(6,749)
Total			14,806	(8,542)			12,598	(6,749)

**Horizon 7 Accelerated Growth Portfolio**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
Australian Equities funds	26%	-15%	3,730	(2,152)	28%	-15%	4,151	(2,224)
International Equities Funds	26%	-14%	5,093	(2,742)	26%	-14%	5,262	(2,834)
Total			8,823	(4,894)			9,413	(5,058)

**Hedged Global Share Fund**

Category	2016				2015			
	Change in price		Effect on net profit attributable to unitholders \$'000		Change in price		Effect on net profit attributable to unitholders \$'000	
	+	-	+	-	+	-	+	-
International Equities Funds	26%	-14%	6,924	(3,728)	26%	-14%	6,531	(3,516)
Total			6,924	(3,728)			6,531	(3,516)

**NOTE 9 - FINANCIAL RISK MANAGEMENT (continued)**

**(c) Market Risk (continued)**

*(iii) Equity and Other Price Risk (continued)*

**Australian Share Growth Style Fund**

Category	2016				2015			
	2016		Effect on net profit attributable to unitholders		Change in price		Effect on net profit attributable to unitholders	
	+	-	Whole Dollars \$		+	-	Whole Dollars \$	
Australian Equities Funds	26%	-15%	-	-	28%	-15%	964,435	(516,662)
Total			-	-			964,435	(516,662)

**Australian Share Value Style Fund**

Category	2016				2015			
	2016		Effect on net profit attributable to unitholders		Change in price		Effect on net profit attributable to unitholders	
	+	-	Whole Dollars \$		+	-	Whole Dollars \$	
Australian Equities Funds	26%	-15%	-	-	28%	-15%	1,660,849	(889,741)
Total			-	-			1,660,849	(889,741)

**Global Share Growth Style Fund**

Category	2016				2015			
	2016		Effect on net profit attributable to unitholders		Change in price		Effect on net profit attributable to unitholders	
	+	-	Whole Dollars \$		+	-	Whole Dollars \$	
International Equities Funds	26%	-14%	-	-	26%	-14%	1,040,521	(560,281)
Total			-	-			1,040,521	(560,281)

**Global Share Value Style Fund**

Category	2016				2015			
	2016		Effect on net profit attributable to unitholders		Change in price		Effect on net profit attributable to unitholders	
	+	-	Whole Dollars \$		+	-	Whole Dollars \$	
International Equities Funds	26%	-14%	-	-	26%	-14%	3,366,216	(1,812,578)
Total			-	-			3,366,216	(1,812,578)

**(d) Liquidity and Cash Flow Risk**

The Schemes are exposed to daily cash redemptions of redeemable units. Therefore, they invest the majority of their assets either in unlisted schemes with daily redemptions, or in investments that are readily disposed of in an active market, which under normal market conditions are readily convertible to cash.

Net assets attributable to unitholders are repayable on demand, subject to redemption freeze provisions. In addition the Schemes' policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

In accordance with the Schemes' policies, the Schemes' liquidity position is monitored on a daily basis, and the Responsible Entity reviews this on a quarterly basis.

The Schemes' liabilities are expected to be settled within less than one month, except for amounts owing to the Responsible Entity which are expected to be settled within one to three months.

**(e) Fair value of financial instruments**

The Schemes' financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table details how the fair values of these financial assets and financial liabilities are determined in particular, the valuation techniques applied where valuation techniques involve the use of non-market observable inputs.

Financial assets / (financial liabilities)	Fair Value Hierarchy	Valuation Techniques
Unlisted managed investment schemes	2	Valued at redemption price as established by the Responsible Entity of the underlying trust.

The investments by the Schemes are all in unlisted managed investment schemes which are classified as Level 2 and there have been no transfers between the levels during the year.

NOTE 10 - NOTES TO THE STATEMENTS OF CASH FLOWS

	Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	3,931	92,028	5,140	43,435	(20,925)	51,937	2,238	8,480
Income reinvested	(68,586)	(33,241)	(33,357)	(14,154)	(34,067)	(45,102)	(15,274)	(9,589)
Changes in the fair value of investments	73,981	(49,991)	33,928	(24,221)	61,131	(398)	11,993	728
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in other receivables	(69)	(110)	(27)	(95)	51	(56)	(1)	(2)
(Decrease)/increase in other accounts payable and accrued expenses	(3)	1	(1)	1	(3)	-	26	26
<b>Net cash provided by/(used in) operating activities</b>	<b>9,254</b>	<b>8,687</b>	<b>5,683</b>	<b>4,966</b>	<b>6,187</b>	<b>6,381</b>	<b>(1,018)</b>	<b>(357)</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank, units in the Cash Fund and short term deposits at call. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	65,680	34,974	32,651	14,852	24,194	38,553	19,043	10,295
	65,680	34,974	32,651	14,852	24,194	38,553	19,043	10,295

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	2,092	1,040	543	392	436	290	35	832
	2,092	1,040	543	392	436	290	35	832

	Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Inflation Plus Assertive Portfolio	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	(1,376)	37,681	7,148	17,798	2,212	5,545	661	28,179
Income reinvested	(27,614)	(11,323)	(16,328)	(10,934)	(9,131)	(5,987)	(35,768)	(32,335)
Changes in the fair value of investments	32,421	(23,060)	7,872	(8,050)	6,130	159	33,424	2,981
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in other receivables	(7)	(33)	2	-	-	(1)	-	-
(Decrease)/increase in other accounts payable and accrued expenses	(2)	-	(56)	18	15	20	(21)	34
<b>Net cash provided by/(used in) operating activities</b>	<b>3,422</b>	<b>3,265</b>	<b>(1,362)</b>	<b>(1,168)</b>	<b>(774)</b>	<b>(264)</b>	<b>(1,704)</b>	<b>(1,141)</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank, units in the Cash Fund and short term deposits at call. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	21,375	9,970	18,909	6,177	9,780	6,622	35,517	28,966
	21,375	9,970	18,909	6,177	9,780	6,622	35,517	28,966

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	3,695	2,293	275	104	62	10	3,695	-
	3,695	2,293	275	104	62	10	3,695	-

NOTE 10 - NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

	Diversified Debt Fund		Horizon 6 Share Portfolio		Property Securities Fund		Global Share Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	10,600	7,615	(2,016)	20,532	29,349	22,001	(2,720)	29,307
Income reinvested	(9,977)	(8,716)	(15,066)	(5,078)	(6,898)	(6,460)	(26,367)	(2,807)
Changes in the fair value of investments	(1,297)	468	18,748	(13,822)	(22,858)	(15,912)	29,167	(26,233)
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in other receivables	(2)	1	(4)	(16)	-	-	18	7
(Decrease)/increase in other accounts payable and accrued expenses	(28)	6	(3)	-	(11)	-	16	1
<b>Net cash provided by/(used in) operating activities</b>	<b>(704)</b>	<b>(626)</b>	<b>1,659</b>	<b>1,616</b>	<b>(418)</b>	<b>(371)</b>	<b>114</b>	<b>275</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank, units in the Cash Fund and short term deposits at call. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	5,542	6,279	15,761	7,357	2,768	2,132	19,042	3,682
	5,542	6,279	15,761	7,357	2,768	2,132	19,042	3,682

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	-	-	23	70	400	619	200	148
	-	-	23	70	400	619	200	148

	Australian Share Fund		Platinum Global Fund		Horizon 1 Bond Portfolio		Global Property Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	443	4,718	(7,432)	23,678	2,008	2,463	4,648	8,223
Income reinvested	(4,898)	(4,326)	(10,410)	(16,550)	(2,364)	(2,281)	(6,971)	(2,471)
Changes in the fair value of investments	4,145	(737)	18,601	(6,238)	115	(575)	1,964	(6,106)
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in other receivables	-	1	19	1	-	1	-	1
(Decrease)/increase in other accounts payable and accrued expenses	(5)	2	(2)	-	(14)	(28)	(20)	5
<b>Net cash provided by/(used in) operating activities</b>	<b>(315)</b>	<b>(342)</b>	<b>776</b>	<b>891</b>	<b>(255)</b>	<b>(420)</b>	<b>(379)</b>	<b>(348)</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank, units in the Cash Fund and short term deposits at call. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	515	2,815	6,914	8,028	1,771	1,380	7,298	3,129
	515	2,815	6,914	8,028	1,771	1,380	7,298	3,129

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	23	15	42	-	-	-	-	-
	23	15	42	-	-	-	-	-

NOTE 10 - NOTES TO THE STATEMENTS OF CASH FLOWS (continued)

	Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Hedged Global Share Fund		Australian Share Growth Style Fund	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Whole Dollars \$	Whole Dollars \$
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	246	1,651	(1,092)	5,375	(813)	2,202	7,992	200,664
Income reinvested	(2,276)	(1,808)	(4,505)	(1,548)	(1,771)	(261)	(53,121)	(224,472)
Changes in the fair value of investments	1,913	66	5,338	(4,084)	2,447	(2,072)	36,902	(5,510)
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in other receivables	-	1	-	1	-	(3)	55	25
(Decrease)/increase in other accounts payable and accrued expenses	(2)	2	(7)	-	(4)	2	(1,800)	(154)
<b>Net cash provided by/(used in) operating activities</b>	<b>(119)</b>	<b>(88)</b>	<b>(266)</b>	<b>(256)</b>	<b>(141)</b>	<b>(132)</b>	<b>(9,972)</b>	<b>(29,447)</b>
<b>(b) Cash and cash equivalents</b>								
For the purposes of the Statements of Cash Flows, cash includes cash at bank, units in the Cash Fund and short term deposits at call. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:								
Cash at bank	1,126	1,043	4,804	1,671	2,117	507	-	145,654
	1,126	1,043	4,804	1,671	2,117	507	-	145,654
<b>(c) Non-cash financing and investing activities</b>								
Distributions to unitholders reinvested	-	41	23	10	3,695	-	147	145
	-	41	23	10	3,695	-	147	145

	Australian Share Value Style Fund		Global Share Growth Style Fund		Global Share Value Style Fund	
	2016	2015	2016	2015	2016	2015
	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>						
Net operating profit/(loss)	(122,678)	377,317	223,501	732,028	57,023	1,705,712
Income reinvested	(88,315)	(385,961)	(482,479)	(103,372)	-	(299,843)
Changes in the fair value of investments	196,824	(33,476)	249,223	(650,192)	(82,101)	(1,481,875)
Changes in assets and liabilities during the financial year:						
(Increase)/decrease in other receivables	110	44	64	10	170	135
(Decrease)/increase in other accounts payable and accrued expenses	(3,016)	451	(2,537)	1,052	(6,328)	1,687
<b>Net cash provided by/(used in) operating activities</b>	<b>(17,075)</b>	<b>(41,625)</b>	<b>(12,228)</b>	<b>(20,474)</b>	<b>(31,236)</b>	<b>(74,184)</b>
<b>(b) Cash and cash equivalents</b>						
For the purposes of the Statements of Cash Flows, cash includes cash at bank, units in the Cash Fund and short term deposits at call. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:						
Cash at bank	-	258,026	-	138,278	-	238,890
	-	258,026	-	138,278	-	238,890
<b>(c) Non-cash financing and investing activities</b>						
Distributions to unitholders reinvested	150	140	76	34	140,289	105
	150	140	76	34	140,289	105

NOTE 11 - EVENTS OCCURRING AFTER THE BALANCE DATE

There has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to significantly affect the operations of the Schemes, the results of those operations, or the state of affairs of the Schemes, in future financial years.

NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES

The Schemes had no known commitments or contingent liabilities as at 30 June 2016 (2015: Nil).

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**Directors' declaration**

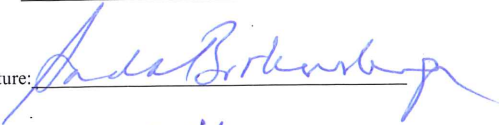
In the opinion of the Directors of MLC Investments Limited, the Responsible Entity of the Schemes:

The financial statements and notes set out on pages 7 to 45, are in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the financial positions of the Schemes as at 30 June 2016 and of their performance for the year ended on that date;
- (b) complying with Accounting Standards and Corporations Regulations 2001;
- (c) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable; and
- (d) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

This declaration is made in accordance with a resolution of the Directors.

Director: SANDRA BIRKENSLEIGH

Signature: 

Dated at Sydney this 30<sup>th</sup> day of August 2016



## Independent auditor's report to the unitholders of the MLC Investment Trust:

Horizon 4 Balanced Portfolio	MLC Wholesale Australian Share Fund
Horizon 3 Conservative Growth Portfolio	MLC Investment Trust MLC Platinum Global Fund
Wholesale Income Builder	Horizon 1 Bond Portfolio
MLC Wholesale Inflation Plus – Moderate Portfolio	MLC Global Property Fund
Horizon 5 Growth Portfolio	MLC Wholesale Australian Share Index Fund
horizon 2 Income Portfolio	Horizon 7 Accelerated Growth Portfolio
MLC Wholesale Inflation Plus – Conservative Portfolio	MLC Hedged Global Share Fund
MLC Wholesale Inflation Plus – Assertive Portfolio	Wholesale Australian Share Growth Style Fund
MLC Wholesale Diversified Debt Fund	Wholesale Australian Share Value Style Fund
Horizon 6 Share Portfolio	Wholesale Global Share Growth Style Fund
Wholesale Property Securities Fund	Wholesale Global Share Value Style Fund
Wholesale Global Share Fund	

We have audited the accompanying financial report of the MLC Investment Trust consisting of the schemes listed above (the 'Schemes') which comprises the statements of financial position as at 30 June 2016, the statements of profit or loss and other comprehensive income, statements of changes in net assets attributable to unitholders and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

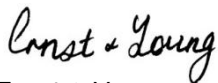
### **Independence**

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity a written Auditor's Independence Declaration, a copy of which is attached to the directors' report.

### **Opinion**

In our opinion:

1. the financial report of the Schemes is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Schemes' financial position as at 30 June 2016 and of their performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).



Ernst & Young



Rita Da Silva  
Partner  
Sydney  
30 August 2016



a NAB company

