



Annual Report 2016

MLC Navigator Access
Super and Pension

Preparation date
1 December 2016

Issued by The Trustee,
NULIS Nominees (Australia)
Limited

ABN 80 008 515 633
AFSL 236465

For MLC Superannuation
Fund (the Fund)
ABN 40 022 701 955



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

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

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

Contents

Looking out for your interests	4
Some things you should know	5
About your account value	8
How your money is invested	9
Investment option profiles	13
Financial Reports	30
How to contact us	Back cover

Looking out for your interests

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

Made up of non-executive directors, the Trustee Board is responsible for the management of the Fund. The Trustee's duties include:

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

The Trustee Board has professional indemnity insurance, and has appointed Navigator Australia Limited (ABN 45 006 302 987) to carry out the day-to-day administration of the Fund.

Operational Risk Financial Reserve (Reserve)

The Government requires super funds to keep a financial reserve to cover any losses that members incur due to a breakdown in operations. The Reserve has been established in full by the National Australia Bank. We may require members to contribute to the Reserve in the future. If we do, we'll notify you in advance of any deductions.

The Reserve was established in the 2016 financial year. The Reserve is held by the Trustee across the superannuation funds of which it acts as trustee. The balance of the Reserve at the end of the last 3 financial years is summarised below:

- 30 June 2016: \$240M
- 30 June 2015: Not applicable
- 30 June 2014: Not applicable

Meet the Board

The directors are:

Nicole Smith (Chair)

BFA 1990, CA, GAICD

Alan Schoenheimer

MBA, B Eng (Chemical) (First Class Hons)

Andrew Gale

MBA, B Arts (Actuarial), FAICD, FIAA

John Reid

B Sc (Mathematics and Physics) 1971,

FIA (UK and Australia), GAICD

Peggy O'Neal

BA (Virginia) 1973, JD (Virginia) 1976,

Diploma of Superannuation Management (Macquarie) 1994, FAICD

Trevor Hunt

B Bus (Accounting and Economics) 1989

Evelyn Horton

Masters of Social Science (Economics) 1995,

B Economics 1986 (ANU), GAICD

Terry McCredden

B Comm (Hon) 1977 (University of Melbourne)

Trustee director movements

Michael Clancy retired effective 15 December 2015.

Alan Schoenheimer was appointed non-executive director effective 26 August 2016.

Andrew Gale was appointed non-executive director effective 26 October 2016.

Some things you should know

Transfers to an Eligible Rollover Fund

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

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

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

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

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

Transfers to the Australian Taxation Office (ATO)

The law and rules defining the transfer of unclaimed superannuation money to the ATO can be viewed on the ATO website at **ato.gov.au**

In summary, we're generally required by law to transfer your account to the ATO if one of the following situations occurs:

- your account balance is less than \$4,000 (this threshold will increase to \$6,000 from 31 December 2016), and either
 - no contributions or rollovers have been made to your account for 12 months, you have not otherwise contacted the fund for 12 months and we have no way of contacting you, or
 - you've been a member of the Fund for more than 2 years, your account was set up through your employer, and there have been no contributions or rollovers made to your account for over 5 years
- you're over 65, no contributions have been made to your account for over 2 years, you haven't contacted us for at least 5 years, and we've tried but have been unable to contact you
- the ATO informs us that you were a former temporary resident and left the country over six months ago
- upon your death, where no contributions have been made for at least 2 years, and after a reasonable period of time, we've tried but have been unable to identify or contact the beneficiary of your account.

Some things you should know

The law also requires us to transfer to the ATO the portion payable to your spouse as a result of Family Law ruling, if after a reasonable period of time we've tried but have been unable to contact your spouse, or your spouse's beneficiary/estate.

If your account is transferred to the ATO for any of these reasons, you will then have to contact the ATO on **13 10 20** to claim your benefit.

Surcharge assessment for prior years

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

The Surcharge assessment may be sent to the Fund, in which case the amount will generally be deducted from your account (unless it's a pension account) and paid to the ATO.

If you've withdrawn your account balance (in whole or part) or commenced a pension, the ATO may send the Surcharge assessment to your new super arrangement or directly to you.

Where you receive the assessment directly, you'll be responsible for paying the Surcharge to the ATO.

If you have a pension account, you're generally able to ask us to pay you a lump sum in order to meet your Surcharge liability.

If you have any questions about the Surcharge please visit the ATO website at **ato.gov.au** or call **13 10 20**.

Special rules for temporary residents

If you're a temporary resident and your visa has ceased to have effect and you leave Australia permanently, you may be able to claim your superannuation from the Fund as a Departing Australia Superannuation Payment. Withholding taxes may apply to the lump sum payment. However, if you don't make a claim within six months of the later of your visa expiring or your departure from Australia, we may be required to transfer your superannuation to the ATO as unclaimed super. In these circumstances, relying on relief from ASIC we're not required to notify you or give you an exit statement and you'll need to contact the ATO directly to claim your superannuation. For more information go to **ato.gov.au**

Illiquid investments and portability

When you ask us to roll over or transfer your account balance, we're generally required to respond to this within 3 business days, or if you made an investment choice after 1 July 2007, within 30 days.

There may be a delay in processing your request where part of your account balance is invested in an 'illiquid investment'.

What is an illiquid investment?

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

- a fund manager suspends transactions or closes their fund
- the normal redemption processing timeframe for a fund is greater than the required timeframe, or
- a listed investment is under administration, suspended or delisted.

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

Suspended or terminated managed funds

Some investment managers suspend redemptions on their funds.

In some cases the managed fund may have been closed.

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

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

Resolving complaints

We can usually resolve your complaint over the phone on **132 652**, or you can email or write to us. More information about how to contact us and the complaint resolution process is available at **mlc.com.au/complaint**. If you're unhappy with the resolution of your complaint, please contact us to commence our internal dispute resolution process. We'll conduct a review and provide a written final outcome of your complaint, including the reasons for our decision.

If you're not satisfied with the final outcome of your complaint or if your complaint is not satisfactorily resolved within 90 days, you have the right to lodge a dispute with the Superannuation Complaints Tribunal (SCT), an independent, external dispute resolution body established by the Commonwealth Government, who can resolve certain types of disputes relating to superannuation providers. You can contact the SCT by calling **1300 884 114** or emailing **info@sct.gov.au**. Time limits apply to certain complaints to the SCT so you should contact them to find out if a time limit applies. More information is available at **sct.gov.au**

If you have a complaint about the financial advice you received, you should follow the complaint resolution process explained in the Financial Services Guide provided by your financial adviser.

About your account value

Protecting all investors

Prudent management

We reserve the right to refuse applications or vary the terms for processing any transaction in certain circumstances, such as when:

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

Transaction cost policy

The Trustee is responsible for ensuring that the costs of buying and selling assets when members transact are shared in an equitable way. This is achieved by offsetting the costs of member transactions against individual member assets as they arise.

How earnings are reflected in your account

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

Income received is usually net of fees and charges.

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

- reinvest earnings to the selected investment options, or

- deposit earnings to your Transaction Account.

How your account is valued

When money is paid into your account, units are allocated to your account and when money is paid out, units are deducted from your account.

The value of your account is based on:

- the number of units in your chosen investment options, and
- the price of those units.

The overall value of your account will change according to the unit price and the number of units you hold.

Unit prices are calculated as at the end of each business day and robust unit pricing policies are used to do this.

The unit price of each investment option will reflect the performance of the underlying assets, income earned, fees and expenses.

The performance of the underlying assets is influenced by movements in investment markets such as local and overseas share markets, bond and property markets.

If you would like to find out more about our unit pricing philosophy, go to our website.

You should also be aware that your account balance doesn't include the tax impact of any unrealised gains or losses that may arise if you request a full withdrawal.

How your money is invested

Investing in Navigator Investment Options

Navigator Australia Limited (NAL) ABN 45 006 302 987 AFSL 236 466 is the responsible entity, administrator and issuer of units in the MLC Navigator Access Investment Options. NAL is part of the NAB group of companies.

You have the ability to choose from a range of investment options. Pre Select investment options, multi-manager single sector Pre Select investment options and single manager investment options. The investment options provide access to many leading investment managers.

Investment objective

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

A selection of investment options are provided so you can invest according to your individual needs and circumstances.

You can find specific details about the individual investment options available on pages 13 to 29.

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

Investment fees

The investment fees shown on pages 13 to 29 reflect the actual fees for the year ending 30 June 2016.

Investment fees are reflected in the daily unit price for each investment option and vary as investment costs change.

Some investment managers provide a rebate on their investment management fee, which are passed entirely back to your account. The investment fees in the investment option profiles are shown after allowing for this rebate.

Performance information

For actual performance of your account in the MLC Navigator Access Super and Pension for the year ended 30 June 2016, please refer to your Annual Statement.

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

Performance fees

Some of the specialist investment managers appointed by the responsible entity may charge a performance fee, which is only charged when the performance of the manager exceeds a specified level. This is independent of the overall performance of the investment option and therefore performance fees may be payable to the investment managers even if the investment

How your money is invested

option itself produces negative performance. Different performance fees may be charged by different investment managers and will vary depending upon the investment managers' performance.

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

Asset allocation

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

The MLC Superannuation Fund as at 30 June 2016 had the following assets that had a value in excess of 5% of the fund's total assets:

- NAB Professional Funds Account – 7.03%
- Other assets in NAB Limited including term deposits, shares (directly and through the SMA) and cash accounts – 6.12%

Indirect costs

When investing your money, the responsible entity may incur costs and expenses that won't be charged to you as a fee but will reduce the net return of the investment option. These indirect costs are reflected in the daily unit price and any reporting on the performance of the investment option.

For the investment options, no indirect costs applied as at 30 June 2016. This may change in the future.

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

Standard Risk Measure

The Trustee uses the Standard Risk Measure (SRM) to help you compare the investment risk across the investment options offered. The SRM is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives or the risk of the investment manager not meeting its investment objective.

Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s. The risk categories are:

Risk band	Risk label	Estimated number of negative annual returns in any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

How your money is invested

Derivatives

Derivatives may be used in any of the investment options.

Derivatives are contracts that have a value derived from another source such as an asset, market index or interest rate. There are many types of derivatives including swaps, options and futures. They are a common tool used to manage risk or improve returns.

Some derivatives allow investment managers to earn large returns from small movements in the underlying asset's price. However, they can lose large amounts if the price movement in the underlying asset is unfavourable.

Investment managers have derivatives policies which outline how derivatives are managed. How investment managers invest in derivatives is included in their PDS on our website.

Investment option profiles

(Information current at 30 June 2016)

Cash

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

Investment option profiles

Fixed Income

Access PIMCO EQT Global Bond	
Investment objective	To achieve maximum total return by investing in global fixed interest securities and to preserve capital through prudent investment management.
About the investment option	The Fund invests predominantly in Investment Grade government, corporate, mortgage and other fixed interest securities. It may also invest in non-Investment Grade fixed interest securities and Emerging Market Debt. The Fund will normally be hedged 90–110% to the Australian dollar.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to have a broadly diversified exposure to international fixed interest markets.
Minimum suggested time to invest	5 to 7 years
Target asset allocation	100% Global fixed interest securities
Estimated number of negative annual returns	Medium, 2 years in 20 years
Management costs (% pa)	1.80
Fund Manager	PIMCO Australia Pty Limited

Access BlackRock Monthly Income (closed)				
Investment objective	The objective of the Fund is to generate consistent monthly income in excess of that available from short-term money market securities and cash rates. The Fund aims to achieve a total return of 1.70% p.a. in excess of the Bloomberg AusBond Bank Bill Index SM before fees over the medium term (3 years).			
About the investment option	<p>The Fund aims to generate monthly income primarily through the management of credit exposure using research-based knowledge, fundamental credit analysis and the requisite skill base to identify securities with superior risk-adjusted return characteristics in both domestic and international debt markets. Within a disciplined risk framework, the Fund seeks to access the performance potential of a diverse range of these investment opportunities on a global basis.</p> <p>To achieve its objective, the Fund invests in longer dated floating rate exposures and international debt securities (hedged in Australian Dollars) swapped back to domestic floating rate exposures. Derivatives may be used.</p> <p>A minimum of 75% of the market value of the Fund must be held in securities rated investment grade or better (ie at least BBB-).</p>			
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you are seeking to receive monthly income from your non-transactional cash balances, and • you might be considering investing in mortgage or bond funds 			
Minimum suggested time to invest	5 years			
Target asset allocation	Asset Sector	Min.	Bench.	Max.
	Fixed Income	0	100	100
	Cash	0	0	0
Estimated number of negative annual returns	Medium, 2 years in 20 years			
Management costs (% pa)	1.90			
Fund Manager	BlackRock			

Investment option profiles

Diversified

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

	Access Pre Select Growth Fund	Access Pre Select High Growth Fund
Investment objective	To produce higher returns than those expected from conservative and balanced strategies over the long term.	To provide higher returns than those expected from conservative, balanced and growth strategies over the long term.
About the investment option	Maintains a high proportion of growth assets in order to achieve high returns in the long term.	Dominated by growth assets with a very low allocation to defensive assets.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest with a bias to growth assets, and • you want a portfolio with a bias to long-term capital growth potential and can tolerate moderate to large changes in value. 	<ul style="list-style-type: none"> • you want to invest with a strong bias to growth assets, and • you want a portfolio with a strong bias to long-term capital growth potential and can tolerate large changes in value.
Minimum suggested time to invest	6 years	7 years
Target asset allocation	2% Cash 14% Australian fixed income 14% Global fixed income (hedged) 32% Australian shares 16% Global shares (unhedged) 16% Global shares (hedged) 3% Australian property securities 3% Global property securities (hedged)	1% Cash 7% Australian fixed income 7% Global fixed income (hedged) 40% Australian shares 20% Global shares (unhedged) 20% Global shares (hedged) 2.5% Australian property securities 2.5% Global property securities (hedged)
Estimated number of negative annual returns	High, between 4 and 5 years in 20 years	High, between 4 and 5 years in 20 years
Management costs (% pa)	1.95	2.10
Fund Manager	Multiple managers appointed by Navigator Australia Limited	Multiple managers appointed by Navigator Australia Limited

Investment option profiles

Tax Effective

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

Property Securities

	Access Property Securities Index	Access Macquarie Property Securities
Investment objective	To closely track the S&P/ASX 200 A-REIT Accumulation Index with the aim of generating returns (before tax and fees and assuming income reinvested) comparable to the listed property sector of the Australian share market, as measured by that benchmark over rolling three-year periods.	To outperform the S&P/ASX 200 A-REIT Index over the medium to long-term (before fees).
About the investment option	<p>Detailed risk analysis is used to design a portfolio of property securities which provide the greatest likelihood of matching performance of the S&P/ASX 200 A-REIT Accumulation Index.</p> <p>All shares in this option are maintained within a very close margin of their weight in the index.</p> <p>The option predominantly invests in Australian property securities and doesn't hedge currency risk.</p>	The Fund provides exposure to Australian listed property securities. The Fund may also provide exposure to overseas global property securities, Australian and overseas global property development companies, and other Australian securities and global securities demonstrating similar investment characteristics to property securities such as infrastructure securities. The Fund may also invest in derivatives to hedge foreign currency exposure or as an alternative to direct investments in property securities.
The option may be suited to you if ...	<ul style="list-style-type: none"> • you want indirect exposure to property markets via property trusts listed on the Australian Securities Exchange. 	<ul style="list-style-type: none"> • you want a diversified portfolio of property securities, and • you want some capital growth.
Min. suggested time to invest	At least 7 years	5 years
Target asset allocation	100% Australian property securities	85–100% Australian property securities 0–15% International property securities 0–5% Cash ¹ ¹ The Fund is expected to be fully invested. A portion of the portfolio may be allocated to cash for liquidity purposes.
Est. no. of negative annual returns	High, between 5 and 6 years in 20 years	High, between 5 and 6 years in 20 years
Mgt. costs (% pa)	1.65	1.90
Fund Manager	CFSGAM – Colonial First State Global Asset Management	Delaware Investment Advisers

Investment option profiles

Australian Shares

	Access CFS Global Property Securities	Access Australian Shares Index
Investment objective	To maximise total returns to the investor by investing in a portfolio of listed property securities from around the world. The option aims to outperform the FTSE EPRA/NAREIT Developed Index, hedged to Australian dollars over rolling three year periods before fees and taxes.	To closely track the S&P/ASX 200 Accumulation Index with the aim of generating returns (before tax and fees and assuming income reinvested) comparable to the Australian sharemarket as measured by that benchmark over rolling three-year periods.
About the investment option	The option invests primarily in property securities sourced from around the world. These investments may include securities that provide exposure to commercial, retail and industrial properties and, to a lesser extent, car parks, hotels, leisure properties, appropriate infrastructure projects, and other property related investments. The option would normally be fully invested in these types of securities, with cash held only to meet expected liquidity requirements or awaiting investment. The Option aims to hedge its currency exposure.	Detailed risk analysis is used to design a portfolio of shares which provide the greatest likelihood of matching performance of the S&P/ASX 200 Accumulation Index. All shares in this option are maintained within a very close margin of their weight in the index. It predominantly invests in Australian companies and doesn't hedge currency risk.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want both high income and capital growth opportunities. 	<ul style="list-style-type: none"> • you want exposure to the Australian listed sharemarket.
Minimum suggested time to invest	7 years	7 years
Target asset allocation	100% Property securities	100% Australian shares
Estimated number of negative annual returns	High, between 4 and 5 years in 20 years	Very high, 6 years in 20 years
Management costs (% pa)	2.15	1.65
Fund Manager	CFSGAM – Colonial First State Global Asset Management	CFSGAM – Colonial First State Global Asset Management

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

Investment option profiles

Access Perpetual Geared Australian Equity	
Investment objective	Aims to enhance long-term capital growth through borrowing (gearing) to invest in quality industrial and resource shares and outperform S&P/ASX 300 Accumulation Index (before fees and taxes) over rolling three-year periods.
About the investment option	<p>Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced.</p> <p>The Fund invests primarily in Australian listed or soon to be listed shares listed on or proposed to be listed on any recognized Australian exchange but may have up to 20% exposure to shares listed on or proposed to be listed on any recognised global exchange outside Australia.</p> <p>Currency hedges may be used from time to time. Derivatives may be used including for gearing purposes.</p> <p>The gearing level of the Fund (borrowings divided by the total gross value of assets) must be kept within pre-determined guidelines.</p> <p>Within these, Perpetual aims to ensure that the gearing level is maximised, subject to the cost of borrowing being adequately covered by net income.</p> <p>If the Fund's gearing level exceeds 60% (due to withdrawals or negative market movements), Perpetual will reduce the gearing level to 60% (or lower) within a reasonable period of time by repaying part of the borrowings through inflows or selling some of the Fund's assets.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in a portfolio of Australian shares
Minimum suggested time to invest	7 years
Target asset allocation	90–100% Australian shares 0–10% Cash 0–60% Gearing level
Estimated number of negative annual returns	High, nearly 6 years in 20 years
Management costs (% pa)	1.80% (gross) / 3.59% (net) The management cost is calculated on the gross assets of the Fund (gross management cost) and the net assets of the Fund (net management cost) assuming (in both cases) a gearing ratio of 50%. More information about this Fund is available in the investment manager's Product Disclosure Statement available on our website.
Fund Manager	Perpetual

	Access Pre Select Australian Small Companies Fund	Access Investors Mutual Australian Shares
Investment objective	To provide medium to long-term capital growth by primarily investing in Australian smaller companies (generally outside the top 100 by market capitalisation) listed on the Australian Securities Exchange (and other regulated exchanges).	To provide a return (after fees and expenses and before taxes) which exceeds the S&P/ASX 300 Accumulation Index, over rolling four year periods.
About the investment option	Invests in a variety of Australian small companies considered to possess strong capital growth potential. These investments are made through specialist investment managers.	The Fund will invest in a diversified portfolio of quality ASX listed Australian & NZ industrial and resource shares, where these shares are identified by our investment team as being undervalued.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want exposure to smaller capitalisation securities listed on the Australian share market and are comfortable with considerable fluctuations in returns. 	<ul style="list-style-type: none"> • you want to invest in a portfolio of ASX listed Australian and New Zealand industrial and resource shares.
Minimum suggested time to invest	8 years	4 to 5 years
Target asset allocation	100% Australian shares	90–100% Australian shares 0–10% Cash
Estimated number of negative annual returns	Very high, between 6 and 7 years in 20 years	High, nearly 6 years in 20 years
Management costs (% pa)	2.25	2.05
Fund Manager	Multiple managers appointed by Navigator Australia Limited	Investors Mutual Limited

Investment option profiles

Access Perpetual Industrial Fund	
Investment objective	Aims to provide long-term capital growth and regular income through investment in quality Australian industrial shares and outperform, the S&P/ASX 300 Industrials Accumulation Index (before fees and taxes) over rolling three-year periods.
About the investment option	<p>Perpetual researches companies of all sizes using consistent share selection criteria.</p> <p>Perpetual's priority is to select those companies that represent the best investment quality and are appropriately priced. In determining investment quality investments are carefully selected on the basis of four key criteria:</p> <ul style="list-style-type: none"> • Conservative debt levels • Sound management • Quality business, and • Recurring earnings. <p>The Fund may invest in shares listed on or proposed to be listed on any recognised Australian exchange.</p> <p>Derivatives may be used in managing the Fund.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in a portfolio of Australian industrial shares.
Minimum suggested time to invest	5 years
Target asset allocation	0–10% Cash 90–100% Australian industrial shares
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years
Management costs (% pa)	2.05
Fund Manager	Perpetual

Access Antares High Growth Shares Fund	
Investment objective	To outperform the S&P/ASX 200 Accumulation Index by 5% pa (before fees and taxes) over a rolling five year period.
About the investment option	<p>The fund is an actively managed portfolio of Australian listed shares investing in both long and short positions, using active trading, along with the use of derivatives to enhance returns for investors.</p> <p>Antares applies their investment expertise and stock selection capabilities to manage the fund. Antares uses the following key strategies:</p> <ul style="list-style-type: none"> • short selling – Antares may short sell to generate returns in declining markets, provide a hedge to a security or market exposure and increase returns using leverage • enhanced long positions – Antares seeks to amplify the fund's return relative to its benchmark by overweighting those shares they believe to be undervalued • active trading – trading in shares where the fund holds positions over a relatively short period of time, with a view to fully exploiting all available opportunities to add value as market circumstances change, and • derivatives – Antares uses derivatives to manage the fund efficiently, reduce risk, reduce transactions costs, enhance returns, increase market exposure and reduce market exposure. <p>The fund may become leveraged through borrowing, the use of derivatives and short selling. The net exposure of the fund cannot exceed 100% of the net asset value of the fund.</p> <p>Antares is wholly owned by the NAB Group.</p> <p>This fund is considered a hedge fund by the Australian Securities and Investments Commission because it uses some sophisticated investment techniques. More information about this fund is available in the investment manager's PDS available on our website.</p>
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in an actively managed portfolio of Australian companies managed by a specialist manager • you want the potential for long-term capital growth, and understand the additional risks, of expanding investment opportunities with the use of long/short positions, and • you can tolerate fluctuations and the risk of capital loss.
Min. suggested time to invest	5 years
Target asset allocation	0–10% Cash and cash equivalents 90–125% Australian shares (Long) 0–25% Australian shares (Short)
Est. no. of negative annual returns	High, between 5 and 6 years in 20 years
Management costs (% pa)	2.25 (excluding any performance fee)
Fund Manager	Antares Capital Partners Ltd

Investment option profiles

Global Shares

	Access Schroder Australian Equity	Access International Shares Index (formerly known as Access Global Shares Index)
Investment objective	To outperform the S&P/ASX 200 Accumulation Index after fees over the medium to long term by investing in a broad range of companies from Australia and New Zealand.	To closely track the MSCI World (ex Australia) Index with the aim of generating returns (before tax and fees and assuming income reinvested) comparable to the world sharemarkets as measured by that benchmark (unhedged) over rolling three-year periods.
About the investment option	Schoder's investment philosophy is corporate value creation or the ability to generate returns on capital higher than the cost of capital. This leads to sustainable share price out-performance in the long term. The investment process is a combination of qualitative industry and company competitive position analysis, and quantitative financial forecasts and valuations.	Detailed risk analysis is used to design a portfolio of shares which provides the greatest likelihood of matching performance of the MSCI World (ex Australia) Index. This option does not hedge currency risk.
The investment option may be suited to you if ...	<ul style="list-style-type: none"> • you want to invest in an active Australian shares fund. 	<ul style="list-style-type: none"> • you want exposure to international shares, and • you're willing to accept negative returns from time to time for returns that can be expected to be higher than other asset classes over the longer term.
Minimum suggested time to invest	3 to 5 years	At least 7 years
Target asset allocation	100% Australian shares	100% Global shares
Estimated number of negative annual returns	High, between 5 and 6 years in 20 years	High, between 5 and 6 years in 20 years
Management costs (% pa)	2.15	1.75
Fund Manager	Schroder Investment Management Australia Limited	CFSGAM – Colonial First State Global Asset Management

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

Investment option profiles

	Access AXA Global Equity – Value (only for existing investors in this fund)	Access Perpetual Wholesale International Share Fund
Investment objective	To provide investors with long-term capital growth and outperform the Morgan Stanley Capital International World ex-Australia Index (net dividends reinvested) (benchmark index) after costs over rolling 5 year periods.	To provide long-term growth through investment in quality global shares and outperform the MSCI World Net Total Return Index (\$A) (before fees and taxes) over rolling 3 year periods.
About the investment option	<p>The Fund typically holds a diversified portfolio of global stocks in listed companies with characteristics such as:</p> <ul style="list-style-type: none"> • a market capitalisation in excess of US\$750 million, and • attractively priced relative to their future earnings power. <p>The risks specific to the Fund may include or be associated with:</p> <ul style="list-style-type: none"> – Share risks – Market risk – Emerging market risk – Currency risk – Derivatives risk – Securities lending risk 	<p>The Fund adopts a 'bottom-up' stock selection approach to investing, where the decision to buy or sell is based on fundamental quality and valuation. It constructs a portfolio within a framework that is benchmark independent in terms of stock and sector weights and adds value from the portfolio manager's high conviction approach to stock selection. Cash includes cash equivalents, including cash funds managed by Perpetual or other approved investments.</p> <p>Currency hedging may be used from time to time however, the Fund's assets are generally expected to be unhedged. Derivatives may be used in managing the Fund.</p>
The option may be suited to you if ...	<ul style="list-style-type: none"> • the Fund suits investors prepared to accept a high level of volatility and risk as a trade-off for returns that might typically be expected to be above those returned by other asset classes over the longer term. 	<ul style="list-style-type: none"> • you want to invest in a portfolio of international shares.
Min. suggested time to invest	5 years	7 years
Target asset allocation	95–100% Global shares 0–5% Cash	0–10% Cash 90–100% Global shares
Est. no. of negative annual returns	High, between 5 and 6 years in 20 years	High, between 5 and 6 years in 20 years
Mgt. costs (% pa)	2.20	2.30
Fund Manager	National Mutual Funds Management Ltd	Perpetual

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

Financial Reports

The following abridged fund accounts for the financial year ended 30 June 2016 are for the whole of the MLC Superannuation Fund.

The assets of MLC Navigator Access Super and Pension make up approximately \$259 million of the MLC Superannuation Fund.

The full audited financial annual statements and auditor's report will be available on our website from December 2016.

You can also call us to receive a paper copy.

MLC Superannuation Fund
Abridged Financial Information – Statement of Financial Position

As at 30 June 2016

	2016 \$m	2015 \$m
Assets		
Investment in MLC Pooled superannuation trust	17,054	16,764
Other		
Receivable - MLC Pooled superannuation trust	7	6
Total assets	17,061	16,770
Liabilities		
Payable – Navigator Australia Limited	1	1
Payable – MLC Limited	4	3
Trade and other payables	2	2
Total liabilities (excluding net assets available to pay benefits)	7	6
Net assets available to pay benefits	17,054	16,764

MLC Superannuation Fund
Abridged Financial Information – Operating Statement

For the year ended 30 June 2016

	2016	2015
	\$m	\$m
Investment revenue		
Changes in net market value of investments	190	1,204
Net investment revenue	190	1,204
Contribution revenue		
Employers' contributions	217	189
Members' contributions	547	650
Transfers from other funds	1,187	1,195
Insurance proceeds	12	12
Other contributions	33	19
Total contributions revenue	1,996	2,065
Total revenue	2,186	3,269
Expenses		
Insurance premiums	40	39
Administration fees and other expenses	11	18
Adviser review fees	80	75
Total expenses	131	132
Benefits accrued as a result of operations before income tax	2,055	3,137
Income tax expense	-	-
Benefits accrued as a result of operations	2,055	3,137

MLC Superannuation Fund
Abridged Financial Information – Cash Flow Statement

For the year ended 30 June 2016

	2016	2015
	\$m	\$m
Cash flows from operating activities		
Employers' contributions received	216	230
Members' contributions received	547	607
Transfers in received	1,116	1,117
Other contributions and income received	39	32
Insurance premiums paid	(40)	(45)
Administration fees paid	(81)	(94)
Redemptions paid	(1,123)	(1,560)
Pensions paid	(650)	(592)
Net cash inflows/(outflows) from operating activities	24	(305)
Cash flows from investing activities		
Purchase of investments	(1,928)	(2,018)
Proceeds on sale of investments	1,904	2,323
Net cash inflows/(outflows) from investing activities	(24)	305
Net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the financial year	-	-
Cash and cash equivalents at the end of the financial year	-	-



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

Postal address

MLC Navigator Access Super and Pension
GPO Box 2567
Melbourne VIC 3001

Registered office

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

mlc.com.au

NULIS Nominees (Australia) Limited ABN 80 008 515 633 AFSL 236465. Part of the National Australia Bank Group of Companies. An investment with NULIS Nominees (Australia) Limited is not a deposit or liability of, and is not guaranteed or underwritten by NAB.