



MLC MasterKey Unit Trust

Financial Report

For the year ended 31 May 2019

Preparation date
30 August 2019

Issued by
MLC Investments Limited
(MLC)

ABN 30 002 641 661
AFSL 230705



MLC MasterKey Unit Trust

Financial Report

For the year ended 31 May 2019

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The MLC MasterKey Unit Trust consists of 18 separate schemes:

MLC MasterKey Unit Trust IncomeBuilder
ARSN 087 944 287

MLC MasterKey Unit Trust Balanced Portfolio
ARSN 087 944 625

MLC MasterKey Unit Trust MLC - Platinum Global Fund
ARSN 087 940 065

MLC MasterKey Unit Trust Conservative Growth Portfolio
ARSN 097 221 077

MLC MasterKey Unit Trust Growth Portfolio
ARSN 087 944 438

MLC MasterKey Unit Trust Share Index Fund
ARSN 087 939 919

MLC MasterKey Unit Trust Share Portfolio
ARSN 097 220 945

MLC MasterKey Unit Trust Income Portfolio
ARSN 087 940 592

MLC MasterKey Unit Trust Property Securities Fund
ARSN 087 944 652

MLC MasterKey Unit Trust Australian Share Fund
ARSN 087 945 293

MLC MasterKey Unit Trust Cash Fund
ARSN 087 940 467

MLC MasterKey Unit Trust Global Share Fund
ARSN 087 943 682

MLC MasterKey Unit Trust Accelerated Growth Portfolio
ARSN 102 215 725

MLC MasterKey Unit Trust Bond Portfolio
ARSN 112 925 274

MLC MasterKey Unit Trust Australian Share Growth Style Fund
ARSN 106 465 418

MLC MasterKey Unit Trust Australian Share Value Style Fund
ARSN 106 465 383

MLC MasterKey Unit Trust Global Share Value Style Fund
ARSN 106 465 454

MLC MasterKey Unit Trust Global Share Growth Style Fund
ARSN 106 465 356

Directors' report

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

MLC MasterKey Unit Trust IncomeBuilder (IncomeBuilder')	MLC MasterKey Unit Trust Balanced Portfolio (Horizon 4 Balanced Portfolio')
MLC MasterKey Unit Trust MLC - Platinum Global Fund (Platinum Global Fund')	MLC MasterKey Unit Trust Conservative Growth Portfolio (Horizon 3 Conservative Growth Portfolio')
MLC MasterKey Unit Trust Growth Portfolio (Horizon 5 Growth Portfolio')	MLC MasterKey Unit Trust Share Index Fund (Share Index Fund')
MLC MasterKey Unit Trust Share Portfolio (Horizon 6 Share Portfolio')	MLC MasterKey Unit Trust Income Portfolio (Horizon 2 Income Portfolio')
MLC MasterKey Unit Trust Property Securities Fund (Property Securities Fund')	MLC MasterKey Unit Trust Australian Share Fund (Australian Share Fund')
MLC MasterKey Unit Trust Cash Fund (Cash Fund')	MLC MasterKey Unit Trust Global Share Fund (Global Share Fund')
MLC MasterKey Unit Trust Accelerated Growth Portfolio (Horizon 7 Accelerated Growth Portfolio')	MLC MasterKey Unit Trust Bond Portfolio (Horizon 1 Bond Portfolio')
MLC MasterKey Unit Trust Australian Share Growth Style Fund (Australian Share Growth Style Fund')	MLC MasterKey Unit Trust Australian Share Value Style Fund (Australian Share Value Style Fund')
MLC MasterKey Unit Trust Global Share Value Style Fund (Global Share Value Style Fund')	MLC MasterKey Unit Trust Global Share Growth Style Fund (Global Share Growth Style Fund')

present their report together with the financial report of the Schemes for the year ended 31 May 2019 and the independent audit report thereon.

The Schemes are disclosed in the Masterkey Product Disclosure Statement and therefore they are presented together in this financial report and related notes in accordance to Corporations Instrument 2015/839.

Directors of the Responsible Entity

The names of the persons who were Directors of MLC Investments Limited during or since the year ended 31 May 2019 are as follows:

Name	Appointment/Resignation Date
J G Duffield	Appointed 24 August 2011
P Gupta	Appointed 1 September 2012
C M Keating	Appointed 5 December 2016
G J Mulcahy	Appointed 7 July 2014
K A Watt	Appointed 5 December 2016

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 money market securities, equities, unlisted managed investment schemes and derivatives in accordance with the provisions of the Constitutions of the Schemes. Investment activities include the use of derivatives in the Platinum Global Fund to reduce the volatility of investment returns due to currency exchange rate fluctuations.

The Schemes did not have any employees during the year (2018: 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 MasterKey website at mlc.com.au or alternatively in the Product Disclosure Statements.

Distributions

The distributions for the year ended 31 May 2019 were as follows:

	\$'000	c/unit
IncomeBuilder	190,722	22.84
Horizon 4 Balanced Portfolio	73,599	6.19
Platinum Global Fund	61,523	14.37
Horizon 3 Conservative Growth Portfolio	39,886	3.80
Horizon 5 Growth Portfolio	16,919	3.93
Share Index Fund	8,316	11.34
Horizon 6 Share Portfolio	19,724	7.19
Horizon 2 Income Portfolio	1,099	1.37
Property Securities Fund	2,026	2.27
Australian Share Fund	4,962	9.36
Global Share Fund	95	0.47
Horizon 7 Accelerated Growth Portfolio	392	2.13
	Whole Dollars \$	c/unit
Horizon 1 Bond Portfolio	29,741	1.30
Australian Share Growth Style Fund	131,333	2.80
Australian Share Value Style Fund	18,157	0.28
Global Share Value Style Fund	-	-
Global Share Growth Style Fund	719,052	111.34
	\$'000	Annualised % rate
Cash Fund	754	0.83

Units on issue

Units on issue as at year end and movements during the year are shown in Statements of Changes in Unitholders Funds.

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

The Responsible Entity's ultimate parent entity National Australia Bank Limited announced on 3 May 2018 its intention to exit the Advice, Platform & Superannuation and Asset Management businesses, currently operating under MLC and other related brands. The transaction is expected to be completed in 2020 subject to certain conditions and regulatory approvals; with the ultimate parent entity expected to change when the exit process is complete. In the opinion of the Directors this transaction does not impact on the Responsible Entity's ability to perform its duties.

The Australian Share Growth Style Fund, Australian Share Value Style Fund, Global Share Value Style Fund, and Global Share Growth Style Fund have become dormant during the year.

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

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 which was issued in accordance with section 307C of the Corporations Act 2001 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 31 May 2019 are detailed in Note 8(h) and Note 8(i) to the financial statements.

Fees paid to the Responsible Entity during the financial year ended 31 May 2019 are detailed in Note 8(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.

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 31 May 2019. 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 Horizon 1 Bond Portfolio, Australian Share Growth Style Fund, Australian Share Value Style Fund, Global Share Value Style Fund, and Global Share Growth Style Fund, the Schemes meet the criteria set out in Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, and in accordance with that Corporations 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: _____

P. Gupta

Signature: _____

FTL

Dated at Sydney this 8th day of August 2019

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

As lead auditor for the audit of the financial report of MLC MasterKey Unit Trust consisting of the Schemes listed below for the financial year ended 31 May 2019, 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.

MLC MasterKey Unit Trust Accelerated Growth Portfolio

MLC MasterKey Unit Trust Growth Portfolio

MLC MasterKey Unit Trust Conservative Growth Portfolio

MLC MasterKey Unit Trust Cash Fund

MLC MasterKey Unit Trust IncomeBuilder™

MLC MasterKey Unit Trust Australian Share Fund

MLC MasterKey Unit Trust MLC - Platinum Global Fund

MLC MasterKey Unit Trust Australian Share Value Style Fund

MLC MasterKey Unit Trust Global Share Value Style Fund

MLC MasterKey Unit Trust Share Portfolio

MLC MasterKey Unit Trust Balanced Portfolio

MLC MasterKey Unit Trust Income Portfolio

MLC MasterKey Unit Trust Property Securities Fund

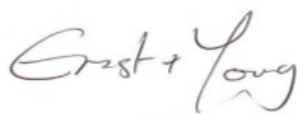
MLC MasterKey Unit Trust Share Index Fund

MLC MasterKey Unit Trust Global Share Fund

MLC MasterKey Unit Trust Australian Share Growth Style Fund

MLC MasterKey Unit Trust Global Share Growth Style Fund

MLC MasterKey Unit Trust Bond Portfolio



Ernst & Young



Darren Handley-Greaves
Partner
08 August 2019

MLC MasterKey Unit Trust
Statements of Profit or Loss and Other Comprehensive Income
For the year ended 31 May 2019

		IncomeBuilder		Horizon 4 Balanced Portfolio		Platinum Global Fund		Horizon 3 Conservative Growth Portfolio	
	Notes	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Investment income									
Dividend and distribution income	2, 8(h)	110,052	112,534	112,764	137,477	16,930	15,877	55,763	65,467
Interest income		399	3,066	43	38	366	266	39	44
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		99,056	(110,180)	(6,543)	(9,380)	(66,622)	140,872	(603)	(11,940)
Total investment income		209,507	5,420	106,264	128,135	(49,326)	157,015	55,199	53,571
Expenses									
Responsible Entity's fees	8(e)	40,068	44,473	28,387	28,596	18,277	23,286	16,720	15,730
Other expenses		1,212	1,247	-	5	947	1,270	-	4
Total operating expenses		41,280	45,720	28,387	28,601	19,224	24,556	16,720	15,734
Net operating profit/(loss)		168,227	(40,300)	77,877	99,534	(68,550)	132,459	38,479	37,837
Financing costs									
Distributions	1(s), 4	-	115,382	-	17,235	-	109,186	-	45,591
Change in net assets attributable to unitholders	1(r)	-	(155,682)	-	82,299	-	23,273	-	(7,754)
Net profit/(loss)		168,227	-	77,877	-	(68,550)	-	38,479	-
Other comprehensive income		-	-	-	-	-	-	-	-
Profit/(loss) and total comprehensive income/(loss) for the year end		168,227	-	77,877	-	(68,550)	-	38,479	-

		Horizon 5 Growth Portfolio		Share Index Fund		Horizon 6 Share Portfolio		Horizon 2 Income Portfolio	
	Notes	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Investment income									
Dividend and distribution income	2, 8(h)	39,028	46,801	9,490	15,024	23,370	29,952	3,541	4,148
Interest income		23	23	7	13	10	11	4	6
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		(3,027)	(1,396)	5,627	5,263	(3,009)	(1,651)	648	(1,723)
Total investment income		36,024	45,428	15,124	20,300	20,371	28,312	4,193	2,431
Expenses									
Responsible Entity's fees	8(e)	9,228	8,848	1,914	2,925	4,807	4,712	1,200	1,408
Other expenses		-	2	1	5	-	2	1	2
Total operating expenses		9,228	8,850	1,915	2,930	4,807	4,714	1,201	1,410
Net operating profit/(loss)		26,796	36,578	13,209	17,370	15,564	23,598	2,992	1,021
Financing costs									
Distributions	1(s), 4	-	4,852	-	13,709	-	12,581	-	1,052
Change in net assets attributable to unitholders	1(r)	-	31,726	-	3,661	-	11,017	-	(31)
Net profit/(loss)		26,796	-	13,209	-	15,564	-	2,992	-
Other comprehensive income		-	-	-	-	-	-	-	-
Profit/(loss) and total comprehensive income/(loss) for the year end		26,796	-	13,209	-	15,564	-	2,992	-

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

MLC MasterKey Unit Trust
Statements of Profit or Loss and Other Comprehensive Income
For the year ended 31 May 2019

		Property Securities Fund		Australian Share Fund		Cash Fund		Global Share Fund	
	Notes	2019	2018	2019	2018	2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income									
Dividend and distribution income	2, 8(h)	3,183	4,030	9,814	11,092	-	-	4,174	9,630
Interest income		3	4	5	5	1,725	1,634	1	2
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		9,656	163	(444)	475	-	-	(1,370)	(5,341)
Total investment income		12,842	4,197	9,375	11,572	1,725	1,634	2,805	4,291
Expenses									
Responsible Entity's fees	8(e)	1,272	1,353	1,702	1,797	978	1,017	648	710
Other expenses		-	1	-	1	-	4	-	-
Total operating expenses		1,272	1,354	1,702	1,798	978	1,021	648	710
Net operating profit/(loss)		11,570	2,843	7,673	9,774	747	613	2,157	3,581
Financing costs									
Distributions	1(s), 4	-	2,658	-	2,114	-	626	-	-
Change in net assets attributable to unit holders	1(r)	-	185	-	7,660	-	(13)	-	3,581
Net profit/(loss)		11,570	-	7,673	-	747	-	2,157	-
Other comprehensive income		-	-	-	-	-	-	-	-
Profit/(loss) and total comprehensive income/(loss) for the year end		11,570	-	7,673	-	747	-	2,157	-

		Horizon 7 Accelerated Growth Portfolio		Horizon 1 Bond Portfolio		Australian Share Growth Style Fund		Australian Share Value Style Fund	
	Notes	2019	2018	2019	2018	2019	2018	2019	2018
		\$'000	\$'000	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$
Investment income									
Dividend and distribution income	2, 8(h)	1,836	473	50,603	48,388	1,003,023	321,496	53,300	305,538
Interest income		2	3	370	278	1,054	1,023	559	847
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		(166)	2,312	14,864	(2,980)	(878,800)	789,324	64,481	429,824
Total investment income		1,672	2,788	65,837	45,686	125,277	1,111,843	118,340	736,209
Expenses									
Responsible Entity's fees	8(e)	391	388	35,727	35,685	64,584	149,641	57,638	142,034
Other expenses		-	-	92	32	145	93	316	92
Total operating expenses		391	388	35,819	35,717	64,729	149,734	57,954	142,126
Net operating profit/(loss)		1,281	2,400	30,018	9,969	60,548	962,109	60,386	594,083
Financing costs									
Distributions	1(s), 4	-	41	-	12,378	-	172,610	-	162,955
Change in net assets attributable to unit holders	1(r)	-	2,359	-	(2,409)	-	789,499	-	431,128
Net profit/(loss)		1,281	-	30,018	-	60,548	-	60,386	-
Other comprehensive income		-	-	-	-	-	-	-	-
Profit/(loss) and total comprehensive income/(loss) for the year end		1,281	-	30,018	-	60,548	-	60,386	-

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

MLC MasterKey Unit Trust
Statements of Profit or Loss and Other Comprehensive Income
For the year ended 31 May 2019

		Global Share Value Style Fund		Global Share Growth Style Fund	
		2019 Whole Dollars \$	2018 Whole Dollars \$	2019 Whole Dollars \$	2018 Whole Dollars \$
	Notes				
Investment income					
Dividend and distribution income	2, 8(h)	1,927	122,084	400,477	415,436
Interest income		377	502	260	368
Changes in the fair value of financial assets and liabilities at fair value through profit or loss		<u>90,985</u>	<u>160,434</u>	<u>(327,360)</u>	<u>(22,490)</u>
Total investment income		<u>93,289</u>	<u>283,020</u>	<u>73,377</u>	<u>393,314</u>
Expenses					
Responsible Entity's fees	8(e)	25,033	75,062	17,224	43,492
Other expenses		<u>288</u>	<u>128</u>	<u>176</u>	<u>121</u>
Total operating expenses		<u>25,321</u>	<u>75,190</u>	<u>17,400</u>	<u>43,613</u>
Net operating profit/(loss)		<u>67,968</u>	<u>207,830</u>	<u>55,977</u>	<u>349,701</u>
Financing costs					
Distributions	1(s), 4	-	47,407	-	10,174
Change in net assets attributable to unit holders	1(r)	<u>-</u>	<u>160,423</u>	<u>-</u>	<u>339,527</u>
Net profit/(loss)		<u>67,968</u>	<u>-</u>	<u>55,977</u>	<u>-</u>
Other comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(loss) and total comprehensive income/(loss) for the year end		<u>67,968</u>	<u>-</u>	<u>55,977</u>	<u>-</u>

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

MLC MasterKey Unit Trust
Statements of Financial Position
As at 31 May 2019

		IncomeBuilder		Horizon 4 Balanced Portfolio		Platinum Global Fund		Horizon 3 Conservative Growth Portfolio	
	Notes	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Assets									
Cash and cash equivalents	10(b)	41,901	44,169	6,744	4,339	149,278	63,964	5,875	3,353
Receivables	6	32,715	20,922	66,548	107,327	5,590	9,017	33,640	49,800
Financial assets at fair value through profit or loss	5, 9(c)	1,984,575	2,151,860	1,813,794	1,746,429	666,540	970,045	1,083,226	995,364
Total assets		2,059,191	2,216,951	1,887,086	1,858,095	821,408	1,043,026	1,122,741	1,048,517
Liabilities									
Accounts payable and accrued expenses	7	3,763	3,256	2,115	2,205	1,445	9,794	1,263	1,220
Financial liabilities at fair value through profit or loss	9(c)	-	-	-	-	448	10,187	-	-
Distribution payable	4	142,303	66,390	58,709	12,145	61,523	109,181	34,039	43,500
Total liabilities		146,066	69,646	60,824	14,350	63,416	129,162	35,302	44,720
Unitholders Funds - Equity		1,913,125	2,147,305	1,826,262	1,843,745	757,992	913,864	1,087,439	1,003,797
		Horizon 5 Growth Portfolio		Share Index Fund		Horizon 6 Share Portfolio		Horizon 2 Income Portfolio	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Assets									
Cash and cash equivalents	10(b)	3,331	2,145	940	5,683	1,867	1,811	827	2,342
Receivables	6	24,159	38,134	2,547	8,696	15,024	25,505	2,058	1
Financial assets at fair value through profit or loss	5, 9(c)	587,331	543,559	143,807	158,433	298,417	285,058	87,394	105,777
Total assets		614,821	583,838	147,294	172,812	315,308	312,374	90,279	108,120
Liabilities									
Accounts payable and accrued expenses	7	690	690	137	206	359	368	81	109
Financial liabilities at fair value through profit or loss	9(c)	-	-	-	-	-	-	-	-
Distribution payable	4	12,318	3,989	2,841	9,654	19,724	12,581	611	542
Total liabilities		13,008	4,679	2,978	9,860	20,083	12,949	692	651
Unitholders Funds - Equity		601,813	579,159	144,316	162,952	295,225	299,425	89,587	107,469

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

MLC MasterKey Unit Trust
Statements of Financial Position
As at 31 May 2019

		Property Securities Fund		Australian Share Fund		Cash Fund		Global Share Fund	
	Notes	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Assets									
Cash and cash equivalents	10(b)	658	455	787	286	21,612	25,357	130	2
Receivables	6	901	1,257	4,733	8,391	9	8	4,175	9,631
Financial assets at fair value through profit or loss	5, 9(c)	88,178	89,952	97,014	99,712	70,886	64,239	37,511	33,156
Total assets		89,737	91,664	102,534	108,389	92,507	89,604	41,816	42,789
Liabilities									
Accounts payable and accrued expenses	7	88	98	122	142	82	75	51	112
Financial liabilities at fair value through profit or loss	9(c)	-	-	-	-	-	-	-	-
Distribution payable	4	687	913	1,162	760	167	162	95	-
Total liabilities		775	1,011	1,284	902	249	237	146	112
Unitholders Funds - Equity		88,962	90,653	101,250	107,487	92,258	89,367	41,670	42,677
		Horizon 7 Accelerated Growth Portfolio		Horizon 1 Bond Portfolio		Australian Share Growth Style Fund		Australian Share Value Style Fund	
	Notes	2019 \$'000	2018 \$'000	2019 Whole Dollars \$	2018 Whole Dollars \$	2019 Whole Dollars \$	2018 Whole Dollars \$	2019 Whole Dollars \$	2018 Whole Dollars \$
Assets									
Cash and cash equivalents	10(b)	196	278	24,560	23,104	-	71,799	-	64,011
Receivables	6	1,837	474	14,997	18,913	-	96,884	-	93,506
Financial assets at fair value through profit or loss	5, 9(c)	22,927	23,520	2,336,382	2,357,346	-	8,991,835	-	8,091,069
Total assets		24,960	24,272	2,375,939	2,399,363	-	9,160,518	-	8,248,586
Liabilities									
Accounts payable and accrued expenses	7	31	31	2,590	2,927	-	13,403	-	11,279
Financial liabilities at fair value through profit or loss	9(c)	-	-	-	-	-	-	-	-
Distribution payable	4	392	41	22,959	6,195	-	57,998	-	57,673
Total liabilities		423	72	25,549	9,122	-	71,401	-	68,952
Unitholders Funds - Equity		24,537	24,200	2,350,390	2,390,241	-	9,089,117	-	8,179,634

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

		Global Share Value Style Fund		Global Share Growth Style Fund	
		2019 Whole	2018 Whole	2019 Whole	2018 Whole
	Notes	Dollars \$	Dollars \$	Dollars \$	Dollars \$
Assets					
Cash and cash equivalents	10(b)	-	59,159	-	29,488
Receivables	6	-	122,423	-	415,571
Financial assets at fair value through profit or loss	5, 9(c)	-	4,222,897	-	2,194,919
Total assets		<u>-</u>	<u>4,404,479</u>	<u>-</u>	<u>2,639,978</u>
Liabilities					
Accounts payable and accrued expenses	7	-	5,238	-	3,638
Financial liabilities at fair value through profit or loss	9(c)	-	-	-	-
Distribution payable	4	-	47,407	-	10,174
Total liabilities		<u>-</u>	<u>52,645</u>	<u>-</u>	<u>13,812</u>
Unitholders Funds - Equity		<u>-</u>	<u>4,351,834</u>	<u>-</u>	<u>2,626,166</u>

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

MLC MasterKey Unit Trust
Statements of Changes in Unitholders Funds
For the year ended 31 May 2019

	IncomeBuilder		Horizon 4 Balanced Portfolio		Platinum Global Fund		Horizon 3 Conservative Growth Portfolio	
	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000
Unitholders Funds at 31 May								
2017 - Liability*	2,461,068	974,460	1,935,223	1,320,445	997,271	492,024	1,048,649	1,005,799
Applications	143,678	57,238	17,198	11,519	16,381	7,453	140,826	133,119
Redemptions	(301,759)	(121,000)	(190,975)	(129,511)	(123,061)	(56,734)	(177,924)	(170,108)
Change in net assets attributable to unit holders	(155,682)	-	82,299	-	23,273	-	(7,754)	-
Unitholders Funds at 31 May								
2018 - Equity**	<u>2,147,305</u>	<u>910,698</u>	<u>1,843,745</u>	<u>1,202,453</u>	<u>913,864</u>	<u>442,743</u>	<u>1,003,797</u>	<u>968,810</u>
Unitholders Funds at 31 May								
2018 - Equity**	2,147,305	910,698	1,843,745	1,202,453	913,864	442,743	1,003,797	968,810
Net profit/(loss)	168,227	-	77,877	-	(68,550)	-	38,479	-
Applications	142,680	60,524	41,069	26,463	111,321	54,901	177,210	169,648
Redemptions	(354,365)	(148,663)	(62,830)	(40,484)	(137,120)	(69,510)	(92,161)	(87,881)
Distributions Paid/Payable	(190,722)	-	(73,599)	-	(61,523)	-	(39,886)	-
Unitholders Funds at 31 May								
2019 - Equity	<u>1,913,125</u>	<u>822,559</u>	<u>1,826,262</u>	<u>1,188,432</u>	<u>757,992</u>	<u>428,134</u>	<u>1,087,439</u>	<u>1,050,577</u>
	Horizon 5 Growth Portfolio		Share Index Fund		Horizon 6 Share Portfolio		Horizon 2 Income Portfolio	
	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000
Unitholders Funds at 31 May								
2017 - Liability*	570,894	437,416	261,910	133,426	301,769	286,462	124,728	108,324
Applications	50,971	38,035	17,731	8,828	2,550	2,330	5,135	4,454
Redemptions	(74,432)	(55,517)	(120,350)	(59,387)	(15,911)	(14,703)	(22,363)	(19,393)
Change in net assets attributable to unitholders	31,726	-	3,661	-	11,017	-	(31)	-
Unitholders Funds at 31 May								
2018 - Equity**	<u>579,159</u>	<u>419,934</u>	<u>162,952</u>	<u>82,867</u>	<u>299,425</u>	<u>274,089</u>	<u>107,469</u>	<u>93,385</u>
Unitholders Funds at 31 May								
2018 - Equity**	579,159	419,934	162,952	82,867	299,425	274,089	107,469	93,385
Net profit/(loss)	26,796	-	13,209	-	15,564	-	2,992	-
Applications	82,594	58,990	16,029	8,145	14,228	12,958	4,122	3,552
Redemptions	(69,817)	(49,724)	(39,558)	(19,811)	(14,268)	(12,720)	(23,897)	(20,617)
Distributions Paid/Payable	(16,919)	-	(8,316)	-	(19,724)	-	(1,099)	-
Unitholders Funds at 31 May								
2019 - Equity	<u>601,813</u>	<u>429,200</u>	<u>144,316</u>	<u>71,201</u>	<u>295,225</u>	<u>274,327</u>	<u>89,587</u>	<u>76,320</u>
	Property Securities Fund		Australian Share Fund		Cash Fund		Global Share Fund	
	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000
Unitholders Funds at 31 May								
2017 - Liability*	104,739	111,582	109,266	61,932	103,869	103,845	42,193	23,432
Applications	1,723	1,886	4,465	2,425	110,918	110,918	1,527	815
Redemptions	(15,994)	(17,312)	(13,904)	(7,605)	(125,407)	(125,407)	(4,624)	(2,480)
Change in net assets attributable to unitholders	185	-	7,660	-	(13)	-	3,581	-
Unitholders Funds at 31 May								
2018 - Equity**	<u>90,653</u>	<u>96,156</u>	<u>107,487</u>	<u>56,752</u>	<u>89,367</u>	<u>89,356</u>	<u>42,677</u>	<u>21,767</u>
Unitholders Funds at 31 May								
2018 - Equity**	90,653	96,156	107,487	56,752	89,367	89,356	42,677	21,767
Net profit/(loss)	11,570	-	7,673	-	747	-	2,157	-
Applications	2,390	2,446	6,397	3,364	138,351	138,351	2,391	1,174
Redemptions	(13,625)	(13,786)	(15,345)	(8,018)	(135,453)	(135,453)	(5,460)	(2,692)
Distributions Paid/Payable	(2,026)	-	(4,962)	-	(754)	-	(95)	-
Unitholders Funds at 31 May								
2019 - Equity	<u>88,962</u>	<u>84,816</u>	<u>101,250</u>	<u>52,098</u>	<u>92,258</u>	<u>92,254</u>	<u>41,670</u>	<u>20,249</u>

*The net assets available to unitholders have been reclassified from liability to equity as at 31 May 2018

**The unitholders funds are classified as equity as at 31 May 2018, and subsequent years.

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

MLC MasterKey Unit Trust
Statements of Changes in Unitholders Funds
For the year ended 31 May 2019

	Horizon 7 Accelerated Growth Portfolio		Horizon 1 Bond Portfolio		Australian Share Growth Style Fund		Australian Share Value Style Fund	
	\$'000	No. of units '000	Whole Dollars \$	No. of units	Whole Dollars \$	No. of units	Whole Dollars \$	No. of units
Unitholders Funds at 31 May 2017 - Liability*	22,903	19,660	2,381,600	2,371,617	8,702,257	6,976,628	8,618,033	8,421,370
Applications	1,883	1,520	198,828	197,830	271,958	207,455	143,281	134,156
Redemptions	(2,945)	(2,363)	(187,778)	(186,755)	(674,597)	(517,645)	(1,012,808)	(966,996)
Change in net assets attributable to unitholders	2,359	-	(2,409)	-	789,499	-	431,128	-
Unitholders Funds at 31 May 2018 - Equity**	24,200	18,817	2,390,241	2,382,692	9,089,117	6,666,438	8,179,634	7,588,530
Unitholders Funds at 31 May 2018 - Equity**	24,200	18,817	2,390,241	2,382,692	9,089,117	6,666,438	8,179,634	7,588,530
Net profit/(loss)	1,281	-	30,018	-	60,548	-	60,386	-
Applications	1,572	1,218	1,210,350	1,206,880	236,566	174,586	83,013	75,444
Redemptions	(2,124)	(1,619)	(1,250,478)	(1,246,804)	(9,254,898)	(6,841,024)	(8,304,876)	(7,663,974)
Distributions Paid/Payable	(392)	-	(29,741)	-	(131,333)	-	(18,157)	-
Unitholders Funds at 31 May 2019 - Equity	24,537	18,416	2,350,390	2,342,768	-	-	-	-
	Global Share Value Style Fund		Global Share Growth Style Fund					
	Whole Dollars \$	No. of units	Whole Dollars \$	No. of units				
Unitholders Funds at 31 May 2017 - Liability*	5,464,996	4,329,975	2,401,597	1,654,305				
Applications	43,209	33,646	504,400	315,938				
Redemptions	(1,316,794)	(1,025,383)	(619,358)	(380,344)				
Change in net assets attributable to unitholders	160,423	-	339,527	-				
Unitholders Funds at 31 May 2018 - Equity**	4,351,834	3,338,238	2,626,166	1,589,899				
Unitholders Funds at 31 May 2018 - Equity**	4,351,834	3,338,238	2,626,166	1,589,899				
Net profit/(loss)	67,968	-	55,977	-				
Applications	47,900	36,340	522,491	904,702				
Redemptions	(4,467,702)	(3,374,578)	(2,485,582)	(2,494,601)				
Distributions Paid/Payable	-	-	(719,052)	-				
Unitholders Funds at 31 May 2019 - Equity	-	-	-	-				

*The net assets available to unitholders have been reclassified from liability to equity as at 31 May 2018

**The unitholders funds are classified as equity as at 31 May 2018, and subsequent years.

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

MLC MasterKey Unit Trust
Statements of Cash Flows
For the year ended 31 May 2019

		IncomeBuilder		Horizon 4 Balanced Portfolio		Platinum Global Fund		Horizon 3 Conservative Growth Portfolio	
	Notes	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash flows from operating activities									
Dividend and distribution income received		112,989	113,098	-	-	18,028	14,397	-	-
Interest received		397	3,071	42	39	366	267	40	43
Responsible Entity's fees paid		(40,044)	(41,249)	(28,477)	(26,478)	(19,762)	(19,941)	(16,677)	(14,593)
Other expenses paid		(1,209)	(1,247)	-	(4)	(947)	(1,270)	-	(3)
Net cash provided by/(used in) operating activities	10(a)	72,133	73,673	(28,435)	(26,443)	(2,315)	(6,547)	(16,637)	(14,553)
Cash flows from investing activities									
Proceeds from sale of investments		600,107	555,960	81,541	240,593	439,975	518,440	67,710	194,466
Purchases of investments		(348,013)	(430,358)	(1,905)	(33,898)	(219,360)	(449,605)	(84,252)	(141,402)
Net cash provided by/(used in) investing activities		252,094	125,602	79,636	206,695	220,615	68,835	(16,542)	53,064
Cash flows from financing activities									
Applications received		36,927	99,740	15,861	12,477	16,270	16,381	129,165	138,797
Redemptions paid		(354,365)	(301,759)	(62,831)	(190,975)	(137,116)	(123,061)	(92,163)	(177,924)
Distributions paid		(9,057)	(5,055)	(1,826)	(369)	(14,126)	(5)	(1,301)	(61)
Net cash (used in)/provided by financing activities		(326,495)	(207,074)	(48,796)	(178,867)	(134,972)	(106,685)	35,701	(39,188)
Net (decrease)/increase in cash and cash equivalents		(2,268)	(7,799)	2,405	1,385	83,328	(44,397)	2,522	(677)
Cash and cash equivalents at the beginning of the financial year		44,169	51,968	4,339	2,954	63,964	109,502	3,353	4,030
Effects of exchange rate changes on cash		-	-	-	-	1,986	(1,141)	-	-
Cash and cash equivalents at end of financial year	10(b)	41,901	44,169	6,744	4,339	149,278	63,964	5,875	3,353

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

		Horizon 5 Growth Portfolio		Share Index Fund		Horizon 6 Share Portfolio		Horizon 2 Income Portfolio	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash flows from operating activities	Notes								
Dividend and distribution income received		-	-	-	-	-	-	-	-
Interest received		22	23	7	15	10	11	4	6
Responsible Entity's fees paid		(9,228)	(8,139)	(1,981)	(2,681)	(4,816)	(4,357)	(1,228)	(1,281)
Other expenses paid		-	(2)	(2)	(3)	-	(1)	(1)	(1)
Net cash provided by/(used in) operating activities	10(a)	<u>(9,206)</u>	<u>(8,118)</u>	<u>(1,976)</u>	<u>(2,669)</u>	<u>(4,806)</u>	<u>(4,347)</u>	<u>(1,225)</u>	<u>(1,276)</u>
Cash flows from investing activities									
Proceeds from sale of investments		56,020	67,596	37,962	117,262	20,601	18,067	22,865	32,354
Purchases of investments		(49,815)	(34,919)	(2,070)	(2,900)	(3,117)	-	(2,350)	(11,560)
Net cash provided by/(used in) investing activities		<u>6,205</u>	<u>32,677</u>	<u>35,892</u>	<u>114,362</u>	<u>17,484</u>	<u>18,067</u>	<u>20,515</u>	<u>20,794</u>
Cash flows from financing activities									
Applications received		74,410	50,155	5,775	15,032	2,464	2,550	3,454	4,801
Redemptions paid		(69,817)	(74,432)	(39,559)	(120,350)	(14,269)	(15,911)	(23,898)	(22,363)
Distributions paid		(406)	(49)	(4,875)	(1,356)	(817)	-	(361)	(176)
Net cash provided by/(used in) financing activities		<u>4,187</u>	<u>(24,326)</u>	<u>(38,659)</u>	<u>(106,674)</u>	<u>(12,622)</u>	<u>(13,361)</u>	<u>(20,805)</u>	<u>(17,738)</u>
Net increase/(decrease) in cash and cash equivalents		<u>1,186</u>	<u>233</u>	<u>(4,743)</u>	<u>5,019</u>	<u>56</u>	<u>359</u>	<u>(1,515)</u>	<u>1,780</u>
Cash and cash equivalents at the beginning of the financial year		<u>2,145</u>	<u>1,912</u>	<u>5,683</u>	<u>664</u>	<u>1,811</u>	<u>1,452</u>	<u>2,342</u>	<u>562</u>
Effects of exchange rate changes on cash		-	-	-	-	-	-	-	-
Cash and cash equivalents at end of financial year	10(b)	<u>3,331</u>	<u>2,145</u>	<u>940</u>	<u>5,683</u>	<u>1,867</u>	<u>1,811</u>	<u>827</u>	<u>2,342</u>

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

	Notes	Property Securities Fund		Australian Share Fund		Cash Fund		Global Share Fund	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash flows from operating activities									
Dividend and distribution income received		-	-	-	-	-	-	-	-
Interest received		3	5	5	5	1,725	1,634	2	2
Responsible Entity's fees paid		(1,282)	(1,236)	(1,722)	(1,642)	(975)	(942)	(677)	(619)
Other expenses paid		-	(1)	-	(1)	1	(4)	(32)	32
Net cash provided by/(used in) operating activities	10(a)	<u>(1,279)</u>	<u>(1,232)</u>	<u>(1,717)</u>	<u>(1,638)</u>	<u>751</u>	<u>688</u>	<u>(707)</u>	<u>(585)</u>
Cash flows from investing activities									
Proceeds from sale of investments		15,220	17,319	15,724	12,187	319,476	359,457	4,848	4,044
Purchases of investments		(250)	-	-	-	(326,120)	(332,905)	(944)	(506)
Net cash provided by/(used in) investing activities		<u>14,970</u>	<u>17,319</u>	<u>15,724</u>	<u>12,187</u>	<u>(6,644)</u>	<u>26,552</u>	<u>3,904</u>	<u>3,538</u>
Cash flows from financing activities									
Applications received		986	645	2,959	3,442	137,659	110,494	2,391	1,527
Redemptions paid		(13,627)	(15,994)	(15,342)	(13,904)	(135,454)	(125,407)	(5,460)	(4,624)
Distributions paid		(847)	(667)	(1,123)	(331)	(57)	(40)	-	-
Net cash (used in)/provided by financing activities		<u>(13,488)</u>	<u>(16,016)</u>	<u>(13,506)</u>	<u>(10,793)</u>	<u>2,148</u>	<u>(14,953)</u>	<u>(3,069)</u>	<u>(3,097)</u>
Net (decrease)/increase in cash and cash equivalents		203	71	501	(244)	(3,745)	12,287	128	(144)
Cash and cash equivalents at the beginning of the financial year		<u>455</u>	<u>384</u>	<u>286</u>	<u>530</u>	<u>25,357</u>	<u>13,070</u>	<u>2</u>	<u>146</u>
Cash and cash equivalents at end of financial year	10(b)	<u>658</u>	<u>455</u>	<u>787</u>	<u>286</u>	<u>21,612</u>	<u>25,357</u>	<u>130</u>	<u>2</u>

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

		Horizon 7 Accelerated Growth Portfolio		Horizon 1 Bond Portfolio		Australian Share Growth Style Fund		Australian Share Value Style Fund	
		2019	2018	2019	2018	2019	2018	2019	2018
		\$'000	\$'000	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$
Cash flows from operating activities	Notes								
Dividend and distribution income received		-	-	-	-	-	-	-	-
Interest received		2	3	371	286	1,602	1,018	1,096	861
Responsible Entity's fees paid		(391)	(358)	(36,064)	(32,520)	(77,987)	(134,931)	(68,917)	(129,740)
Other expenses paid		-	-	(92)	(32)	(146)	(109)	(316)	(92)
Net cash provided by/(used in) operating activities	10(a)	(389)	(355)	(35,785)	(32,266)	(76,531)	(134,022)	(68,137)	(128,971)
Cash flows from investing activities									
Proceeds from sale of investments		1,975	2,145	1,311,447	151,600	9,213,820	619,000	8,380,590	1,270,900
Purchases of investments		(1,075)	(687)	(1,221,100)	(144,800)	(1,425)	-	(78,771)	(191,000)
Net cash provided by/(used in) investing activities		900	1,458	90,347	6,800	9,212,395	619,000	8,301,819	1,079,900
Cash flows from financing activities									
Applications received		1,538	1,883	1,201,415	194,620	65,380	174,335	23,452	62,206
Redemptions paid		(2,124)	(2,945)	(1,250,479)	(187,778)	(9,254,898)	(674,597)	(8,304,876)	(1,012,808)
Distributions paid		(7)	-	(4,042)	(1,975)	(18,145)	(16,989)	(16,269)	(24,207)
Net cash provided by/(used in) financing activities		(593)	(1,062)	(53,106)	4,867	(9,207,663)	(517,251)	(8,297,693)	(974,809)
Net increase/(decrease) in cash and cash equivalents		(82)	41	1,456	(20,599)	(71,799)	(32,273)	(64,011)	(23,880)
Cash and cash equivalents at the beginning of the financial year		278	237	23,104	43,703	71,799	104,072	64,011	87,891
Cash and cash equivalents at end of financial year	10(b)	196	278	24,560	23,104	-	71,799	-	64,011

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

		Global Share Value Style Fund		Global Share Growth Style Fund	
		2019	2018	2019	2018
		Whole	Whole	Whole	Whole
	Notes	Dollars \$	Dollars \$	Dollars \$	Dollars \$
Cash flows from operating activities					
Dividend and distribution income received		-	-	-	-
Interest received		715	512	396	346
Other income received		-	-	-	-
Responsible Entity's fees paid		(30,271)	(75,439)	(20,769)	(40,062)
Other expenses paid		(290)	(128)	(266)	(29)
Net cash provided by/(used in) operating activities	10(a)	(29,846)	(75,055)	(20,639)	(39,745)
Cash flows from investing activities					
Proceeds from sale of investments		4,439,108	1,347,603	2,684,159	595,299
Purchases of investments		(1,212)	-	(690)	(437,400)
Net cash provided by/(used in) investing activities		4,437,896	1,347,603	2,683,469	157,899
Cash flows from financing activities					
Applications received		13,483	43,209	42,893	504,400
Redemptions paid		(4,467,702)	(1,316,794)	(2,485,582)	(619,358)
Distributions paid		(12,990)	-	(249,629)	-
Net cash (used in)/provided by financing activities		(4,467,209)	(1,273,585)	(2,692,318)	(114,958)
Net increase/(decrease) in cash and cash equivalents		(59,159)	(1,037)	(29,488)	3,196
Cash and cash equivalents at the beginning of the financial year		59,159	60,196	29,488	26,292
Effects of exchange rate changes on cash		-	-	-	-
Cash and cash equivalents at end of financial year	10(b)	-	59,159	-	29,488

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 31 May 2019 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 8 August 2019.

The Directors of MLC Investments Limited approved the commencement of termination of the Australian Share Growth Style Fund, Australian Share Value Style Fund, Global Share Value Style Fund, and Global Share Growth Style Funds; which was completed by year end. The financial statements for 31 May 2019 are prepared on going concern basis with no impact to the financial position of the Schemes.

(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 ('IASB').

(b) Basis of preparation

The Schemes' year end 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 assets and liabilities are measured on a fair value basis, except where otherwise stated.

The Statements of Financial Position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are designated as current assets and liabilities as they are expected to be recovered or settled within twelve months. Financial assets and liabilities at fair value through profit or loss and unitholders funds are expected to be settled upon contractual requirements.

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. The Schemes do not hold a controlling interest in any of their underlying investments and therefore are not required to provide additional disclosures.

(d) Unit prices

The unit prices for the units of the Schemes are 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) accumulate income, which is reflected in the unit price;
- (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 at fair value through profit or loss

The Schemes have classified all of their investments as at fair value through profit or loss including derivatives which are held for risk management purposes.

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 and liabilities at fair value through profit or loss are included in the Statements of Profit or Loss and Other Comprehensive Income in the year in which they arise.

Derivatives are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value with movements taken to the Statements of Profit or Loss and Other Comprehensive Income. Fair values are obtained from quoted market prices in active markets and valuation techniques, including discounted cash flow models and options pricing models. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(i) Futures contracts

Futures contracts are contractual obligations to buy or sell financial instruments on a future date at a specified price established on an organised market. Futures contracts are collateralised by cash and cash equivalents or by other assets ("initial margin"). Subsequent payments, known as "variation margin", are made or received by the Schemes each day, depending on the daily fluctuations in the fair value of the underlying security. The futures contracts are marked to market daily.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial assets and liabilities at fair value through profit or loss (continued)

(ii) Foreign Exchange Forward Contracts

The value of a foreign exchange forward contract fluctuates with changes in currency exchange rates. The forward is marked to market daily.

(iii) Options

The current fair value of an option is valued at the last sale price.

(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 at fair value 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 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(g).

The Schemes have assessed the impact of credit/debit value adjustments to their derivative positions to comply with the requirements of AASB 13, and concluded that there are no significant adjustments to the valuation of derivatives.

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.

(ii) The Schemes have assessed whether their investments in unlisted related 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 as set out in note 8(g).

(i) Cash and cash equivalents

Cash and cash equivalents in the Statements of Financial Position comprise cash at bank, demand deposits, short term deposits at call and highly liquid investments, including investments in an unlisted cash trust, that are readily convertible at the Responsible Entity's option to known amounts of cash and which are subject to an insignificant risk of change in value.

(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. The impact of expected credit losses on financial assets measured at amortised cost is insignificant. Amounts are generally received within 30 days of being recorded as a receivable.

(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.

(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'.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 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 an effective interest rate 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 initial fair value (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.

Performance fees are incurred or paid by the Schemes for their investment allocations in the Low Correlation Strategy Trust, as outlined in the Product Disclosure Statement.

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) Taxation

The Schemes elected to have the new taxation regime (AMIT) for the taxation of managed investment schemes apply for the 2018 tax year and later years of income. The Schemes are not subject to income tax as the taxable income (including assessable realised net capital gains) is fully attributed to the unitholders each year. Unitholders are taxed on the income attributed to them.

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 will be distributed and attributed to unitholders as assessable income for taxation purposes.

(o) Distributions to unitholders

The income of the Schemes is accumulated and reinvested or paid to unitholders on the last Sunday of August, November and February and the last day of May, except for the Horizon 7 Accelerated Growth Portfolio, Horizon 6 Share Portfolio, Global Share Fund, Platinum Global Fund, Global Share Growth Style Fund and Global Share Value Style Fund which reinvested or paid income to unitholders on the last day of May only.

Income paid out of the Schemes in prior years were disclosed in the Statements of Profit or Loss and Other Comprehensive Income as distributions; as a consequence of entering into the AMIT regime, current and subsequent years income paid out will be classified as distributions in the Statements of Changes in Unitholders Funds.

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 unitholders funds and are not attributed to unitholders as assessable income or distributed until realised.

The Cash Fund's income distributions are based on an interest rate determined daily, and expressed as an annual rate for the distribution period.

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

(p) 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.

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

(q) Derecognition of financial instruments

The derecognition of financial instruments takes place when the Schemes no longer control the contractual rights that comprise 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.

(r) Capital management

The Responsible Entity manages its unitholders funds as capital. As at 31 May 2017, the unitholders funds were classified as a liability. As of 31 May 2018, the Schemes meet the conditions required to adopt the AMIT tax regime and consequently the units in the Schemes have been re-classified from a financial liability to equity on 31 May 2018 in accordance with the requirements of AASB 132 - Financial Instruments: Presentation relating to puttable instruments.

The amount of unitholders funds 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.

(s) Unitholders Funds

As of 31 May 2018, and subsequent years, as a result of the reclassification of net assets attributable to unitholders from liabilities to equity, the Schemes' distributions are no longer classified as a finance cost in the Statement of Profit or Loss and Other Comprehensive Income, but rather as distributions paid in the Statement of Changes in Unitholders Funds.

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 financial year, if unitholders exercised their right to put the units back to the Schemes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Application of accounting standards

Changes in Accounting Policy

The Schemes have adopted all mandatory standards and amendments for the financial year beginning 1 June 2018. Adoption of these standards and amendments has not had any material effect on the financial position or performance of the Schemes.

AASB 9 Financial Instruments

AASB 9 contains new requirements for classification, measurement, and derecognition of financial assets and liabilities replacing the recognition and measurement requirements in AASB 139 Financial Instruments: Recognition and Measurement. The Schemes' financial assets and financial liabilities that are measured at fair value through profit or loss continue to be classified and measured at fair value through profit or loss. The Schemes' receivables continue to be classified at amortised cost. Furthermore the Schemes do not apply hedge accounting. The adoption of AASB 9 has not had a significant impact on the Schemes' financial statements.

AASB 15 Revenue from Contracts with Customers

AASB 15 makes significant changes to revenue recognition and adds some additional disclosures, replacing AASB 111 Constructions Contracts and AASB 118 Revenue. The new standard provides a five-step model to be applied to all contracts with customers when determining when to recognise revenue, and at what amount. The Schemes' main sources of revenue are dividends, distributions, interest income and gains on financial instruments measured at fair value through profit or loss. As all of these revenues are outside the scope of the new standard, the standard does not have a material impact on the Schemes' financial position or performance, or the presentation and disclosures in the Financial Report.

NOTE 2 - DIVIDEND AND DISTRIBUTION INCOME

The Schemes receive income from their **related party** underlying investments in unlisted managed investment schemes, which is detailed in Note 8(h), except for Income Builder and Platinum Global Fund which is detailed in the table below:

	IncomeBuilder		Platinum Global Fund	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Dividend/Scheme distribution income:				
Listed equities and unit trusts	<u>110,052</u>	112,534	<u>16,930</u>	15,877
Dividend and distribution income	<u>110,052</u>	112,534	<u>16,930</u>	15,877

NOTE 3 - AUDITOR'S REMUNERATION

The Schemes have regular audits on the financial reports. The Responsible Entity pays the cost of the audit fees being \$11,000 (2018: \$11,000) per Scheme for audit and review of the financial reports, and \$2,374 (2018: \$2,374) per Scheme for Compliance plan audits. The Schemes listed in the table below have an additional cost for the Specified Assertions audit of their direct investments.

	IncomeBuilder		Platinum Global Fund		Cash Fund	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Auditor of the Scheme:						
Other assurance engagements	<u>5,250</u>	5,250	<u>2,250</u>	2,250	<u>1,250</u>	1,250
	<u>5,250</u>	5,250	<u>2,250</u>	2,250	<u>1,250</u>	1,250

NOTE 4 - DISTRIBUTIONS

Income paid out of the Schemes in prior years were disclosed in the Statements of Profit or Loss and Other Comprehensive Income as distributions; whilst current and subsequent years income paid out is classified as distributions in the Statements of Changes in Unitholders Funds as stated below:

	IncomeBuilder		Horizon 4 Balanced Portfolio		Platinum Global Fund		Horizon 3 Conservative Growth Portfolio	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
2019								
August	12,043	1.34	2,041	0.17	-	-	918	0.09
November	21,655	2.48	2,864	0.24	-	-	1,045	0.10
February	14,721	1.72	9,985	0.84	-	-	3,884	0.37
May payable	<u>142,303</u>	<u>17.30</u>	<u>58,709</u>	<u>4.94</u>	<u>61,523</u>	<u>14.37</u>	<u>34,039</u>	<u>3.24</u>
	<u>190,722</u>	<u>22.84</u>	<u>73,599</u>	<u>6.19</u>	<u>61,523</u>	<u>14.37</u>	<u>39,886</u>	<u>3.80</u>
2018								
August	10,740	1.12	3,145	0.24	-	-	1,534	0.15
November	25,381	2.68	1,945	0.16	-	-	557	0.06
February	12,871	1.37	-	-	-	-	-	-
May payable	<u>66,390</u>	<u>7.29</u>	<u>12,145</u>	<u>1.01</u>	<u>109,181</u>	<u>24.66</u>	<u>43,500</u>	<u>4.49</u>
	<u>115,382</u>	<u>12.46</u>	<u>17,235</u>	<u>1.41</u>	<u>109,181</u>	<u>24.66</u>	<u>45,591</u>	<u>4.70</u>
	Horizon 5 Growth Portfolio		Share Index Fund		Horizon 6 Share Portfolio		Horizon 2 Income Portfolio	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
2019								
August	214	0.05	529	0.68	-	-	275	0.31
November	821	0.19	1,528	2.02	-	-	125	0.15
February	3,566	0.82	3,418	4.65	-	-	88	0.11
May payable	<u>12,318</u>	<u>2.87</u>	<u>2,841</u>	<u>3.99</u>	<u>19,724</u>	<u>7.19</u>	<u>611</u>	<u>0.80</u>
	<u>16,919</u>	<u>3.93</u>	<u>8,316</u>	<u>11.34</u>	<u>19,724</u>	<u>7.19</u>	<u>1,099</u>	<u>1.37</u>
2018								
August	263	0.06	948	0.78	-	-	301	0.29
November	600	0.14	2,256	1.99	-	-	160	0.16
February	-	-	851	0.80	-	-	49	0.05
May payable	<u>3,989</u>	<u>0.95</u>	<u>9,654</u>	<u>11.65</u>	<u>12,581</u>	<u>4.59</u>	<u>542</u>	<u>0.58</u>
	<u>4,852</u>	<u>1.15</u>	<u>13,709</u>	<u>15.22</u>	<u>12,581</u>	<u>4.59</u>	<u>1,052</u>	<u>1.08</u>

NOTE 4 - DISTRIBUTIONS (continued)

	Property Securities Fund		Australian Share Fund		Cash Fund		Global Share Fund	
	\$'000	c/unit	\$'000	c/unit	\$'000	Annualised Rate %	\$'000	c/unit
2019								
August	832	0.89	291	0.53	191	0.82	-	-
November	-	-	800	1.48	201	0.86	-	-
February	507	0.57	2,709	5.12	195	0.84	-	-
May payable	687	0.81	1,162	2.23	167	0.79	95	0.47
	<u>2,026</u>	<u>2.27</u>	<u>4,962</u>	<u>9.36</u>	<u>754</u>	<u>0.83</u>	<u>95</u>	<u>0.47</u>
2018								
August	527	0.50	314	0.52	165	0.68	-	-
November	539	0.53	696	1.18	158	0.69	-	-
February	679	0.68	344	0.59	141	0.66	-	-
May payable	913	0.95	760	1.34	162	0.78	-	-
	<u>2,658</u>	<u>2.66</u>	<u>2,114</u>	<u>3.63</u>	<u>626</u>	<u>0.70</u>	<u>-</u>	<u>-</u>
	Horizon 7 Accelerated Growth Portfolio		Horizon 1 Bond Portfolio		Australian Share Growth Style Fund		Australian Share Value Style Fund	
	\$'000	c/unit	Whole Dollars \$	c/unit	Whole Dollars \$	c/unit	Whole Dollars \$	c/unit
2019								
August	-	-	6,782	0.32	16,884	0.31	18,157	0.28
November	-	-	-	-	114,449	2.49	-	-
February	-	-	-	-	-	-	-	-
May payable	392	2.13	22,959	0.98	-	-	-	-
	<u>392</u>	<u>2.13</u>	<u>29,741</u>	<u>1.30</u>	<u>131,333</u>	<u>2.80</u>	<u>18,157</u>	<u>0.28</u>
2018								
August	-	-	6,183	0.26	28,449	0.41	22,543	0.28
November	-	-	-	-	60,293	0.89	57,120	0.72
February	-	-	-	-	25,870	0.39	25,619	0.33
May payable	41	0.22	6,195	0.26	57,998	0.87	57,673	0.76
	<u>41</u>	<u>0.22</u>	<u>12,378</u>	<u>0.52</u>	<u>172,610</u>	<u>2.56</u>	<u>162,955</u>	<u>2.09</u>
	Global Share Value Style Fund		Global Share Growth Style Fund					
	Whole Dollars \$	c/unit	Whole Dollars \$	c/unit				
2019								
August	-	-	-	-				
November	-	-	719,052	111.34				
February	-	-	-	-				
May payable	-	-	-	-				
	<u>-</u>	<u>-</u>	<u>719,052</u>	<u>111.34</u>				
2018								
August	-	-	-	-				
November	-	-	-	-				
February	-	-	-	-				
May payable	47,407	1.42	10,174	0.64				
	<u>47,407</u>	<u>1.42</u>	<u>10,174</u>	<u>0.64</u>				

NOTE 5 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	IncomeBuilder		Horizon 4 Balanced Portfolio		Platinum Global Fund		Horizon 3 Conservative Growth Portfolio	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Money market securities								
Money market securities	13,973	14,962	-	-	-	-	-	-
Listed equities								
Shares and units listed on a stock exchange	1,970,602	2,136,898	-	-	626,821	935,911	-	-
Unlisted equities								
Shares and units not listed on a stock exchange	-	-	-	-	-	2,900	-	-
Fixed Interest Securities								
Fixed interest securities	-	-	-	-	22,258	4,222	-	-
Unlisted related party managed investment schemes								
Unlisted related party managed investment schemes	-	-	1,813,794	1,746,429	-	-	1,083,226	995,364
Financial Instruments								
Financial Instruments - Derivatives	-	-	-	-	17,461	27,012	-	-
Total financial assets at fair value through profit or loss	1,984,575	2,151,860	1,813,794	1,746,429	666,540	970,045	1,083,226	995,364
	Horizon 5 Growth Portfolio		Share Index Fund		Horizon 6 Share Portfolio		Horizon 2 Income Portfolio	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Unlisted related party managed investment schemes								
Unlisted related party managed investment schemes	587,331	543,559	143,807	158,433	298,417	285,058	87,394	105,777
Total financial assets at fair value through profit or loss	587,331	543,559	143,807	158,433	298,417	285,058	87,394	105,777
	Property Securities Fund		Australian Share Fund		Cash Fund		Global Share Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Money market securities								
Money market securities	-	-	-	-	70,886	64,239	-	-
Unlisted related party managed investment schemes								
Unlisted related party managed investment schemes	88,178	89,952	97,014	99,712	-	-	37,511	33,156
Total financial assets at fair value through profit or loss	88,178	89,952	97,014	99,712	70,886	64,239	37,511	33,156
	Horizon 7 Accelerated Growth Portfolio		Horizon 1 Bond Portfolio		Australian Share Growth Style Fund		Australian Share Value Style Fund	
	2019 \$'000	2018 \$'000	2019 Whole Dollars \$	2018 Whole Dollars \$	2019 Whole Dollars \$	2018 Whole Dollars \$	2019 Whole Dollars \$	2018 Whole Dollars \$
Unlisted related party managed investment schemes								
Unlisted related party managed investment schemes	22,927	23,520	2,336,382	2,357,346	-	8,991,835	-	8,091,069
Total financial assets at fair value through profit or loss	22,927	23,520	2,336,382	2,357,346	-	8,991,835	-	8,091,069
	Global Share Value Style Fund		Global Share Growth Style Fund					
	2019 Whole Dollars \$	2018 Whole Dollars \$	2019 Whole Dollars \$	2018 Whole Dollars \$				
Unlisted related party managed investment schemes								
Unlisted related party managed investment schemes	-	4,222,897	-	2,194,919				
Total financial assets at fair value through profit or loss	-	4,222,897	-	2,194,919				

Units held in unlisted related party managed investment schemes are detailed in Note 8(h).

NOTE 6 - RECEIVABLES

	IncomeBuilder		Horizon 4 Balanced Portfolio		Platinum Global Fund		Horizon 3 Conservative Growth Portfolio	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Outstanding settlements	16,269	1,540	-	-	2,221	4,550	-	-
Distribution receivables	16,436	19,373	66,542	107,322	3,356	4,455	33,636	49,796
Other receivables	10	9	6	5	13	12	4	4
Receivables	32,715	20,922	66,548	107,327	5,590	9,017	33,640	49,800

	Horizon 5 Growth Portfolio		Share Index Fund		Horizon 6 Share Portfolio		Horizon 2 Income Portfolio	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution receivables	24,155	38,131	2,546	8,695	15,023	25,504	2,057	-
Other receivables	4	3	1	1	1	1	1	1
Receivables	24,159	38,134	2,547	8,696	15,024	25,505	2,058	1

	Property Securities Fund		Australian Share Fund		Cash Fund		Global Share Fund	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distribution receivables	899	1,255	4,732	8,390	1	-	4,174	9,630
Other receivables	2	2	1	1	8	8	1	1
Receivables	901	1,257	4,733	8,391	9	8	4,175	9,631

	Horizon 7 Accelerated Growth Portfolio		Horizon 1 Bond Portfolio		Australian Share Growth Style Fund		Australian Share Value Style Fund	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$
Outstanding settlements	-	-	-	-	-	-	-	-
Distribution receivables	1,836	473	14,702	18,617	-	96,336	-	92,969
Other receivables	1	1	295	296	-	548	-	537
Receivables	1,837	474	14,997	18,913	-	96,884	-	93,506

	Global Share Value Style Fund		Global Share Growth Style Fund	
	2019	2018	2019	2018
	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$
Outstanding settlements	-	-	-	-
Distribution receivables	-	122,084	-	415,436
Other receivables	-	339	-	135
Receivables	-	122,423	-	415,571

NOTE 7 - ACCOUNTS PAYABLE & ACCRUED EXPENSES

	IncomeBuilder		Horizon 4 Balanced Portfolio		Platinum Global Fund		Horizon 3 Conservative Growth Portfolio	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Outstanding settlements	938	455	-	-	-	6,864	-	-
Amounts owing to Responsible Entity	2,825	2,801	2,115	2,205	1,445	2,930	1,263	1,220
Other payables	-	-	-	-	-	-	-	-
Payables	3,763	3,256	2,115	2,205	1,445	9,794	1,263	1,220

NOTE 7 - ACCOUNTS PAYABLE & ACCRUED EXPENSES (continued)

	Horizon 5 Growth Portfolio		Share Index Fund		Horizon 6 Share Portfolio		Horizon 2 Income Portfolio	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Amounts owing to Responsible Entity	690	690	137	204	359	368	81	109
Other payables	-	-	-	2	-	-	-	-
Payables	690	690	137	206	359	368	81	109

	Property Securities Fund		Australian Share Fund		Cash Fund		Global Share Fund	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Outstanding settlements	-	-	-	-	14	10	-	-
Amounts owing to Responsible Entity	88	98	122	142	68	65	51	80
Other payables	-	-	-	-	-	-	-	32
Payables	88	98	122	142	82	75	51	112

	Horizon 7 Accelerated Growth Portfolio		Horizon 1 Bond Portfolio		Australian Share Growth Style Fund		Australian Share Value Style Fund	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$
Amounts owing to Responsible Entity	31	31	2,590	2,927	-	13,403	-	11,279
Other payables	-	-	-	-	-	-	-	-
Payables	31	31	2,590	2,927	-	13,403	-	11,279

	Global Share Value Style Fund		Global Share Growth Style Fund	
	2019	2018	2019	2018
	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$	Whole Dollars \$
Amounts owing to Responsible Entity	-	5,238	-	3,545
Other payables	-	-	-	93
Payables	-	5,238	-	3,638

NOTE 8 - RELATED PARTIES

(a) Responsible Entity

The Responsible Entity of each of the Schemes is MLC Investments Limited ABN 30 002 641 661, whose immediate holding company is National Wealth Management Services Limited ABN 97 071 514 264 and the ultimate parent company is National Australia Bank Limited ABN 12 004 044 937.

The Responsible Entity is incorporated and domiciled in Australia.

(b) Key management personnel

Directors

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

Name	Appointment / Resignation Date
J G Duffield	Appointed 24 August 2011
P Gupta	Appointed 1 September 2012
C M Keating	Appointed 5 December 2016
G J Mulcahy	Appointed 7 July 2014
K A Watt	Appointed 5 December 2016

In addition to the Directors noted above, the Responsible Entity provides key management personnel services to 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 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.

NOTE 8 - RELATED PARTIES (continued)

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

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

	2019	2018
	\$	\$
IncomeBuilder	2,824,700	2,800,529
Horizon 4 Balanced Portfolio	2,114,828	2,204,802
Platinum Global Fund	1,445,521	2,930,183
Horizon 3 Conservative Growth Portfolio	1,263,107	1,220,053
Horizon 5 Growth Portfolio	689,782	689,520
Share Index Fund	137,220	203,514
Horizon 6 Share Portfolio	358,841	367,568
Horizon 2 Income Portfolio	81,442	109,391
Property Securities Fund	88,193	98,353
Australian Share Fund	121,502	142,216
Cash Fund	67,912	65,399
Global Share Fund	50,627	80,094
Horizon 7 Accelerated Growth Portfolio	30,125	30,703
Horizon 1 Bond Portfolio	2,590	2,927
Australian Share Growth Style Fund	-	13,403
Australian Share Value Style Fund	-	11,279
Global Share Value Style Fund	-	5,238
Global Share Growth Style Fund	-	3,545

(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:

	2019	2018
	\$	\$
IncomeBuilder	40,067,842	44,472,521
Horizon 4 Balanced Portfolio	28,387,118	28,596,400
Platinum Global Fund	18,277,154	23,285,774
Horizon 3 Conservative Growth Portfolio	16,720,379	15,730,417
Horizon 5 Growth Portfolio	9,227,931	8,847,977
Share Index Fund	1,913,852	2,925,377
Horizon 6 Share Portfolio	4,807,363	4,711,852
Horizon 2 Income Portfolio	1,199,512	1,408,418
Property Securities Fund	1,271,570	1,353,433
Australian Share Fund	1,702,350	1,797,491
Cash Fund	978,264	1,016,928
Global Share Fund	647,870	709,533
Horizon 7 Accelerated Growth Portfolio	390,527	387,588
Horizon 1 Bond Portfolio	35,727	35,685
Australian Share Growth Style Fund	64,584	149,641
Australian Share Value Style Fund	57,638	142,034
Global Share Value Style Fund	25,033	75,062
Global Share Growth Style Fund	17,224	43,492

(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 (2018: 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 8(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 in the following tables. 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, debt instruments and derivatives in accordance with the provisions of the Schemes' Constitutions. Investment activities may include the use of derivatives 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.

NOTE 8 - RELATED PARTIES (continued)

(h) Related party investments (continued)

MLC Investments Limited and its related parties	Number of unit/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends received / receivable \$
IncomeBuilder 2019				
National Australia Bank Limited	5,880,393	0.21	155,771,611	4,880,726
2018				
National Australia Bank Limited	5,900,722	0.22	158,139,350	5,866,465
Horizon 4 Balanced Portfolio 2019				
Antares Enhanced Cash Trust	95,474,327	1.24	98,142,548	2,848,017
Low Correlation Strategy Trust	49,895,597	5.62	58,811,242	1,343,387
WM Pool - Australian Equities Trust No.2	2,226,734	2.30	163,946,439	16,664,399
WM Pool - Equities Trust No. 47	1,777,956	9.62	175,740,925	15,988,444
WM Pool - Equities Trust No. 59	1,020,812	9.65	105,974,236	4,594,950
WM Pool - Equities Trust No. 73	576,041	10.35	57,914,584	1,728,979
WM Pool - Fixed Interest Trust No. 5	349,319	1.20	38,643,414	1,230,527
WM Pool - Fixed Interest Trust No. 24	865,308	6.27	88,924,744	2,107,021
WM Pool - Global Properties Trust	608,588	5.96	74,860,469	747,286
WM Pool - Inflation Linked Securities Trust	46,864,343	4.05	55,490,147	1,791,185
WM Pool - LTAR Part 1 NS Trust	1,048,988	15.11	92,004,889	4,034,092
WM Sector - Australian Equities Trust	3,137,689	7.81	359,909,224	34,466,772
WM Sector - Diversified Debt (All) Trust	1,236,730	3.69	126,525,804	4,425,586
WM Sector - Global Equities (Hedged) Trust	1,115,714	14.69	130,045,733	-
WM Sector - Global Equities (Unhedged) Trust	1,715,204	3.62	186,859,359	20,792,903
	<u>207,913,350</u>		<u>1,813,793,757</u>	<u>112,763,548</u>
2018				
Antares Enhanced Cash Trust	92,701,728	1.18	95,929,602	1,447,302
Low Correlation Strategy Trust	48,730,089	5.74	57,716,307	-
WM Pool - Australian Equities Trust No.2	2,124,016	2.26	157,839,021	10,735,318
WM Pool - Equities Trust No. 47	1,426,751	8.31	145,384,992	43,511,780
WM Pool - Equities Trust No. 59	991,510	8.62	104,558,767	3,535,696
WM Pool - Equities Trust No. 73	560,159	9.92	56,698,083	1,196,880
WM Pool - Fixed Interest Trust No. 5	329,606	1.15	36,425,142	1,596,116
WM Pool - Fixed Interest Trust No. 24	850,113	5.95	86,712,795	1,292,512
WM Pool - Global Properties Trust	578,887	4.73	67,397,360	3,476,853
WM Pool - Inflation Linked Securities Trust	48,812,383	3.40	57,077,344	1,369,554
WM Pool - LTAR Part 1 NS Trust	1,031,859	14.30	90,907,412	2,531,768
WM Sector - Australian Equities Trust	3,238,827	7.44	370,753,811	14,276,625
WM Sector - Diversified Debt (All) Trust	1,203,869	3.32	119,761,371	5,744,389
WM Sector - Global Equities (Hedged) Trust	1,182,031	12.88	138,265,949	355
WM Sector - Global Equities (Unhedged) Trust	1,421,644	3.14	161,001,078	46,762,131
	<u>205,183,472</u>		<u>1,746,429,034</u>	<u>137,477,279</u>
Platinum Global Fund 2019				
MasterKey Unit Trust Cash Fund	1,079,889	1.17	1,079,889	17,312
2018				
MasterKey Unit Trust Cash Fund	2,806,241	3.14	2,806,241	8,022

NOTE 8 - RELATED PARTIES (continued)

(h) Related party investments (continued)

MLC Investments Limited and its related parties	Number of unit/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends received / receivable \$
Horizon 3 Conservative Growth Portfolio				
2019				
Antares Enhanced Cash Trust	73,234,845	0.95	75,281,539	2,134,640
Low Correlation Strategy Trust	26,735,586	3.01	31,512,860	719,828
WM Pool - Australian Equities Trust No.2	831,431	0.86	61,215,308	6,091,443
WM Pool - Fixed Interest Trust No. 24	543,283	3.94	55,831,326	1,322,891
WM Pool - Inflation Linked Securities Trust	27,255,247	2.36	32,271,820	1,035,156
WM Pool - Equities Trust No. 47	636,186	3.44	62,883,437	5,720,969
WM Pool - Equities Trust No. 58	587,035	12.44	60,976,019	2,334,699
WM Pool - Equities Trust No. 59	504,481	4.77	52,372,023	2,271,340
WM Pool - Equities Trust No. 73	110,142	1.98	11,073,511	323,445
WM Pool - Fixed Interest Trust No. 5	155,082	0.53	17,156,003	514,129
WM Pool - Global Properties Trust	263,084	2.57	32,361,089	323,041
WM Sector - Australian Equities Trust	1,218,567	3.03	139,776,011	13,471,521
WM Sector - Diversified Debt (All) Trust	640,983	1.91	65,576,883	2,313,917
WM Sector - Diversified Debt (Short) Trust	2,210,860	3.78	225,760,944	4,378,211
WM Sector - Global Equities (Hedged) Trust	378,199	4.98	44,082,255	-
WM Sector - Global Equities (Unhedged) Trust	1,056,473	2.23	115,095,269	12,807,305
	<u>136,361,484</u>		<u>1,083,226,297</u>	<u>55,762,535</u>
2018				
Antares Enhanced Cash Trust	68,786,100	0.88	71,181,232	798,213
Low Correlation Strategy Trust	26,111,071	3.08	30,926,161	-
WM Pool - Australian Equities Trust No.2	801,903	0.85	59,590,669	3,815,624
WM Pool - Fixed Interest Trust No. 24	498,126	3.49	50,809,575	744,810
WM Pool - Inflation Linked Securities Trust	27,259,521	1.90	31,875,130	954,127
WM Pool - Equities Trust No. 47	478,576	2.79	48,766,518	14,595,309
WM Pool - Equities Trust No. 58	486,027	8.42	51,101,321	1,294,912
WM Pool - Equities Trust No. 59	471,221	4.10	49,692,185	1,677,961
WM Pool - Equities Trust No. 73	101,240	1.79	10,247,310	216,318
WM Pool - Fixed Interest Trust No. 5	136,398	0.47	15,073,462	660,350
WM Pool - Global Properties Trust	250,418	2.05	29,155,082	1,504,034
WM Sector - Australian Equities Trust	1,171,185	2.69	134,067,450	5,115,268
WM Sector - Diversified Debt (All) Trust	616,770	1.70	61,356,491	3,166,611
WM Sector - Diversified Debt (Short) Trust	2,123,629	3.43	214,397,448	3,618,515
WM Sector - Global Equities (Hedged) Trust	368,597	4.02	43,116,010	111
WM Sector - Global Equities (Unhedged) Trust	830,097	1.83	94,008,426	27,304,378
	<u>130,490,879</u>		<u>995,364,470</u>	<u>65,466,541</u>
Horizon 5 Growth Portfolio				
2019				
Antares Enhanced Cash Trust	10,089,176	0.13	10,371,138	308,238
WM Pool - Australian Equities Trust No.2	795,675	0.82	58,582,732	6,002,837
Low Correlation Strategy Trust	14,501,628	1.63	17,092,866	390,441
WM Pool - Inflation Linked Securities Trust	12,018,473	1.04	14,230,581	414,390
WM Pool - Equities Trust No. 47	555,862	3.01	54,943,805	4,998,642
WM Pool - Equities Trust No. 59	225,781	2.13	23,439,169	1,016,851
WM Pool - Equities Trust No. 73	121,445	2.18	12,209,949	364,515
WM Pool - Fixed Interest Trust No. 24	185,249	1.34	19,037,382	444,105
WM Pool - Fixed Interest Trust No. 5	113,915	0.39	12,601,861	383,314
WM Pool - Global Properties Trust	190,747	1.87	23,463,231	234,219
WM Pool - LTAR Part 1 NS Trust	528,499	7.61	46,353,727	2,032,449
WM Sector - Australian Equities Trust	1,169,123	2.91	134,104,474	12,777,940
WM Sector - Diversified Debt (All) Trust	176,312	0.53	18,037,890	650,066
WM Sector - Global Equities (Hedged) Trust	530,996	6.99	61,891,988	-
WM Sector - Global Equities (Unhedged) Trust	743,234	1.57	80,970,113	9,010,005
	<u>41,946,115</u>		<u>587,330,906</u>	<u>39,028,012</u>

NOTE 8 - RELATED PARTIES (continued)

(h) Related party investments (continued)

MLC Investments Limited and its related parties	Number of unit/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends received / receivable \$
Horizon 5 Growth Portfolio (continued)				
2018				
Antares Enhanced Cash Trust	10,328,174	0.13	10,687,801	129,773
WM Pool - Australian Equities Trust No.2	765,597	0.81	56,892,734	3,652,980
Low Correlation Strategy Trust	14,162,885	1.67	16,774,634	-
WM Pool - Inflation Linked Securities Trust	9,985,165	0.70	11,675,863	280,159
WM Pool - Equities Trust No. 47	444,473	2.59	45,291,505	13,555,141
WM Pool - Equities Trust No. 59	218,351	1.90	23,026,052	773,700
WM Pool - Equities Trust No. 73	112,900	2.00	11,427,536	241,232
WM Pool - Fixed Interest Trust No. 24	166,981	1.17	17,032,346	245,639
WM Pool - Fixed Interest Trust No. 5	101,859	0.35	11,256,538	482,943
WM Pool - Global Properties Trust	196,074	1.60	22,828,046	1,177,639
WM Pool - LTAR Part 1 NS Trust	478,399	6.63	42,147,275	1,173,800
WM Sector - Australian Equities Trust	1,129,675	2.60	129,315,791	4,972,479
WM Sector - Diversified Debt (All) Trust	175,966	0.48	17,505,215	813,936
WM Sector - Global Equities (Hedged) Trust	523,569	5.70	61,243,491	157
WM Sector - Global Equities (Unhedged) Trust	586,788	1.30	66,453,713	19,301,220
	<u>39,376,856</u>		<u>543,558,540</u>	<u>46,800,798</u>
Share Index Fund				
2019				
WM Pool - Equities Trust No. 30	<u>122,397,127</u>	<u>11.67</u>	<u>143,807,322</u>	<u>9,489,574</u>
2018				
WM Pool - Equities Trust No. 30	<u>139,566,139</u>	<u>13.42</u>	<u>158,433,248</u>	<u>15,024,251</u>
Horizon 6 Share Portfolio				
2019				
Low Correlation Strategy Trust	<u>5,141,957</u>	<u>0.59</u>	<u>6,060,752</u>	<u>138,442</u>
WM Pool - Australian Equities Trust No.2	<u>520,681</u>	<u>0.54</u>	<u>38,335,884</u>	<u>3,943,122</u>
WM Pool - Equities Trust No. 47	<u>292,718</u>	<u>1.58</u>	<u>28,933,489</u>	<u>2,632,292</u>
WM Pool - Global Properties Trust	<u>48,157</u>	<u>0.47</u>	<u>5,923,650</u>	<u>59,132</u>
WM Pool - LTAR Part 1 NS Trust	<u>341,421</u>	<u>4.92</u>	<u>29,945,412</u>	<u>1,313,002</u>
WM Sector - Australian Equities Trust	<u>730,390</u>	<u>1.82</u>	<u>83,779,577</u>	<u>8,099,143</u>
WM Sector - Global Equities (Hedged) Trust	<u>350,605</u>	<u>4.61</u>	<u>40,865,961</u>	<u>-</u>
WM Sector - Global Equities (Unhedged) Trust	<u>592,712</u>	<u>1.25</u>	<u>64,571,792</u>	<u>7,185,270</u>
	<u>8,018,641</u>		<u>298,416,517</u>	<u>23,370,403</u>
2018				
Low Correlation Strategy Trust	5,021,846	0.59	5,947,915	-
WM Pool - Australian Equities Trust No.2	487,063	0.52	36,194,453	2,301,345
WM Pool - Equities Trust No. 47	232,912	1.36	23,733,600	7,103,218
WM Pool - Global Properties Trust	45,807	0.37	5,333,100	275,121
WM Pool - LTAR Part 1 NS Trust	337,996	4.69	29,777,701	829,308
WM Sector - Australian Equities Trust	729,070	1.68	83,457,813	3,173,336
WM Sector - Global Equities (Hedged) Trust	381,264	4.15	44,597,665	114
WM Sector - Global Equities (Unhedged) Trust	494,620	1.09	56,015,659	16,269,528
	<u>7,730,578</u>		<u>285,057,906</u>	<u>29,951,970</u>

NOTE 8 - RELATED PARTIES (continued)

(h) Related party investments (continued)

MLC Investments Limited and its related parties	Number of unit/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends received / receivable \$
Horizon 2 Income Portfolio				
2019				
Antares Enhanced Cash Trust	10,866,212	0.14	11,169,890	364,227
MasterKey Unit Trust IncomeBuilder	5,145,630	0.63	11,959,108	1,222,013
Low Correlation Strategy Trust	1,427,346	0.16	1,682,393	38,430
WM Pool - Equities Trust No. 58	90,037	1.91	9,352,304	378,191
WM Pool - Equities Trust No. 73	8,724	0.16	877,126	26,186
WM Pool - Fixed Interest Trust No. 5	26,755	0.09	2,959,761	103,999
WM Pool - Fixed Interest Trust No. 17	-	-	-	-
WM Pool - Fixed Interest Trust No. 24	54,483	0.39	5,598,986	137,889
WM Pool - Inflation Linked Securities Trust	1,878,153	0.16	2,223,844	76,853
WM Pool - Global Properties Trust	28,549	0.28	3,511,706	35,055
WM Sector - Diversified Debt (All) Trust	14,279	0.04	1,460,885	57,165
WM Sector - Diversified Debt (Short) Trust	296,539	0.51	30,280,944	616,965
WM Sector - Global Equities (Hedged) Trust	7,378	0.10	859,931	-
WM Sector - Global Equities (Unhedged) Trust	34,293	0.07	3,735,954	415,721
WM Sector - Property Securities Trust	19,131	0.25	1,721,293	68,534
	<u>19,897,509</u>		<u>87,394,125</u>	<u>3,541,228</u>
2018				
Antares Enhanced Cash Trust	12,806,591	0.16	13,252,516	290,377
MasterKey Unit Trust IncomeBuilder	6,852,588	0.75	16,138,318	890,910
Low Correlation Strategy Trust	-	-	-	-
WM Pool - Equities Trust No. 58	103,315	1.79	10,862,599	221,586
WM Pool - Equities Trust No. 73	8,516	0.15	861,997	24,704
WM Pool - Fixed Interest Trust No. 5	31,658	0.11	3,498,521	150,096
WM Pool - Fixed Interest Trust No. 17	-	-	-	80,631
WM Pool - Fixed Interest Trust No. 24	63,489	0.44	6,475,938	84,933
WM Pool - Inflation Linked Securities Trust	2,277,650	0.16	2,663,304	138,748
WM Pool - Global Properties Trust	37,059	0.30	4,314,658	211,823
WM Sector - Diversified Debt (All) Trust	18,495	0.05	1,839,849	89,983
WM Sector - Diversified Debt (Short) Trust	368,354	0.60	37,188,280	638,212
WM Sector - Global Equities (Hedged) Trust	9,890	0.11	1,156,834	3
WM Sector - Global Equities (Unhedged) Trust	48,177	0.11	5,455,995	1,228,816
WM Sector - Property Securities Trust	25,613	0.30	2,068,088	97,271
	<u>22,651,395</u>		<u>105,776,897</u>	<u>4,148,093</u>
Property Securities Fund				
2019				
WM Sector - Property Securities Trust	<u>980,035</u>	<u>12.66</u>	<u>88,177,517</u>	<u>3,183,199</u>
2018				
WM Sector - Property Securities Trust	<u>1,114,051</u>	<u>13.04</u>	<u>89,952,244</u>	<u>4,029,918</u>
Australian Share Fund				
2019				
WM Pool - Equities Trust No. 41	<u>937,912</u>	<u>8.08</u>	<u>97,014,417</u>	<u>9,814,439</u>
2018				
WM Pool - Equities Trust No. 41	<u>957,385</u>	<u>8.36</u>	<u>99,711,565</u>	<u>11,092,181</u>
Global Share Fund				
2019				
WM Sector - Global Equities (Unhedged) Trust	<u>344,320</u>	<u>0.73</u>	<u>37,511,187</u>	<u>4,174,083</u>
2018				
WM Sector - Global Equities (Unhedged) Trust	<u>292,772</u>	<u>0.65</u>	<u>33,156,452</u>	<u>9,630,161</u>
Horizon 7 Accelerated Growth Portfolio				
2019				
MLC Horizon 7 Trust	13,337,235	2.37	17,942,662	1,769,851
WM Pool - LTAR Part 1 NS Trust	17,285	0.25	1,516,070	66,474
WM Sector - Global Equities (Hedged) Trust	<u>29,751</u>	<u>0.39</u>	<u>3,467,773</u>	<u>-</u>
	<u>13,384,271</u>		<u>22,926,505</u>	<u>1,836,325</u>

NOTE 8 - RELATED PARTIES (continued)

(h) Related party investments (continued)

MLC Investments Limited and its related parties	Number of unit/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends received / receivable \$
Horizon 7 Accelerated Growth Portfolio (continued)				
2018				
MLC Horizon 7 Trust	14,077,788	2.26	19,160,855	444,858
WM Pool - LTAR Part 1 NS Trust	11,295	0.16	995,077	27,713
WM Sector - Global Equities (Hedged) Trust	28,762	0.31	3,364,326	9
	<u>14,117,845</u>		<u>23,520,258</u>	<u>472,580</u>
Horizon 1 Bond Portfolio				
2019				
Antares Enhanced Cash Trust	540,690	0.01	555,800	16,054
WM Pool - Fixed Interest Trust No. 5	1,617	0.01	178,913	4,961
WM Pool - Fixed Interest Trust No. 17	2,197	0.02	226,722	5,227
WM Pool - Fixed Interest Trust No. 22	1,478	0.01	142,995	108
WM Sector - Diversified Debt (Short) Trust	12,064	0.02	1,231,952	24,253
	<u>558,046</u>		<u>2,336,382</u>	<u>50,603</u>
2018				
Antares Enhanced Cash Trust	561,926	0.01	581,492	11,527
WM Pool - Fixed Interest Trust No. 5	1,479	0.01	163,461	7,050
WM Pool - Fixed Interest Trust No. 17	2,317	0.02	237,745	5,879
WM Pool - Fixed Interest Trust No. 22	1,530	0.01	146,273	2,661
WM Sector - Diversified Debt (Short) Trust	12,167	0.02	1,228,375	21,271
	<u>579,419</u>		<u>2,357,346</u>	<u>48,388</u>
Australian Share Growth Style Fund				
2019				
WM Sector - Australian Equities Growth Trust	-	-	-	1,003,023
2018				
WM Sector - Australian Equities Growth Trust	64,439	18.95	8,991,835	321,496
Australian Share Value Style Fund				
2019				
WM Sector - Australian Equities Value Trust	-	-	-	53,300
2018				
WM Sector - Australian Equities Value Trust	73,020	22.95	8,091,069	305,538
Global Share Value Style Fund				
2019				
WM Sector - Global Equities Value Trust	-	-	-	1,927
2018				
WM Sector - Global Equities Value Trust	30,659	23.74	4,222,897	122,084
Global Share Growth Style Fund				
2019				
WM Sector - Global Equities Growth Trust	-	-	-	400,477
2018				
WM Sector - Global Equities Growth Trust	14,227	9.24	2,194,919	415,436

NOTE 8 - RELATED PARTIES (continued)

(h) Related party investments (continued)

From time to time, the Schemes may invest in money market securities issued or guaranteed by National Australia Bank Limited. These investments are in the normal course of business and on normal terms and conditions. Details of these investments held by the Schemes are set out below:

	Fair value of investment \$
Cash Fund	
2019	
Money Market Securities - National Australia Bank	-
2018	
Money Market Securities - National Australia Bank	11,902,053
IncomeBuilder	
2019	
Money Market Securities - National Australia Bank	5,980,711
2018	
Money Market Securities - National Australia Bank	6,981,026

(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 unit/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions paid / payable \$
IncomeBuilder				
2019				
Masterkey Investment Services	90,251,967	10.96	209,757,215	20,436,634
MLC Investment Trusts	240,422,026	29.21	558,771,804	51,817,139
MLC MasterKey Unit Trusts	5,145,630	0.63	11,959,108	1,222,013
MLC Navigator Investment Platform	7,482,337	0.91	17,389,917	1,123,841
MLC Super Fund	419,178,957	50.92	974,225,970	90,406,025
2018				
Masterkey Investment Services	105,256,311	11.54	247,885,876	13,502,029
MLC Investment Trusts	251,418,375	27.57	592,107,622	24,887,251
MLC MasterKey Unit Trusts	6,852,588	0.75	16,138,318	732,108
MLC Navigator Investment Platform	5,899,785	0.65	13,894,401	532,891
MLC Super Fund	442,222,820	48.50	1,041,465,256	43,951,227
Horizon 4 Balanced Portfolio				
2019				
Masterkey Investment Services	80,915,443	6.81	124,292,593	5,018,754
MLC Investment Trusts	939,600,447	79.03	1,443,301,454	56,289,448
MLC Navigator Investment Platform	6,858,901	0.58	10,535,821	426,895
2018				
Masterkey Investment Services	90,285,693	7.51	138,424,670	1,303,112
MLC Investment Trusts	903,182,364	75.11	1,384,745,652	12,859,092
MLC Navigator Investment Platform	6,921,590	0.58	10,612,078	101,154
Platinum Global Fund				
2019				
Masterkey Investment Services	5,603,884	1.31	9,928,845	805,278
MLC Investment Trusts	32,232,266	7.53	57,108,451	4,287,013
MLC Navigator Investment Platform	2,021,016	0.47	3,580,794	290,420
MLC Super Fund	161,209,361	37.68	285,627,361	21,441,452
G J Mulcahy and assoc	53,231	0.01	104,373	8,966
2018				
Masterkey Investment Services	6,341,214	1.43	13,095,584	1,563,743
MLC Investment Trusts	42,707,748	9.65	88,198,076	9,399,850
MLC Navigator Investment Platform	2,488,411	0.56	5,138,951	613,642
MLC Super Fund	173,295,958	39.16	357,882,841	38,141,930
G J Mulcahy and assoc	49,803	0.01	114,274	10,961

NOTE 8 - RELATED PARTIES (continued)

(i) Unitholder investing activities (continued)

MLC Investments Limited and its related parties	Number of unit/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions paid / payable \$
Horizon 3 Conservative Growth Portfolio				
2019				
Masterkey Investment Services	65,683,663	6.25	67,954,544	2,514,952
MLC Investment Trusts	962,044,402	91.53	995,305,163	35,375,160
MLC Navigator Investment Platform	291,850	0.03	301,940	11,177
2018				
Masterkey Investment Services	74,617,804	7.70	77,301,657	3,521,475
MLC Investment Trusts	875,001,561	90.30	906,473,617	39,460,474
MLC Navigator Investment Platform	307,261	0.03	318,312	14,441
Horizon 5 Growth Portfolio				
2019				
Masterkey Investment Services	28,324,526	6.60	39,700,760	1,129,784
MLC Investment Trusts	348,198,992	81.10	488,049,286	13,428,095
MLC Navigator Investment Platform	661,835	0.15	927,654	26,022
2018				
Masterkey Investment Services	31,857,963	7.58	43,914,004	376,935
MLC Investment Trusts	323,560,809	77.01	446,006,249	3,701,264
MLC Navigator Investment Platform	1,017,506	0.24	1,402,561	11,433
Share Index Fund				
2019				
Masterkey Investment Services	38,498,431	54.07	78,031,855	4,545,991
MLC Navigator Investment Platform	73,543	0.10	149,062	5,437
2018				
Masterkey Investment Services	46,998,240	56.71	92,418,091	8,000,701
MLC Navigator Investment Platform	38,876	0.05	76,446	5,917
Horizon 6 Share Portfolio				
2019				
Masterkey Investment Services	39,237,646	14.29	42,189,062	2,821,187
MLC Investment Trusts	216,489,965	78.85	232,774,124	14,597,739
MLC Navigator Investment Platform	277,818	0.10	298,715	19,975
2018				
Masterkey Investment Services	43,131,612	15.73	47,097,780	1,979,741
MLC Investment Trusts	204,734,850	74.66	223,561,243	9,019,041
MLC Navigator Investment Platform	350,901	0.13	383,168	16,106
Horizon 2 Income Portfolio				
2019				
Masterkey Investment Services	38,384,254	50.28	45,046,149	560,787
2018				
Masterkey Investment Services	49,988,849	53.52	57,520,669	568,718
Property Securities Fund				
2019				
Masterkey Investment Services	15,082,493	17.78	15,819,771	374,096
MLC Navigator Investment Platform	945,617	1.11	991,842	17,983
2018				
Masterkey Investment Services	19,099,287	19.86	18,006,158	538,314
MLC Navigator Investment Platform	734,150	0.76	692,132	20,010
Australian Share Fund				
2019				
Masterkey Investment Services	17,036,080	32.70	33,105,942	1,596,084
MLC Investment Trusts	4,005	0.01	7,783	363
MLC Navigator Investment Platform	490,365	0.94	952,918	45,898
2018				
Masterkey Investment Services	19,240,819	33.90	36,436,704	724,733
MLC Investment Trusts	3,814	0.01	7,222	137
MLC Navigator Investment Platform	490,365	0.86	928,613	17,800

NOTE 8 - RELATED PARTIES (continued)

(i) Unitholder investing activities (continued)

MLC Investments Limited and its related parties	Number of unit/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions paid \$
Cash Fund				
2019				
Masterkey Investment Services	65,072,060	70.53	65,072,060	535,271
MLC MasterKey Unit Trusts	1,079,889	1.17	1,079,889	17,312
MLC Navigator Investment Platform	-	-	-	3
G J Mulcahy and assocs	749	-	749	17
2018				
Masterkey Investment Services	59,740,736	66.86	59,740,736	430,379
MLC MasterKey Unit Trusts	2,806,240	3.14	2,806,240	8,022
MLC Navigator Investment Platform	297	-	297	5
G J Mulcahy and assocs	3,530	-	3,530	3,445
Global Share Fund				
2019				
Masterkey Investment Services	5,474,592	26.99	11,247,763	25,731
MLC Investment Trusts	1,689	0.01	3,470	8
MLC Navigator Investment Platform	181,249	0.89	372,383	852
2018				
Masterkey Investment Services	6,175,952	28.34	12,094,491	-
MLC Investment Trusts	-	-	-	-
MLC Navigator Investment Platform	-	-	-	-
Horizon 7 Accelerated Growth Portfolio				
2019				
Masterkey Investment Services	9,058,758	49.14	12,057,189	192,952
MLC Navigator Investment Platform	40,818	0.22	54,329	869
2018				
Masterkey Investment Services	9,301,171	49.42	11,959,492	20,463
MLC Navigator Investment Platform	-	-	-	-
Horizon 1 Bond Portfolio				
2019				
Masterkey Investment Services	2,342,768	100.00	2,350,396	29,742
2018				
Masterkey Investment Services	2,382,692	100.00	2,390,233	6,183
Australian Share Growth Style Fund				
2019				
Masterkey Investment Services	-	-	-	93,399
2018				
Masterkey Investment Services	4,195,457	62.93	5,720,052	108,398
Australian Share Value Style Fund				
2019				
Masterkey Investment Services	-	-	-	6,673
2018				
Masterkey Investment Services	3,075,564	40.53	3,315,077	67,381
Global Share Value Style Fund				
2019				
Masterkey Investment Services	-	-	-	-
2018				
Masterkey Investment Services	1,931,404	57.84	2,517,215	27,426
Global Share Growth Style Fund				
2019				
Masterkey Investment Services	-	-	-	467,377
2018				
Masterkey Investment Services	944,281	59.35	1,558,748	6,043

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 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. Certain Schemes may use derivative financial instruments to moderate certain risk exposures.

(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.

The Cash Fund and Income Builder are the only Schemes with significant concentrations of exposure to counterparties as at 31 May 2019. Their concentrations are all held with authorised deposit-taking institutions. There is no exposure to an individual counterparty in excess of 31.39% of the unitholders funds at 31 May 2019 (2018: not in excess of 32.74%).

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

The Schemes restrict their exposure to credit losses on trading derivative instruments by entering into master netting arrangements with counterparties (approved brokers). The credit risk associated with contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, there is the opportunity to settle outstandings on a net basis.

The Schemes minimise their exposure to credit risk on cash equivalents by only holding instruments with top-tier financial institutions.

In accordance with the Schemes' mandates, the Schemes' credit positions are monitored on a daily basis, and the Responsible Entity reviews this on a quarterly basis. Credit quality of debt instruments is managed using Standard & Poor's rating categories, in accordance with the investment mandates of the Schemes.

The carrying amounts of financial assets best represent the maximum credit risk exposures at the year end date. The tables below show the credit quality by class of asset for debt instruments.

Cash Fund

2019

	AAA to AA- \$'000	A+ to A- \$'000	BBB + to BBB - \$'000	Total \$'000
Money market securities	68,888	1,998	-	70,886
Total	68,888	1,998	-	70,886

2018

	AAA to AA- \$'000	A+ to A- \$'000	BBB + to BBB - \$'000	Total \$'000
Money market securities	58,742	5,497	-	64,239
Total	58,742	5,497	-	64,239

Income Builder

2019

	AAA to AA- \$'000	A+ to A- \$'000	BBB + to BBB - \$'000	Total \$'000
Money market securities	13,973	-	-	13,973
Total	13,973	-	-	13,973

2018

	AAA to AA- \$'000	A+ to A- \$'000	BBB + to BBB - \$'000	Total \$'000
Money market securities	14,962	-	-	14,962
Total	14,962	-	-	14,962

NOTE 9 - FINANCIAL RISK MANAGEMENT (continued)

(c) Financial Assets and Liabilities at fair value through profit or loss

Financial assets and financial liabilities for the Platinum Global Fund are presented on a gross basis in the Statements of Financial Position as there is not an enforceable legal right to offset the recognised amounts. In the normal course of business, the Scheme also enters into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as default on contracts.

Offsetting Financial Assets and Financial Liabilities

	2019			2018		
	Amounts not offset		Net amount	Amounts not offset		Net amount
	Other financial instruments	Cash collateral		Other financial instruments	Cash collateral	
Platinum Global Fund	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Foreign Exchange Forward Contracts	841	1,590	2,431	8,663	779	9,442
Options	13,577	-	13,577	15,112	-	15,112
Futures Contracts	3,043	-	3,043	3,237	-	3,237
Warrants	-	-	-	-	-	-
Closing balance	17,461	1,590	19,051	27,012	779	27,791
Financial liabilities						
Foreign Exchange Forward Contracts	(448)	-	(448)	(10,187)	-	(10,187)
Futures Contracts	-	-	-	-	-	-
Closing balance	(448)	-	(448)	(10,187)	-	(10,187)

(d) 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.

The Schemes are exposed to foreign currency risk as a result of investments in financial instruments denominated in foreign currencies. Certain Schemes may enter into foreign currency contracts designed to either hedge some or all of this exposure, or alternatively increase exposure to preferred foreign currencies.

The foreign currency sensitivities set out below are illustrative only and are based on simplified scenarios. The figures represent the effect of the pro forma movements in foreign exchange rates and the Fund's current foreign exchange risk profile.

The following table summarises the Platinum Global Fund's direct exposure to foreign currency risk on their monetary assets and liabilities net of any applied foreign currency economic hedges at 31 May 2019. The analysis calculates the effect on the Statements of Profit or Loss and Other Comprehensive Income of the reasonably possible change in currency rate against the Australian dollar with all other variables held constant.

Platinum Global Fund

Currency	2019				2018			
	Change in currency rate		Effect on Statements of Profit or Loss and Other Comprehensive Income		Change in currency rate		Effect on Statements of Profit or Loss and Other Comprehensive Income	
	%		\$'000		%		\$'000	
	+	-	+	-	+	-	+	-
CAD	10%	-10%	1,667	(1,667)	10%	-10%	-	-
EUR	10%	-10%	9,447	(9,447)	10%	-10%	10,478	(10,478)
HKD	10%	-10%	11,943	(11,943)	10%	-10%	14,682	(14,682)
KRW	10%	-10%	6,000	(6,000)	10%	-10%	7,992	(7,992)
USD	10%	-10%	26,489	(26,489)	10%	-10%	36,729	(36,729)
INR	10%	-10%	5,226	(5,226)	10%	-10%	3,751	(3,751)
NOK	10%	-10%	2,568	(2,568)	10%	-10%	2,310	(2,310)
JPY	10%	-10%	11,922	(11,922)	10%	-10%	12,838	(12,838)
GBP	10%	-10%	2,842	(2,842)	10%	-10%	4,491	(4,491)
THB	10%	-10%	-	-	10%	-10%	2,259	(2,259)
Other*	10%	-10%	1,983	(1,983)	10%	-10%	5,121	(5,121)
Total			80,087	(80,087)			100,651	(100,651)

* Composed of monetary items denominated in various different currencies, the fair value of which do not individually exceed 2% of the unitholders funds at 31 May 2019.

(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.

The Schemes' interest-bearing financial assets and liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows.

NOTE 9 - FINANCIAL RISK MANAGEMENT (continued)

(d) Market Risk (continued)

(ii) Interest Rate Risk (continued)

The Schemes are exposed to varying levels of interest rate risk as a result of differences in their investment strategies. The risk focused investment process actively assesses the level of interest rate risk and seeks to manage the interest rate exposure accordingly.

The changes in interest rates as disclosed in this note are based on assumed fluctuations in interest rates on floating rate financial assets. 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 following tables demonstrate the sensitivity of the Schemes' financial assets at fair value through profit or loss contained in the Statements of Financial Position to a reasonably possible change in interest rates on discount securities.

Cash Fund

	2019				2018			
	Change in interest rate (basis points)		Effect on Statements of Profit or Loss and Other Comprehensive Income \$'000		Change in interest rate (basis points)		Effect on Statements of Profit or Loss and Other Comprehensive Income \$'000	
	+	-	+	-	+	-	+	-
AUD	100	(100)	(81)	81	100	(100)	(131)	131

IncomeBuilder

	2019				2018			
	Change in interest rate (basis points)		Effect on Statements of Profit or Loss and Other Comprehensive Income \$'000		Change in interest rate (basis points)		Effect on Statements of Profit or Loss and Other Comprehensive Income \$'000	
	+	-	+	-	+	-	+	-
AUD	100	(100)	(19)	19	100	(100)	(20)	20

(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 set out below are illustrative only and are based on simplified scenarios. 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:

IncomeBuilder

Category	2019				2018			
	Change in price %		Effect on Statements of Profit or Loss and Other Comprehensive Income \$'000		Change in price %		Effect on Statements of Profit or Loss and Other Comprehensive Income \$'000	
	+	-	+	-	+	-	+	-
Australian equities	10%	-10%	197,060	(197,060)	10%	-10%	213,690	(213,690)
Total			197,060	(197,060)			213,690	(213,690)

Horizon 4 Balanced Portfolio

Category	2019				2018			
	Change in price %		Effect on Statements of Profit or Loss and Other Comprehensive Income \$'000		Change in price %		Effect on Statements of Profit or Loss and Other Comprehensive Income \$'000	
	+	-	+	-	+	-	+	-
Australian equities	10%	-10%	50,841	(50,841)	10%	-10%	48,900	(48,900)
International equities	10%	-10%	55,992	(55,992)	10%	-10%	48,900	(48,900)
Property equities	10%	-10%	7,146	(7,146)	10%	-10%	6,986	(6,986)
Fixed interest	10%	-10%	67,400	(67,400)	10%	-10%	69,857	(69,857)
Total			181,379	(181,379)			174,643	(174,643)

NOTE 9 - FINANCIAL RISK MANAGEMENT (continued)

(d) Market Risk (continued)

(iii) Equity and Other Price Risk (continued)

Platinum Global Fund

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
International equities	10%	-10%	66,654	(66,654)	10%	-10%	94,303	(94,303)
Total			66,654	(66,654)			94,303	(94,303)

Horizon 3 Conservative Growth Portfolio

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
Australian equities	10%	-10%	19,975	(19,975)	10%	-10%	18,414	(18,414)
International equities	10%	-10%	26,052	(26,052)	10%	-10%	21,400	(21,400)
Property equities	10%	-10%	3,163	(3,163)	10%	-10%	2,986	(2,986)
Fixed interest	10%	-10%	59,134	(59,134)	10%	-10%	56,736	(56,736)
Total			108,324	(108,324)			99,536	(99,536)

Horizon 5 Growth Portfolio

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
Australian equities	10%	-10%	18,413	(18,413)	10%	-10%	17,394	(17,394)
International equities	10%	-10%	21,801	(21,801)	10%	-10%	19,297	(19,297)
Property equities	10%	-10%	2,203	(2,203)	10%	-10%	2,174	(2,174)
Fixed interest	10%	-10%	16,317	(16,317)	10%	-10%	15,492	(15,492)
Total			58,734	(58,734)			54,357	(54,357)

Share Index Fund

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
Australian equities	10%	-10%	14,381	(14,381)	10%	-10%	15,843	(15,843)
Total			14,381	(14,381)			15,843	(15,843)

Horizon 6 Share Portfolio

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
Australian equities	10%	-10%	11,340	(11,340)	10%	-10%	11,260	(11,260)
International equities	10%	-10%	14,383	(14,383)	10%	-10%	13,256	(13,256)
Property equities	10%	-10%	540	(540)	10%	-10%	570	(570)
Fixed interest	10%	-10%	3,578	(3,578)	10%	-10%	3,763	(3,763)
Total			29,841	(29,841)			28,849	(28,849)

Horizon 2 Income Portfolio

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
Australian equities	10%	-10%	1,289	(1,289)	10%	-10%	1,587	(1,587)
International equities	10%	-10%	553	(553)	10%	-10%	740	(740)
Property equities	10%	-10%	522	(522)	10%	-10%	740	(740)
Fixed interest	10%	-10%	6,377	(6,377)	10%	-10%	7,510	(7,510)
Total			8,741	(8,741)			10,577	(10,577)

NOTE 9 - FINANCIAL RISK MANAGEMENT (continued)

(d) Market Risk (continued)

(iii) Equity and Other Price Risk (continued)

Property Securities Fund

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
Property equities	10%	-10%	8,818	(8,818)	10%	-10%	8,995	(8,995)
Total			8,818	(8,818)			8,995	(8,995)

Australian Share Fund

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
Australian equities	10%	-10%	9,701	(9,701)	10%	-10%	9,971	(9,971)
Total			9,701	(9,701)			9,971	(9,971)

Global Share Fund

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
International equities	10%	-10%	3,751	(3,751)	10%	-10%	3,316	(3,316)
Total			3,751	(3,751)			3,316	(3,316)

Horizon 7 Accelerated Growth Portfolio

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
Australian equities	10%	-10%	885	(885)	10%	-10%	994	(994)
International equities	10%	-10%	1,262	(1,262)	10%	-10%	1,358	(1,358)
Fixed interest	10%	-10%	147	(147)	10%	-10%	-	-
Total			2,294	(2,294)			2,352	(2,352)

Horizon 1 Bond Portfolio

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
Fixed interest	10%	-10%	233,639	(233,639)	10%	-10%	235,735	(235,735)
Total			233,639	(233,639)			235,735	(235,735)

Australian Share Growth Style Fund

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
Australian equities	10%	-10%	-	-	10%	-10%	899,184	(899,184)
Total			-	-			899,184	(899,184)

Australian Share Value Style Fund

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
Australian equities	10%	-10%	-	-	10%	-10%	809,107	(809,107)
Total			-	-			809,107	(809,107)

NOTE 9 - FINANCIAL RISK MANAGEMENT (continued)

(d) Market Risk (continued)

(iii) Equity and Other Price Risk (continued)

Global Share Value Style Fund

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
International equities	10%	-10%	-	-	10%	-10%	422,290	(422,290)
Total			-	-			422,290	(422,290)

Global Share Growth Style Fund

Category	2019				2018			
	Change in price		Effect on Statements of		Change in price		Effect on Statements of	
	%		Profit or Loss and Other		%		Profit or Loss and Other	
	+	-	+	-	+	-	+	-
International equities	10%	-10%	-	-	10%	-10%	219,492	(219,492)
Total			-	-			219,492	(219,492)

(e) 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.

Unitholders funds 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.

(f) Derivatives

The Schemes' derivative financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments.

As at 31 May 2019, the overall direct market exposures were as follows:

Platinum Global Fund

Derivative instruments:

- Futures Contracts
- Foreign Exchange Forward Contracts
- Options

31 May 2019		31 May 2018	
Contract amount	Fair value	Contract amount	Fair value
\$'000	\$'000	\$'000	\$'000
(117,867)	3,043	(135,203)	3,237
393	393	(1,524)	(1,524)
5,967	13,577	8,558	15,112
(111,507)	17,013	(128,169)	16,825

(g) 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, other than Level 1, the use of observable and unobservable inputs are applied.

Financial assets / (financial liabilities)	Fair Value Hierarchy	Valuation Techniques
Unlisted equities	2	Valued from independent valuations based on observable market data provided by pricing vendors.
Money market securities	2	Valued by sourcing appropriate yield curves based on credit rating, security type and term to maturity.
Unlisted related party managed investment schemes	2	Valued at redemption price as established by the Responsible Entity of the underlying trust.
Options	2	Valued from independent valuations based on observable market data provided by pricing vendors, using option pricing models.
Foreign exchange forward contracts	2	Valued based on observable market data i.e broker quoted prices.
Unlisted equities (suspended/stale priced)	3	Valued based on last available price at the date of delisting or based on selling price determined by fund manager

All Schemes, except listed separately below, invest only in unlisted managed investment schemes which are classified as level 2, and there have been no transfers between levels during the year.

NOTE 9 - FINANCIAL RISK MANAGEMENT (continued)

(g) Fair value of financial instruments (continued)

Cash Fund

Financial Instruments	2019			2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Money Market securities	-	70,886	-	-	64,239	-
Total	-	70,886	-	-	64,239	-

There have been no movements between the levels during the year.

IncomeBuilder

Financial Instruments	2019			2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Listed equity securities	1,970,602	-	-	2,136,898	-	-
Money Market securities	-	13,973	-	-	14,962	-
Unlisted Equities	-	-	-	-	-	-
Total	1,970,602	13,973	-	2,136,898	14,962	-

There have been no movements between the levels during the year.

Platinum Global Fund

Financial Instruments	2019			2018		
	Level 1	Level 2#	Level 3*	Level 1	Level 2	Level 3*
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Listed equity securities	626,821	-	-	935,911	-	-
Unlisted equity securities	-	-	-	-	2,575	325
Interest bearing securities	-	22,258	-	-	4,222	-
Foreign Exchange Forward Contracts	-	393	-	-	(1,523)	-
Futures Contracts	3,043	-	-	3,236	-	-
Options	-	13,577	-	-	15,112	-
Total	629,864	36,228	-	939,147	20,386	325

Level 2 for the year ended 31 May 2019 contain interest bearing securities in UBS, where the inputs to derive the prices are observable from their underlying securities. Level 2 for the year ended 31 May 2018 included Weichai Power Participation Notes in listed equity securities (2018: Nil).

* Level 3 for the years ended 31 May 2019 and 31 May 2018 contain stale priced investments in the Smith Investment Company and Vantage Goldfield Delisted with nil market value in 2019.

These investments are assessed for sensitivity to their unobservable inputs, and as the market value for these investments are not significant to the Scheme, no sensitivity analysis has been stated in the notes to the financial report.

NOTE 10 - NOTES TO THE STATEMENTS OF CASH FLOWS

	IncomeBuilder		Horizon 4 Balanced Portfolio		Platinum Global Fund		Horizon 3 Conservative Growth Portfolio	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(a) Reconciliation of operating profit to net cash flows from operating activities								
Net operating profit/(loss)	168,227	(40,300)	77,877	99,534	(68,550)	132,459	38,479	37,837
Income reinvested	-	-	(153,542)	(30,155)	-	-	(71,923)	(15,671)
Changes in the fair value of investments	(99,056)	110,180	6,543	9,380	66,622	(140,872)	603	11,940
Changes in assets and liabilities during the financial year:								
Decrease/(increase) in distribution receivables	2,937	563	40,778	(107,322)	1,098	(1,480)	16,161	(49,796)
(Increase)/decrease in other receivables	(1)	3,332	(1)	2,674	-	1,831	-	951
Increase/(decrease) in other accounts payable	26	(102)	(90)	(554)	(1,485)	1,515	43	186
Net cash provided by/(used in) operating activities	72,133	73,673	(28,435)	(26,443)	(2,315)	(6,547)	(16,637)	(14,553)
(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	14,828	12,217	6,738	4,333	15,969	22,331	5,873	3,351
Cash on deposit - domestic	27,073	31,952	6	6	12,085	7,926	2	2
Cash on deposit - overseas	-	-	-	-	120,144	30,900	-	-
MLC MasterKey Unit Trust Cash	-	-	-	-	1,080	2,807	-	-
Components of cash	41,901	44,169	6,744	4,339	149,278	63,964	5,875	3,353
(c) Non-cash financing and investing activities								
Distributions to unitholders reinvested	105,753	43,938	25,208	4,721	95,051	-	48,045	2,029
	105,753	43,938	25,208	4,721	95,051	-	48,045	2,029

	Horizon 5 Growth Portfolio		Share Index Fund		Horizon 6 Share Portfolio		Horizon 2 Income Portfolio	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(a) Reconciliation of operating profit to net cash flows from operating activities								
Net operating profit/(loss)	26,796	36,578	13,209	17,370	15,564	23,598	2,992	1,021
Income reinvested	(53,004)	(8,670)	(15,639)	(6,329)	(33,851)	(4,448)	(1,484)	(4,148)
Changes in the fair value of investments	3,027	1,396	(5,627)	(5,263)	3,009	1,651	(648)	1,723
Changes in assets and liabilities during the financial year:								
Decrease/(increase) in distribution receivables	13,978	(38,131)	6,149	(8,695)	10,481	(25,504)	(2,057)	-
(Increase)/decrease in other receivables	(3)	583	-	268	-	291	-	117
Increase/(decrease) in other accounts payable	-	126	(68)	(20)	(9)	65	(28)	11
Net cash (used in)/provided by operating activities	(9,206)	(8,118)	(1,976)	(2,669)	(4,806)	(4,347)	(1,225)	(1,276)
(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	3,329	2,143	940	5,683	1,866	1,810	827	692
Cash on deposit - domestic	2	2	-	-	1	1	-	1,650
Components of cash	3,331	2,145	940	5,683	1,867	1,811	827	2,342
(c) Non-cash financing and investing activities								
Distributions to unitholders reinvested	8,184	816	10,254	2,699	11,764	-	668	334
	8,184	816	10,254	2,699	11,764	-	668	334

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

	Property Securities Fund		Australian Share Fund		Cash Fund		Global Share Fund	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(a) Reconciliation of operating profit to net cash flows from operating activities								
Net operating profit/(loss)	11,570	2,843	7,673	9,774	747	613	2,157	3,581
Income reinvested	(3,539)	(2,775)	(13,472)	(2,702)	-	-	(9,630)	-
Changes in the fair value of investments	(9,656)	(163)	444	(475)	-	-	1,370	5,341
Changes in assets and liabilities during the financial year:								
Decrease/(increase) in distribution receivables	356	(1,255)	3,658	(8,390)	(1)	-	5,457	(9,630)
Decrease/(increase) in other receivables	-	116	-	130	1	76	-	75
Increase/(decrease) in other accounts payable	(10)	2	(20)	25	4	(1)	(61)	48
Net cash (used in)/provided by operating activities	(1,279)	(1,232)	(1,717)	(1,638)	751	688	(707)	(585)

(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	658	455	787	286	5,520	7,699	130	2
Cash on deposit - domestic	-	-	-	-	16,092	17,658	-	-
Components of cash	658	455	787	286	21,612	25,357	130	2

(c) Non-cash financing and investing activities

Distributions to unitholders reinvested	1,404	1,078	3,438	1,023	692	424	-	-
	1,404	1,078	3,438	1,023	692	424	-	-

Horizon 7 Accelerated Growth Portfolio		Horizon 1 Bond Portfolio		Australian Share Growth Style Fund		Australian Share Value Style Fund	
2019	2018	2019	2018	2019	2018	2019	2018
Whole	Whole	Whole	Whole	Whole	Whole	Whole	Whole
\$'000	\$'000	Dollars \$	Dollars \$	Dollars \$	Dollars \$	Dollars \$	Dollars \$

(a) Reconciliation of operating profit to net cash flows from operating activities

Net operating profit/(loss)	1,281	2,400	30,018	9,969	60,548	962,109	60,386	594,083
Income reinvested	(473)	-	(54,518)	(29,771)	(1,099,360)	(225,160)	(146,269)	(212,569)
Changes in the fair value of investments	166	(2,312)	(14,864)	2,980	878,800	(789,324)	(64,481)	(429,824)
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in distribution receivables	(1,363)	(473)	3,916	(18,617)	96,336	(96,336)	92,969	(92,969)
Decrease/(increase) in other receivables	-	23	1	3,404	548	10,767	537	10,351
Increase/(decrease) in other accounts payable	-	7	(338)	(231)	(13,403)	3,922	(11,279)	1,957
Net cash (used in)/provided by operating activities	(389)	(355)	(35,785)	(32,266)	(76,531)	(134,022)	(68,137)	(128,971)

(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	196	278	24,560	23,104	-	71,799	-	64,011
Components of cash	196	278	24,560	23,104	-	71,799	-	64,011

(c) Non-cash financing and investing activities

Distributions to unitholders reinvested	34	-	8,935	4,208	171,186	97,623	59,561	81,075
	34	-	8,935	4,208	171,186	97,623	59,561	81,075

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

	Global Share Value Style Fund		Global Share Growth Style Fund	
	2019 Whole	2018 Whole	2019 Whole	2018 Whole
	Dollars \$	Dollars \$	Dollars \$	Dollars \$
(a) Reconciliation of operating profit to net cash flows from operating activities				
Net operating profit/(loss)	67,968	207,830	55,977	349,701
Income reinvested	(124,011)	-	(815,913)	-
Changes in the fair value of investments	(90,985)	(160,434)	327,360	22,490
Changes in assets and liabilities during the financial year:				
Decrease/(increase) in distribution receivables	122,084	(122,084)	415,435	(415,436)
Decrease/(increase) in other receivables	337	2,387	135	3,486
Increase/(decrease) in other accounts payable	(5,239)	(2,754)	(3,633)	14
Net cash (used in)/provided by operating activities	(29,846)	(75,055)	(20,639)	(39,745)
(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	-	59,159	-	29,488
Components of cash	-	59,159	-	29,488
(c) Non-cash financing and investing activities				
Distributions to unitholders reinvested	34,417	-	479,598	-
	34,417	-	479,598	-

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 31 May 2019 (2018: Nil).

Directors' declaration

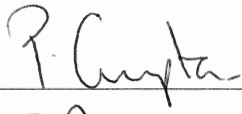
In the opinion of the Directors of MLC Investments Limited, the Responsible Entity of the Schemes:

The financial statements and notes set out on pages 7 to 46, are in accordance with the Corporations Act 2001, including:

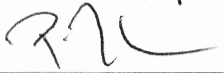
- (a) giving a true and fair view of the financial positions of the Schemes as at 31 May 2019 and of their performance for the year ended on that date;
- (b) complying with Accounting Standards and Corporations Regulations 2001;
- (c) there are reasonable grounds to believe that the Schemes will be able 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: _____



Signature: _____



Dated at Sydney this 8th day of August 2019

Independent Auditor's Report to the Unitholders of MLC MasterKey Unit Trust:

MLC MasterKey Unit Trust Accelerated Growth Portfolio	MLC MasterKey Unit Trust Share Portfolio
MLC MasterKey Unit Trust Growth Portfolio	MLC MasterKey Unit Trust Balanced Portfolio
MLC MasterKey Unit Trust Conservative Growth Portfolio	MLC MasterKey Unit Trust Income Portfolio
MLC MasterKey Unit Trust Cash Fund	MLC MasterKey Unit Trust Property Securities Fund
MLC MasterKey Unit Trust IncomeBuilder™	MLC MasterKey Unit Trust Share Index Fund
MLC MasterKey Unit Trust Australian Share Fund	MLC MasterKey Unit Trust Global Share Fund
MLC MasterKey Unit Trust MLC - Platinum Global Fund	MLC MasterKey Unit Trust Australian Share Growth Style Fund
MLC MasterKey Unit Trust Australian Share Value Style Fund	MLC MasterKey Unit Trust Global Share Growth Style Fund
MLC MasterKey Unit Trust Global Share Value Style Fund	MLC MasterKey Unit Trust Bond Portfolio

Opinion

We have audited the financial report of MLC MasterKey Unit Trust consisting of the schemes listed above (the 'Schemes'), which comprises the statements of financial position as at 31 May 2019, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Schemes is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Schemes' financial position as at 31 May 2019 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Schemes in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Schemes 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Schemes' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Schemes or to cease operations, or have no realistic alternative but to do so.

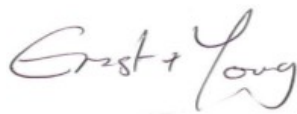
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Darren Handley-Greaves
Partner
Sydney
8 August 2019



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Important information

MLC Investments Limited ABN 30 002 641 661, AFSL 230705 (MLC) is the responsible entity of each of the schemes which are the subject of this report.
MLC is part of the National Australia Bank (NAB) Group of Companies. An investment with MLC is not a deposit or liability of, and is not guaranteed by, NAB.