

MLC MasterKey Unit Trust

Annual Report for the financial year ended 31 May 2023

Name	ARSN
1. MLC MasterKey Unit Trust Income Portfolio	087 940 592
2. MLC MasterKey Unit Trust Conservative Growth Portfolio	097 221 077
3. MLC MasterKey Unit Trust Balanced Portfolio	087 944 625
4. MLC MasterKey Unit Trust Growth Portfolio	087 944 438
5. MLC MasterKey Unit Trust Share Portfolio	097 220 945
6. MLC MasterKey Unit Trust Accelerated Growth Portfolio	102 215 725
7. MLC MasterKey Unit Trust Property Securities Fund	087 944 652
8. MLC MasterKey Unit Trust Australian Share Fund	087 945 293
9. MLC MasterKey Unit Trust IncomeBuilder	087 944 287
10. MLC MasterKey Unit Trust Share Index Fund	087 939 919
11. MLC MasterKey Unit Trust Global Share Fund	087 943 682
12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	087 940 065
13. MLC MasterKey Unit Trust Cash Fund	087 940 467

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Directors' Report for the financial year ended 31 May 2023

The Directors of MLC Investments Limited (MLCI), the Responsible Entity of the following Managed Investment Schemes (the 'Schemes'), present their report together with the financial report of the Schemes for the financial year ended 31 May 2023, and the report of the auditor of the Schemes.

1. MLC MasterKey Unit Trust Income Portfolio
2. MLC MasterKey Unit Trust Conservative Growth Portfolio
3. MLC MasterKey Unit Trust Balanced Portfolio
4. MLC MasterKey Unit Trust Growth Portfolio
5. MLC MasterKey Unit Trust Share Portfolio
6. MLC MasterKey Unit Trust Accelerated Growth Portfolio
7. MLC MasterKey Unit Trust Property Securities Fund
8. MLC MasterKey Unit Trust Australian Share Fund
9. MLC MasterKey Unit Trust IncomeBuilder
10. MLC MasterKey Unit Trust Share Index Fund
11. MLC MasterKey Unit Trust Global Share Fund
12. MLC MasterKey Unit Trust MLC - Platinum Global Fund
13. MLC MasterKey Unit Trust Cash Fund

Responsible Entity

The Responsible Entity of the Schemes is MLC Investments Limited. As at reporting date, the registered office and principal place of business of the Responsible Entity and the Schemes is '30 The Bond' Level 3, 30 Hickson Road, Millers Point NSW 2000.

The Directors of MLC Investments Limited during or since the end of the financial year are:

Name	Position Held	Date Appointed
K A Watt	Independent Non-Executive Director, Chair	Appointed 05/12/2016
J Selak	Independent Non-Executive Director	Appointed 31/05/2021
M A Joiner	Independent Non-Executive Director	Appointed 01/01/2021
G J Mulcahy	Executive Director	Appointed 07/07/2014

Principal activities

The Schemes are registered managed investment schemes domiciled in Australia.

The Schemes invest in accordance with the investment policy of the Schemes as set out in their respective Product Disclosure Statements (PDSs) or investment mandates and in accordance with the Schemes' Constitutions. The key asset categories are equities, unlisted managed investment schemes and derivatives.

The Schemes did not have any employees during the year (2022: Nil).

Review of operations and results

The Schemes continue to invest in accordance with target asset allocations as set out in the governing documents of the Schemes and in accordance with the provisions of each Scheme's Constitution.

The results of operations of the Schemes are disclosed in the Statements of Comprehensive Income.

The income distributions payable by each of the Schemes are disclosed in the Statements of Financial Position.

The distributions to unitholders by each of the Schemes are disclosed in the Statements of Changes in Equity.

For details in relation to the performance of the Schemes, information can be obtained from the website at <https://www.mlc.com.au/personal/investments/prices-and-performance/performance-and-esg-data>.

Significant changes in the state of affairs

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

Events subsequent to balance date

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Schemes disclosed in the Statements of Financial Position as at 31 May 2023 or on the results of the Schemes for the financial year ended on that date.

Likely developments and expected results of operations

The Schemes will continue to pursue their investment policies as outlined in the PDSs or investment mandates. The results of the Schemes will be affected by a number of factors, including the performance of investment markets in which the Schemes invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information has not been included in this report to avoid the disclosure of information that may result in unreasonable prejudice to the Schemes.

Indemnification and insurance of officers and auditor

The Schemes have not indemnified or made a relevant agreement for indemnifying against a liability for any person who is or has been an officer of the Responsible Entity or an auditor of the Schemes during the year. Subject to the relevant Scheme constitution and relevant law, the Responsible Entity is entitled to be indemnified out of the assets of the Schemes for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Schemes. The auditor of the Schemes is in no way indemnified out of the assets of the Schemes.

The ultimate parent company of the Responsible Entity, Insignia Financial Ltd, has paid or agreed to pay insurance premiums in respect of the Responsible Entity's officers for liability, legal expenses, insurance contracts, and premiums in respect of such insurance contracts, for the financial year ended 31 May 2023. 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.

Directors' Report for the financial year ended 31 May 2023

Fees paid to and investments held by the Responsible Entity or its associates

Fees paid and payable to the Responsible Entity and its associates out of the Schemes' property during the year are disclosed in Note 7.4 Responsible Entity fees.

No fees were paid out of the Schemes' property to the Directors of the Responsible Entity during the year. Related party investments held in the Schemes as at the end of the financial year are disclosed in Note 7 Related parties.

Interests in the Schemes

The movements in units on issue in the Schemes during the year are disclosed in the Statements of Changes in Equity.

The value of the Schemes' assets and liabilities are disclosed in the Statements of Financial Position and derived using the basis set out in Note 2 Basis of preparation.

Environmental regulation

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

Rounding

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.

Single set of financial statements

The Schemes are entities of the kind referred to in ASIC Corporations (Related Scheme Reports) Instrument 2015/839. In accordance with the legislative instrument, registered schemes with common Responsible Entity (or related Responsible Entities) are permitted to include their financial statements in adjacent columns in a single set of financial statements.

Lead auditor's independence declaration

The lead auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 44 and forms part of the Directors' Report for the financial year ended 31 May 2023.

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



Kathryn Watt

Director

Melbourne

10 August 2023

Financial Report
Statements of Financial Position
as at 31 May 2023

		1. MLC MasterKey Unit Trust Income Portfolio		2. MLC MasterKey Unit Trust Conservative Growth Portfolio		3. MLC MasterKey Unit Trust Balanced Portfolio		4. MLC MasterKey Unit Trust Growth Portfolio	
	Note	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Assets									
Cash and cash equivalents	5.2	656	285	3,771	3,303	5,153	10,007	2,352	2,907
Margin accounts		-	-	-	-	-	-	-	-
Outstanding settlements		-	-	-	-	-	-	-	-
Receivables		601	1,414	16,444	42,232	32,271	88,336	17,043	44,667
Financial assets held at fair value through profit or loss	4.1	52,942	58,963	1,217,373	1,249,260	1,868,648	1,960,572	802,840	778,552
Total assets		54,199	60,662	1,237,588	1,294,795	1,906,072	2,058,915	822,235	826,126
Liabilities									
Outstanding settlements		20	-	324	-	1,180	-	412	-
Distributions payable		216	115	5,893	43,978	34,007	119,774	17,792	48,874
Payables		221	37	917	788	1,533	1,341	632	518
Financial liabilities held at fair value through profit or loss	4.2	-	-	-	-	-	-	-	-
Total liabilities		457	152	7,134	44,766	36,720	121,115	18,836	49,392
Total net assets attributable to unitholders - Equity		53,742	60,510	1,230,454	1,250,029	1,869,352	1,937,800	803,399	776,734
		5. MLC MasterKey Unit Trust Share Portfolio		6. MLC MasterKey Unit Trust Accelerated Growth Portfolio		7. MLC MasterKey Unit Trust Property Securities Fund		8. MLC MasterKey Unit Trust Australian Share Fund	
	Note	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Assets									
Cash and cash equivalents	5.2	1,831	2,293	147	176	543	543	1,623	2,485
Margin accounts		-	-	-	-	-	-	-	-
Outstanding settlements		-	-	-	-	-	-	-	-
Receivables		8,913	26,010	1,584	2,919	718	859	5,920	8,219
Financial assets held at fair value through profit or loss	4.1	340,915	349,177	26,618	24,757	60,232	69,030	82,583	87,319
Total assets		351,659	377,480	28,349	27,852	61,493	70,432	90,126	98,023
Liabilities									
Outstanding settlements		-	-	-	-	-	-	-	-
Distributions payable		20,619	32,333	305	265	539	646	4,673	8,495
Payables		256	229	24	17	45	39	68	64
Financial liabilities held at fair value through profit or loss	4.2	-	-	-	-	-	-	-	-
Total liabilities		20,875	32,562	329	282	584	685	4,741	8,559
Total net assets attributable to unitholders - Equity		330,784	344,918	28,020	27,570	60,909	69,747	85,385	89,464

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

Financial Report
Statements of Financial Position
as at 31 May 2023

		9. MLC MasterKey Unit Trust IncomeBuilder		10. MLC MasterKey Unit Trust Share Index Fund		11. MLC MasterKey Unit Trust Global Share Fund		12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	
	Note	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Assets									
Cash and cash equivalents	5.2	33,283	27,250	1,901	2,885	294	124	43,357	77,787
Margin accounts		-	-	-	-	-	-	1,700	-
Outstanding settlements		759	1,641	-	-	-	-	1,856	19,560
Receivables		11,478	9,680	778	7,777	2,263	4,752	2,955	2,486
Financial assets held at fair value through profit or loss	4.1	1,337,749	1,421,524	103,414	107,618	40,035	36,780	579,253	513,774
Total assets		1,383,269	1,460,095	106,093	118,280	42,592	41,656	629,121	613,607
Liabilities									
Outstanding settlements		1,114	1,200	-	-	-	-	3,143	288
Distributions payable		53,721	86,314	6,770	10,752	442	3	33,549	57,691
Payables		1,543	2,303	229	120	35	23	1,053	719
Financial liabilities held at fair value through profit or loss	4.2	-	-	-	-	-	-	1,622	1,807
Total liabilities		56,378	89,817	6,999	10,872	477	26	39,367	60,505
Total net assets attributable to unitholders - Equity		1,326,891	1,370,278	99,094	107,408	42,115	41,630	589,754	553,102
13. MLC MasterKey Unit Trust Cash Fund									
	Note	31 May 2023 \$'000	31 May 2022 \$'000						
Assets									
Cash and cash equivalents	5.2	92,426	91,656						
Margin accounts		-	-						
Outstanding settlements		-	-						
Receivables		4	4						
Financial assets held at fair value through profit or loss	4.1	-	-						
Total assets		92,430	91,660						
Liabilities									
Outstanding settlements		-	-						
Distributions payable		761	-						
Payables		43	38						
Financial liabilities held at fair value through profit or loss	4.2	-	-						
Total liabilities		804	38						
Total net assets attributable to unitholders - Equity		91,626	91,622						

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

Financial Report
Statements of Comprehensive Income
for the financial year ended 31 May 2023

		1. MLC MasterKey Unit Trust Income Portfolio		2. MLC MasterKey Unit Trust Conservative Growth Portfolio		3. MLC MasterKey Unit Trust Balanced Portfolio		4. MLC MasterKey Unit Trust Growth Portfolio	
	Note	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Investment income									
Interest income		6	-	79	-	74	-	52	-
Dividend and distribution income		1,864	2,364	52,494	63,208	98,615	125,012	51,562	56,541
Net change in fair value of investments		(539)	(2,630)	(21,508)	(65,321)	(66,331)	(115,284)	(24,494)	(52,680)
Other income		-	-	-	-	-	-	-	-
Total investment income/(loss)		1,331	(266)	31,065	(2,113)	32,358	9,728	27,120	3,861
Expenses									
Responsible Entity fees	7.4	616	698	14,850	15,171	22,139	25,085	9,692	9,665
Interest expense		-	-	15	-	1	-	2	-
Other expenses		-	-	-	-	-	-	-	-
Total operating expenses		616	698	14,865	15,171	22,140	25,085	9,694	9,665
Operating profit/(loss)		715	(964)	16,200	(17,284)	10,218	(15,357)	17,426	(5,804)
Change in net assets attributable to unitholders		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the financial year		715	(964)	16,200	(17,284)	10,218	(15,357)	17,426	(5,804)
		5. MLC MasterKey Unit Trust Share Portfolio		6. MLC MasterKey Unit Trust Accelerated Growth Portfolio		7. MLC MasterKey Unit Trust Property Securities Fund		8. MLC MasterKey Unit Trust Australian Share Fund	
	Note	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Investment income									
Interest income		25	-	3	-	6	-	9	-
Dividend and distribution income		28,008	32,245	1,713	2,916	1,730	1,734	9,624	10,240
Net change in fair value of investments		(14,010)	(25,235)	(133)	(2,955)	(3,268)	2,029	(5,564)	(5,358)
Other income		-	-	-	-	-	-	-	-
Total investment income/(loss)		14,023	7,010	1,583	(39)	(1,532)	3,763	4,069	4,882
Expenses									
Responsible Entity fees	7.4	4,339	4,755	355	386	728	871	1,175	1,293
Interest expense		2	-	-	-	-	-	-	-
Other expenses		-	-	-	-	-	-	-	-
Total operating expenses		4,341	4,755	355	386	728	871	1,175	1,293
Operating profit/(loss)		9,682	2,255	1,228	(425)	(2,260)	2,892	2,894	3,589
Change in net assets attributable to unitholders		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the financial year		9,682	2,255	1,228	(425)	(2,260)	2,892	2,894	3,589

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Financial Report
Statements of Comprehensive Income
for the financial year ended 31 May 2023

		9. MLC MasterKey Unit Trust IncomeBuilder		10. MLC MasterKey Unit Trust Share Index Fund		11. MLC MasterKey Unit Trust Global Share Fund		12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	
	Note	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Investment income									
Interest income		826	-	11	-	3	-	119	104
Dividend and distribution income		66,194	68,069	7,714	10,549	6,551	4,749	11,362	10,944
Net change in fair value of investments		(14,076)	85,115	(4,608)	(4,686)	(1,550)	(5,365)	67,653	(54,745)
Other income		-	-	-	-	-	-	-	-
Total investment income/(loss)		52,944	153,184	3,117	5,863	5,004	(616)	79,134	(43,697)
Expenses									
Responsible Entity fees	7.4	20,821	22,131	992	1,088	530	583	10,700	12,345
Interest expense		-	-	-	-	-	-	-	1
Other expenses		543	764	-	-	-	-	477	720
Total operating expenses		21,364	22,895	992	1,088	530	583	11,177	13,066
Operating profit/(loss)		31,580	130,289	2,125	4,775	4,474	(1,199)	67,957	(56,763)
Change in net assets attributable to unitholders		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the financial year		31,580	130,289	2,125	4,775	4,474	(1,199)	67,957	(56,763)
		13. MLC MasterKey Unit Trust Cash Fund							
	Note	31 May 2023 \$'000	31 May 2022 \$'000						
Investment income									
Interest income		3,021	596						
Dividend and distribution income		-	-						
Net change in fair value of investments		-	-						
Other income		-	101						
Total investment income/(loss)		3,021	697						
Expenses									
Responsible Entity fees	7.4	757	730						
Interest expense		1	-						
Other expenses		-	-						
Total operating expenses		758	730						
Operating profit/(loss)		2,263	(33)						
Change in net assets attributable to unitholders		-	-						
Other comprehensive income		-	-						
Total comprehensive income/(loss) for the financial year		2,263	(33)						

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Financial Report

Statements of Changes in Equity

for the financial year ended 31 May 2023

		1. MLC MasterKey Unit Trust Income Portfolio		2. MLC MasterKey Unit Trust Conservative Growth Portfolio		3. MLC MasterKey Unit Trust Balanced Portfolio		4. MLC MasterKey Unit Trust Growth Portfolio	
	Note	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Total equity at the beginning of the financial year		60,510	66,306	1,250,029	1,232,949	1,937,800	2,133,103	776,734	733,466
Total comprehensive income/(loss) for the financial year		715	(964)	16,200	(17,284)	10,218	(15,357)	17,426	(5,804)
Transactions with unitholders									
Applications		2,557	4,545	99,689	192,877	128,576	165,976	104,260	141,281
Redemptions		(9,824)	(8,904)	(129,068)	(106,262)	(167,137)	(210,935)	(72,438)	(39,391)
Distributions paid and payable		(216)	(473)	(6,396)	(52,251)	(40,105)	(134,987)	(22,583)	(52,818)
Total transactions with unitholders		(7,483)	(4,832)	(35,775)	34,364	(78,666)	(179,946)	9,239	49,072
Total equity at the end of the financial year		53,742	60,510	1,230,454	1,250,029	1,869,352	1,937,800	803,399	776,734
	Note	31 May 2023 Units '000	31 May 2022 Units '000	31 May 2023 Units '000	31 May 2022 Units '000	31 May 2023 Units '000	31 May 2022 Units '000	31 May 2023 Units '000	31 May 2022 Units '000
Opening balance		52,426	56,101	1,231,875	1,151,844	1,289,272	1,315,547	549,767	484,037
Applications		2,232	3,843	100,018	178,031	86,094	101,560	75,383	91,240
Redemptions		(8,601)	(7,518)	(129,150)	(98,000)	(115,839)	(127,835)	(53,047)	(25,510)
Closing balance		46,056	52,426	1,202,748	1,231,875	1,259,530	1,289,272	572,102	549,767
Distribution Cents per Unit (CPU)		0.47	0.86	0.53	4.26	3.18	10.44	3.93	9.74
	Note	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Total equity at the beginning of the financial year		344,918	380,063	27,570	29,891	69,747	73,919	89,464	96,026
Total comprehensive income/(loss) for the financial year		9,682	2,255	1,228	(425)	(2,260)	2,892	2,894	3,589
Transactions with unitholders									
Applications		47,682	33,919	1,281	1,979	1,161	1,268	9,662	9,369
Redemptions		(50,879)	(38,986)	(1,754)	(3,610)	(6,731)	(7,466)	(9,157)	(9,963)
Distributions paid and payable		(20,619)	(32,333)	(305)	(265)	(1,008)	(866)	(7,478)	(9,557)
Total transactions with unitholders		(23,816)	(37,400)	(778)	(1,896)	(6,578)	(7,064)	(6,973)	(10,151)
Total equity at the end of the financial year		330,784	344,918	28,020	27,570	60,909	69,747	85,385	89,464
	Note	31 May 2023 Units '000	31 May 2022 Units '000	31 May 2023 Units '000	31 May 2022 Units '000	31 May 2023 Units '000	31 May 2022 Units '000	31 May 2023 Units '000	31 May 2022 Units '000
Opening balance		324,303	327,922	16,443	17,364	63,298	68,584	45,378	45,572
Applications		45,952	29,050	780	1,112	1,067	1,071	4,919	4,368
Redemptions		(49,589)	(32,669)	(1,076)	(2,033)	(6,409)	(6,357)	(4,722)	(4,562)
Closing balance		320,665	324,303	16,148	16,443	57,956	63,298	45,576	45,378
Distribution Cents per Unit (CPU)		6.43	9.97	1.89	1.61	1.71	1.36	16.17	21.02

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Financial Report

Statements of Changes in Equity

for the financial year ended 31 May 2023

	Note	9. MLC MasterKey Unit Trust IncomeBuilder		10. MLC MasterKey Unit Trust Share Index Fund		11. MLC MasterKey Unit Trust Global Share Fund		12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	
		31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Total equity at the beginning of the financial year		1,370,278	1,440,870	107,408	122,800	41,630	45,971	553,102	685,041
Total comprehensive income/(loss) for the financial year		31,580	130,289	2,125	4,775	4,474	(1,199)	67,957	(56,763)
Transactions with unitholders									
Applications		165,689	114,136	15,735	7,318	932	1,918	54,115	60,939
Redemptions		(153,235)	(204,178)	(15,849)	(14,774)	(4,479)	(5,057)	(51,865)	(78,419)
Distributions paid and payable		(87,421)	(110,839)	(10,325)	(12,711)	(442)	(3)	(33,555)	(57,696)
Total transactions with unitholders		(74,967)	(200,881)	(10,439)	(20,167)	(3,989)	(3,142)	(31,305)	(75,176)
Total equity at the end of the financial year		1,326,891	1,370,278	99,094	107,408	42,115	41,630	589,754	553,102
	Note	31 May 2023 Units '000	31 May 2022 Units '000	31 May 2023 Units '000	31 May 2022 Units '000	31 May 2023 Units '000	31 May 2022 Units '000	31 May 2023 Units '000	31 May 2022 Units '000
Opening balance		618,739	657,075	53,978	57,343	15,808	16,920	324,468	334,334
Applications		75,092	51,220	7,980	3,353	349	668	31,796	29,526
Redemptions		(70,602)	(89,556)	(8,067)	(6,718)	(1,666)	(1,780)	(29,541)	(39,392)
Closing balance		623,230	618,739	53,891	53,978	14,491	15,808	326,724	324,468
Distribution Cents per Unit (CPU)		13.96	17.77	18.91	23.45	3.05	0.02	10.27	17.78
	Note	31 May 2023 \$'000	31 May 2022 \$'000						
Total equity at the beginning of the financial year		91,622	82,951						
Total comprehensive income/(loss) for the financial year		2,263	(33)						
Transactions with unitholders									
Applications		81,821	99,907						
Redemptions		(81,827)	(91,203)						
Distributions paid and payable		(2,253)	-						
Total transactions with unitholders		(2,259)	8,704						
Total equity at the end of the financial year		91,626	91,622						
	Note	31 May 2023 Units '000	31 May 2022 Units '000						
Opening balance		91,603	82,899						
Applications		81,821	99,907						
Redemptions		(81,827)	(91,203)						
Closing balance		91,601	91,603						
Annualised rate (%)		2.46	-						

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

† Distributions are calculated daily based on the number of days the unitholder has invested in the Scheme.

Financial Report

Statements of Cash Flows

for the financial year ended 31 May 2023

		1. MLC MasterKey Unit Trust Income Portfolio		2. MLC MasterKey Unit Trust Conservative Growth Portfolio		3. MLC MasterKey Unit Trust Balanced Portfolio		4. MLC MasterKey Unit Trust Growth Portfolio	
	Note	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Cash flows from operating activities:									
Interest received		6	-	79	-	74	-	52	-
Dividend and distribution received		-	298	-	6,446	-	11,190	-	2,622
Other income received		-	-	-	-	-	-	-	-
Realised foreign exchange gains/(losses)		-	-	-	-	-	-	-	-
Net movement in margin accounts		-	-	-	-	-	-	-	-
Interest paid		-	-	(6)	-	(1)	-	(1)	-
Operating expenses paid		(612)	(720)	(14,735)	(15,471)	(21,988)	(25,756)	(9,597)	(9,885)
Proceeds from sale of investments		40,240	14,896	593,453	215,898	598,672	399,380	186,148	74,757
Purchase of investments		(32,075)	(8,675)	(504,468)	(223,908)	(417,057)	(196,060)	(155,334)	(121,107)
Net cash inflow/(outflow) from operating activities	5.1	7,559	5,799	74,323	(17,035)	159,700	188,754	21,268	(53,613)
Cash flows from financing activities:									
Proceeds from application of units		2,499	3,214	55,936	123,042	9,359	29,194	51,992	93,618
Payments for redemption of units		(9,645)	(8,898)	(129,064)	(106,259)	(167,096)	(210,808)	(72,421)	(39,372)
Distributions paid		(42)	(736)	(727)	(1,215)	(6,817)	(6,570)	(1,394)	(1,492)
Net cash inflow/(outflow) from financing activities		(7,188)	(6,420)	(73,855)	15,568	(164,554)	(188,184)	(21,823)	52,754
Net increase/(decrease) in cash and cash equivalents		371	(621)	468	(1,467)	(4,854)	570	(555)	(859)
Effect of exchange rate fluctuations on cash and cash equivalents		-	-	-	-	-	-	-	-
Cash and cash equivalents at the beginning of the financial year		285	906	3,303	4,770	10,007	9,437	2,907	3,766
Cash and cash equivalents at the end of the financial year	5.2	656	285	3,771	3,303	5,153	10,007	2,352	2,907
		5. MLC MasterKey Unit Trust Share Portfolio		6. MLC MasterKey Unit Trust Accelerated Growth Portfolio		7. MLC MasterKey Unit Trust Property Securities Fund		8. MLC MasterKey Unit Trust Australian Share Fund	
	Note	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Cash flows from operating activities:									
Interest received		25	-	3	-	6	-	9	-
Dividend and distribution received		-	1,419	-	-	-	-	-	-
Other income received		-	-	-	-	-	-	-	-
Realised foreign exchange gains/(losses)		-	-	-	-	-	-	-	-
Net movement in margin accounts		-	-	-	-	-	-	-	-
Interest paid		(2)	-	-	-	-	-	-	-
Operating expenses paid		(4,312)	(4,878)	(349)	(397)	(721)	(891)	(1,172)	(1,326)
Proceeds from sale of investments		105,056	56,810	4,540	3,579	7,400	7,705	11,095	11,020
Purchase of investments		(65,700)	(19,089)	(3,486)	(860)	-	-	-	1
Net cash inflow/(outflow) from operating activities	5.1	35,067	34,262	708	2,322	6,685	6,814	9,932	9,695
Cash flows from financing activities:									
Proceeds from application of units		16,464	5,831	1,052	1,335	449	903	1,191	2,842
Payments for redemption of units		(50,878)	(38,987)	(1,753)	(3,611)	(6,731)	(7,467)	(9,157)	(9,963)
Distributions paid		(1,115)	(1,163)	(36)	(130)	(403)	(212)	(2,828)	(2,360)
Net cash inflow/(outflow) from financing activities		(35,529)	(34,319)	(737)	(2,406)	(6,685)	(6,776)	(10,794)	(9,481)
Net increase/(decrease) in cash and cash equivalents		(462)	(57)	(29)	(84)	-	38	(862)	214
Effect of exchange rate fluctuations on cash and cash equivalents		-	-	-	-	-	-	-	-
Cash and cash equivalents at the beginning of the financial year		2,293	2,350	176	260	543	505	2,485	2,271
Cash and cash equivalents at the end of the financial year	5.2	1,831	2,293	147	176	543	543	1,623	2,485

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

Financial Report
Statements of Cash Flows
for the financial year ended 31 May 2023

		9. MLC MasterKey Unit Trust IncomeBuilder		10. MLC MasterKey Unit Trust Share Index Fund		11. MLC MasterKey Unit Trust Global Share Fund		12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	
	Note	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Cash flows from operating activities:									
Interest received		826	-	11	-	2	-	115	104
Dividend and distribution received		64,641	68,289	-	(2)	-	-	10,897	11,003
Other income received		-	-	-	-	-	-	-	-
Realised foreign exchange gains/(losses)		-	-	-	-	-	-	2,681	1,050
Net movement in margin accounts		-	-	-	-	-	-	(1,700)	1,245
Interest paid		-	-	-	-	-	-	-	(1)
Operating expenses paid		(21,284)	(23,498)	(983)	(1,181)	(518)	(601)	(11,152)	(13,722)
Proceeds from sale of investments		257,124	300,445	16,310	16,060	4,235	4,162	241,912	393,527
Purchase of investments		(186,629)	(170,312)	(2,000)	-	-	(420)	(224,748)	(262,496)
Net cash inflow/(outflow) from operating activities	5.1	114,678	174,924	13,338	14,877	3,719	3,141	18,005	130,710
Cash flows from financing activities:									
Proceeds from application of units		50,809	25,984	4,851	3,075	929	1,917	3,361	4,566
Payments for redemption of units		(154,074)	(203,041)	(15,749)	(14,707)	(4,477)	(5,058)	(51,558)	(78,372)
Distributions paid		(5,380)	(4,650)	(3,424)	(1,472)	(1)	-	(6,941)	(8,064)
Net cash inflow/(outflow) from financing activities		(108,645)	(181,707)	(14,322)	(13,104)	(3,549)	(3,141)	(55,138)	(81,870)
Net increase/(decrease) in cash and cash equivalents		6,033	(6,783)	(984)	1,773	170	-	(37,133)	48,840
Effect of exchange rate fluctuations on cash and cash equivalents		-	-	-	-	-	-	2,703	(1,016)
Cash and cash equivalents at the beginning of the financial year		27,250	34,033	2,885	1,112	124	124	77,787	29,963
Cash and cash equivalents at the end of the financial year	5.2	33,283	27,250	1,901	2,885	294	124	43,357	77,787
13. MLC MasterKey Unit Trust Cash Fund									
	Note	31 May 2023 \$'000	31 May 2022 \$'000						
Cash flows from operating activities:									
Interest received		3,021	596						
Dividend and distribution received		-	-						
Other income received		-	101						
Realised foreign exchange gains/(losses)		-	-						
Net movement in margin accounts		-	-						
Interest paid		(1)	-						
Operating expenses paid		(752)	(740)						
Proceeds from sale of investments		-	-						
Purchase of investments		-	-						
Net cash inflow/(outflow) from operating activities	5.1	2,268	(43)						
Cash flows from financing activities:									
Proceeds from application of units		81,821	99,907						
Payments for redemption of units		(81,828)	(91,203)						
Distributions paid		(1,491)	-						
Net cash inflow/(outflow) from financing activities		(1,498)	8,704						
Net increase/(decrease) in cash and cash equivalents		770	8,661						
Effect of exchange rate fluctuations on cash and cash equivalents		-	-						
Cash and cash equivalents at the beginning of the financial year		91,656	82,995						
Cash and cash equivalents at the end of the financial year	5.2	92,426	91,656						

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

Financial Report Notes to the Financial Statements for the financial year ended 31 May 2023

1. Reporting entity

The Schemes included in these financial statements are registered Managed Investment Schemes under the *Corporations Act 2001*. The financial statements of the Schemes are for the financial year ended 31 May 2023.

The financial statements were authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 10 August 2023.

2. Basis of preparation

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

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

2.1 Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements of the Schemes also comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

2.2 Basis of consolidation

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 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 Interests in unconsolidated structured entities.

As such, the Schemes do not consolidate any entities.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for:

- financial assets and liabilities held at fair value through profit or loss, which are measured at fair value; and
- other financial liabilities and term deposits, which are measured at amortised cost.

2.4 Functional and presentation currency

Items included in the Schemes' financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Schemes compete for funds and are regulated. The Australian dollar is also the Schemes' presentation currency.

2.5 Use of estimates and judgements

The preparation of the financial statements which are in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities. The estimates and associated assumptions can refer to historical experience and various other factors that are believed to be reasonable using market participant assumptions in the current market environment based on what is known and knowable at the measurement date. The results of which forms the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Note 6.5 Valuation of financial instruments contains information about the estimation of fair values of financial instruments.

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Notes to the Financial Statements

for the financial year ended 31 May 2023

2.6 Going concern

The financial statements have been prepared on a going concern basis.

2.7 Changes in accounting policies

There were no changes in the accounting policies of the Schemes during the financial year.

2.8 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 June 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Schemes.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

3.1 Foreign currency translation

Foreign currency transactions are translated to Australian dollars at the rates of exchange prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the reporting date. Unrealised foreign exchange gains or losses, arising in translation of assets and liabilities denominated in foreign currencies at reporting date, are recognised as part of the 'Net change in fair value of investments' in the Statements of Comprehensive Income. Realised gains and losses on amounts denominated in foreign currencies are also brought to account as part of 'Net change in fair value of investments' in the Statements of Comprehensive Income and as 'Realised foreign exchange gains/(losses)' in the Statements of Cash Flows.

3.2 Financial instruments

3.2.1 Recognition and initial measurement

Financial assets and liabilities held at fair value through profit or loss are recognised initially on the trade date at which the Schemes become a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the due date they originated.

Financial assets and financial liabilities held at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in the Statements of Comprehensive Income. Financial assets or liabilities not held at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

3.2.2 Derecognition

The Schemes derecognise financial assets when the contractual rights to the cash flows from the financial assets expire or they transfer the financial assets and the transfer qualifies for derecognition in accordance with AASB 9 *Financial Instruments*.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

When there is objective evidence that the Schemes will not be able to collect all amounts due according to the original terms of the receivable, the Schemes will write off the amount by reducing the carrying amount directly in the Statements of Financial Position and also recognise a loss or other expense in the Statements of Comprehensive Income.

3.2.3 Classification

Financial assets and financial liabilities held at fair value through profit or loss are those that meet the definition of held for trading in AASB 9 *Financial Instruments*. These include investments in equity instruments, derivatives, listed and unlisted unit trusts.

Financial assets measured at amortised cost include cash and cash equivalents and term deposits. Financial liabilities measured at amortised cost include balances due to brokers and accounts payable.

Financial Report
Notes to the Financial Statements
for the financial year ended 31 May 2023**3.2.4 Measurement**

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statements of Comprehensive Income.

Financial liabilities and term deposits, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

Refer to Note 6.5 Valuation of financial instruments for additional disclosures.

3.2.5 Fair value measurement principles

The Schemes have adopted AASB 13 *Fair Value Measurement* and as a result the Schemes have adopted the definition of fair value as set out below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Schemes have access at that date.

The prices used to value investments include, but are not limited to:

- independent prices obtained for each security;
- quoted 'bid' prices on long securities and quoted 'ask' prices on securities sold short; and
- net asset value prices published by the relevant Responsible Entity, for investments into unlisted unit trusts.

In accordance with the Constitutions, the Schemes are contractually obliged to redeem units at redemption price, which includes an allowance for transaction costs that would be incurred by the Schemes on disposal of assets required to fund the redemptions. Where a transaction cost factor has been incurred, there will be a difference between the carrying amount of the net assets of the Schemes (excluding the unitholders' funds classified as equity) and the contractual amount payable to unitholders which is based on the redemption price.

When applicable, the Schemes measure the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Schemes use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

3.2.6 Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when, and only when, the Schemes have a legal right to offset the amounts and they intend either to settle on a net basis or realise the asset and settle the liability simultaneously.

Refer to Note 6.2.6 Offsetting financial assets and financial liabilities for additional disclosures.

Income and expenses are presented on a net basis only when permitted under AASBs, e.g. for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments held at fair value through profit or loss.

3.2.7 Derivative financial instruments

The Schemes use derivative financial instruments to hedge their exposure to credit, interest rate, foreign exchange and price risks arising from investment activities. In accordance with their investment strategy, the Schemes hold or issue derivative financial instruments for hedging purposes.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the Statements of Comprehensive Income. The Schemes do not apply hedge accounting.

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Notes to the Financial Statements

for the financial year ended 31 May 2023

Futures contracts

Futures contracts are contractual obligations to buy or sell financial instruments on a future date at a specified price established in 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.

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.

Options

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

3.3 Cash and cash equivalents

For the purpose of presentation in the Statements of Cash Flows, cash and cash equivalents may include cash at bank, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in liabilities on the Statement of Financial Position but are included within cash and cash equivalents for cash flow purposes.

3.4 Margin accounts

Margin accounts comprise cash held as collateral for derivative transactions. The cash is held by the broker in a custodial capacity.

3.5 Outstanding settlements

Unsettled sales are amounts due from brokers for securities sold that have not been received at reporting date. Trades are recorded on trade date, and normally settle within three business days.

Unsettled purchases are amounts due to brokers for securities purchased that have not been paid at reporting date. Trades are recorded on trade date and normally settle within three business days.

3.6 Receivables

Receivables are measured at transaction price and may include amounts for accrued income and other receivables such as Reduced Input Tax Credits (RITC).

Accrued income may include amounts for dividends, trust distributions, interest income and compensation income. Amounts are generally received within 30 days of being recorded as receivables. RITC is the amount of Goods and Services Tax (GST) recoverable from the Australian Taxation Office (ATO).

3.7 Distributions payable

The distributions payable to unitholders as at the reporting date is recognised separately in the Statements of Financial Position as unitholders are presently entitled to the distributable income as at 31 May 2023 under the Schemes' Constitutions.

3.8 Payables

Payables may include amounts for accrued expenses and other payables such as GST.

Accrued expenses include Responsible Entity fees payable.

Financial Report
Notes to the Financial Statements
for the financial year ended 31 May 2023**3.9 Net assets attributable to unitholders**

The amount of net assets attributable to unitholders can change significantly on a daily basis as the Schemes are subject to daily applications and redemptions at the discretion of unitholders. The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Schemes. Under the terms of each Scheme's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

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. The units can be put back to the Schemes at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units from the Schemes.

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments are classified as equity where the following criteria are met:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Schemes' liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Schemes, and it is not a contract settled in the Schemes' own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss.

The above criteria are satisfied for Schemes with a single unit class and net assets attributable to unitholders are classified as equity.

3.10 Terms and conditions of units

The Schemes included in these financial statements have a single unit class.

All units of a class issued by each Scheme will be of an equal value and confer identical interests and rights to, and be subject to the same conditions as, all other units in that class. A unit does not confer any interest in any particular asset or investment of each Scheme. Unitholders have various rights under the Constitutions and the *Corporations Act 2001*, including the right to:

- have their units redeemed;
- accumulate income, which is reflected in the unit price;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Scheme.

3.11 Interest income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

Interest income from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

3.12 Dividend income

Dividend income is recognised in the Statements of Comprehensive Income on the ex-dividend date.

In some cases, the Schemes may receive or choose to receive dividends in the form of additional shares rather than cash. In such cases the Schemes recognise the dividend income for the amount of the cash dividend alternative with the corresponding debit treated as an additional investment.

Dividends which are reinvested are disclosed as non-cash transactions within Note 5 Reconciliation of cash flows from operating activities.

3.13 Distribution income

Income distributions from listed unit trusts and unlisted unit trusts are recognised in the Statements of Comprehensive Income on an entitlement basis.

Distributions which are reinvested are disclosed as non-cash transactions within Note 5 Reconciliation of cash flows from operating activities.

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Notes to the Financial Statements
for the financial year ended 31 May 2023**3.14 Net change in fair value of investments**

Changes in the fair value of investments are net gains or losses recognised in relation to financial assets and liabilities at fair value through profit or loss. Changes 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).

3.15 Expenses

All expenses, including Responsible Entity fees, are recognised in the Statements of Comprehensive Income on an accrual basis.

Interest expense is interest accrued on overdraft balances held during the financial year, and other expenses relate to brokerage fees from purchasing and selling assets.

3.16 Foreign exchange gains and losses

Foreign exchange gains and losses on financial assets and financial liabilities held at fair value through profit or loss are recognised together with other changes in the fair value. Included in the profit or loss line item are net foreign exchange gains or losses on monetary financial assets and financial liabilities other than those classified at fair value through profit or loss.

3.17 Distributions to unitholders

Distributions are payable as set out in the Schemes' PDSs. Distributions are determined by the Responsible Entity in accordance with each Scheme's Constitution and applicable tax legislation.

Financial instruments held at fair value may include unrealised capital gains or losses. Unrealised gains or losses that are recognised as 'profit or loss from operating activities' are transferred to net assets attributable to unitholders and are not assessable and do not impact distributions until realised.

Under AASB 132 *Financial Instruments: Presentation*, the Schemes that have single unit class disclose distributions paid and payable in the Statements of Changes in Equity.

Distributions paid are included in cash flows from financing activities in the Statements of Cash Flows.

3.18 Taxation

Under the Attribution Managed Investment Trust ("AMIT") tax regime, the AMIT Schemes are not subject to income tax as taxable income (including assessable realised capital gains) is attributed in full to the unitholders. The AMIT Schemes fully attribute their taxable income which is calculated in accordance with the Schemes' Constitutions and applicable taxation legislation, to the unitholders on a fair and reasonable basis consistent with their rights.

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.

The benefits of imputation credits and foreign taxes paid are passed on to unitholders.

3.19 Goods and services tax

Expenses incurred by the Schemes are recognised net of the amount of GST recoverable from the ATO as RITC.

Payables are stated with the amount of GST included. The net amount of GST recoverable from the ATO is included in receivables in the Statements of Financial Position. GST is included in the Statements of Cash Flows on a gross basis.

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4. Financial assets and liabilities

The tables below detail the categories of the financial assets and liabilities held by the Schemes at the reporting date:

	1. MLC MasterKey Unit Trust Income Portfolio		2. MLC MasterKey Unit Trust Conservative Growth Portfolio		3. MLC MasterKey Unit Trust Balanced Portfolio		4. MLC MasterKey Unit Trust Growth Portfolio	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
4.1 Financial assets held at fair value through profit or loss								
Equities	-	-	-	-	-	-	-	-
Unlisted unit trusts	52,942	58,963	1,217,373	1,249,260	1,868,648	1,960,572	802,840	778,552
Derivative assets	-	-	-	-	-	-	-	-
Total financial assets held at fair value through profit or loss	52,942	58,963	1,217,373	1,249,260	1,868,648	1,960,572	802,840	778,552
4.2 Financial liabilities held at fair value through profit or loss								
Derivative liabilities	-	-	-	-	-	-	-	-
Total financial liabilities held at fair value through profit or loss	-	-	-	-	-	-	-	-
	5. MLC MasterKey Unit Trust Share Portfolio		6. MLC MasterKey Unit Trust Accelerated Growth Portfolio		7. MLC MasterKey Unit Trust Property Securities Fund		8. MLC MasterKey Unit Trust Australian Share Fund	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
4.1 Financial assets held at fair value through profit or loss								
Equities	-	-	-	-	-	-	-	-
Unlisted unit trusts	340,915	349,177	26,618	24,757	60,232	69,030	82,583	87,319
Derivative assets	-	-	-	-	-	-	-	-
Total financial assets held at fair value through profit or loss	340,915	349,177	26,618	24,757	60,232	69,030	82,583	87,319
4.2 Financial liabilities held at fair value through profit or loss								
Derivative liabilities	-	-	-	-	-	-	-	-
Total financial liabilities held at fair value through profit or loss	-	-	-	-	-	-	-	-

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4. Financial assets and liabilities

	9. MLC MasterKey Unit Trust IncomeBuilder		10. MLC MasterKey Unit Trust Share Index Fund		11. MLC MasterKey Unit Trust Global Share Fund		12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
4.1 Financial assets held at fair value through profit or loss								
Equities	1,337,749	1,421,524	-	-	-	-	578,690	507,449
Unlisted unit trusts	-	-	103,414	107,618	40,035	36,780	-	-
Derivative assets	-	-	-	-	-	-	563	6,325
Total financial assets held at fair value through profit or loss	1,337,749	1,421,524	103,414	107,618	40,035	36,780	579,253	513,774
4.2 Financial liabilities held at fair value through profit or loss								
Derivative liabilities	-	-	-	-	-	-	1,622	1,807
Total financial liabilities held at fair value through profit or loss	-	-	-	-	-	-	1,622	1,807
	13. MLC MasterKey Unit Trust Cash Fund							
	31 May 2023 \$'000	31 May 2022 \$'000						
4.1 Financial assets held at fair value through profit or loss								
Equities	-	-						
Unlisted unit trusts	-	-						
Derivative assets	-	-						
Total financial assets held at fair value through profit or loss	-	-						
4.2 Financial liabilities held at fair value through profit or loss								
Derivative liabilities	-	-						
Total financial liabilities held at fair value through profit or loss	-	-						

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5. Reconciliation of cash flows from operating activities

The tables below detail the reconciliation of cash flows from operating activities for the year. For the purposes of the Statements of Cash Flows, cash includes cash at bank 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.

	1. MLC MasterKey Unit Trust Income Portfolio		2. MLC MasterKey Unit Trust Conservative Growth Portfolio		3. MLC MasterKey Unit Trust Balanced Portfolio		4. MLC MasterKey Unit Trust Growth Portfolio	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
5.1 Operating profit/(loss) for the financial year	715	(964)	16,200	(17,284)	10,218	(15,357)	17,426	(5,804)
Adjustments for net realised and unrealised (gains)/losses on:								
Change in fair value of investments	539	2,630	21,508	65,321	66,331	115,284	24,494	52,680
Realised foreign exchange gains/(losses)	-	-	-	-	-	-	-	-
Changes in operating assets and liabilities:								
Proceeds from sale of investments	40,240	14,896	593,453	215,898	598,672	399,380	186,148	74,757
Purchase of investments	(32,075)	(8,675)	(504,468)	(223,908)	(417,057)	(196,060)	(155,334)	(121,107)
Net movement in margin accounts	-	-	-	-	-	-	-	-
(Increase)/decrease in receivables	798	1,517	25,788	24,888	56,226	39,731	27,621	3,229
Increase/(decrease) in payables	5	(22)	124	(299)	152	(671)	97	(220)
Income reinvested	(2,663)	(3,583)	(78,282)	(81,651)	(154,842)	(153,553)	(79,184)	(57,148)
Net cash inflow/(outflow) from operating activities	7,559	5,799	74,323	(17,035)	159,700	188,754	21,268	(53,613)
5.2 Cash and cash equivalents								
Cash at bank	355	285	3,768	3,301	5,146	10,001	2,350	2,905
Deposits at call	301	-	3	2	7	6	2	2
Cash and cash equivalents at the end of the financial year	656	285	3,771	3,303	5,153	10,007	2,352	2,907
5.3 Non-cash operating and financing activities								
Distributions reinvested by unitholders in additional scheme units	73	1,331	43,753	69,835	119,055	136,782	52,271	47,663
Trust income reinvested	2,663	3,583	78,282	81,651	154,842	153,553	79,184	57,148

	5. MLC MasterKey Unit Trust Share Portfolio		6. MLC MasterKey Unit Trust Accelerated Growth Portfolio		7. MLC MasterKey Unit Trust Property Securities Fund		8. MLC MasterKey Unit Trust Australian Share Fund	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
5.1 Operating profit/(loss) for the financial year	9,682	2,255	1,228	(425)	(2,260)	2,892	2,894	3,589
Adjustments for net realised and unrealised (gains)/losses on:								
Change in fair value of investments	14,010	25,235	133	2,955	3,268	(2,029)	5,564	5,358
Realised foreign exchange gains/(losses)	-	-	-	-	-	-	-	-
Changes in operating assets and liabilities:								
Proceeds from sale of investments	105,056	56,810	4,540	3,579	7,400	7,705	11,095	11,020
Purchase of investments	(65,700)	(19,089)	(3,486)	(860)	-	-	-	1
Net movement in margin accounts	-	-	-	-	-	-	-	-
(Increase)/decrease in receivables	17,096	753	1,335	(368)	142	69	2,299	4,336
Increase/(decrease) in payables	27	(123)	6	(11)	6	(21)	3	(33)
Income reinvested	(45,104)	(31,579)	(3,048)	(2,548)	(1,871)	(1,802)	(11,923)	(14,576)
Net cash inflow/(outflow) from operating activities	35,067	34,262	708	2,322	6,685	6,814	9,932	9,695
5.2 Cash and cash equivalents								
Cash at bank	1,820	2,292	147	176	543	543	1,623	2,485
Deposits at call	11	1	-	-	-	-	-	-
Cash and cash equivalents at the end of the financial year	1,831	2,293	147	176	543	543	1,623	2,485
5.3 Non-cash operating and financing activities								
Distributions reinvested by unitholders in additional scheme units	31,218	28,088	229	644	713	365	8,472	6,527
Trust income reinvested	45,104	31,579	3,048	2,548	1,871	1,802	11,923	14,576

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5. Reconciliation of cash flows from operating activities

	9. MLC MasterKey Unit Trust IncomeBuilder		10. MLC MasterKey Unit Trust Share Index Fund		11. MLC MasterKey Unit Trust Global Share Fund		12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
5.1 Operating profit/(loss) for the financial year	31,580	130,289	2,125	4,775	4,474	(1,199)	67,957	(56,763)
Adjustments for net realised and unrealised (gains)/losses on:								
Change in fair value of investments	14,076	(85,115)	4,608	4,686	1,550	5,365	(67,653)	54,745
Realised foreign exchange gains/(losses)	-	-	-	-	-	-	2,681	1,050
Changes in operating assets and liabilities:								
Proceeds from sale of investments	257,124	300,445	16,310	16,060	4,235	4,162	241,912	393,527
Purchase of investments	(186,629)	(170,312)	(2,000)	-	-	(420)	(224,748)	(262,496)
Net movement in margin accounts	-	-	-	-	-	-	(1,700)	1,245
(Increase)/decrease in receivables	(1,553)	220	6,999	(5,541)	2,488	(173)	(469)	59
Increase/(decrease) in payables	80	(603)	9	(93)	12	(17)	25	(657)
Income reinvested	-	-	(14,713)	(5,010)	(9,040)	(4,577)	-	-
Net cash inflow/(outflow) from operating activities	114,678	174,924	13,338	14,877	3,719	3,141	18,005	130,710
5.2 Cash and cash equivalents								
Cash at bank	9,571	9,066	1,901	2,885	294	124	8,132	10,919
Deposits at call	23,712	18,184	-	-	-	-	35,225	66,868
Cash and cash equivalents at the end of the financial year	33,283	27,250	1,901	2,885	294	124	43,357	77,787
5.3 Non-cash operating and financing activities								
Distributions reinvested by unitholders in additional scheme units	114,634	88,152	10,883	4,243	2	1	50,755	56,373
Trust income reinvested	-	-	14,713	5,010	9,040	4,577	-	-
	13. MLC MasterKey Unit Trust Cash Fund							
	31 May 2023 \$'000	31 May 2022 \$'000						
5.1 Operating profit/(loss) for the financial year	2,263	(33)						
Adjustments for net realised and unrealised (gains)/losses on:								
Change in fair value of investments	-	-						
Realised foreign exchange gains/(losses)	-	-						
Changes in operating assets and liabilities:								
Proceeds from sale of investments	-	-						
Purchase of investments	-	-						
Net movement in margin accounts	-	-						
(Increase)/decrease in receivables	1	-						
Increase/(decrease) in payables	4	(10)						
Income reinvested	-	-						
Net cash inflow/(outflow) from operating activities	2,268	(43)						
5.2 Cash and cash equivalents								
Cash at bank	1,108	541						
Deposits at call	91,318	91,115						
Cash and cash equivalents at the end of the financial year	92,426	91,656						
5.3 Non-cash operating and financing activities								
Distributions reinvested by unitholders in additional scheme units	-	-						
Trust income reinvested	-	-						

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6. Financial risk management

6.1 Introduction and overview

The Schemes are exposed to a variety of financial risks from investments in financial instruments. These risks include:

- credit risk
- liquidity risk
- market risk

This note presents information about the Schemes' exposure to each of the above risks, the Schemes' objectives, policies and processes for measuring and managing risks, and the Schemes' management of unitholder funds.

6.1.1 Risk management framework

The Schemes' activities expose them to a variety of financial risks: credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, equity price risk). The Schemes' overall risk management programme is aligned to the investment strategy of each Scheme as detailed in their Constitutions and PDSs. 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.

6.1.2 Environmental, Social and Governance risks

The Schemes' risk to Environmental, Social and Governance (ESG) issues are managed in accordance with the 'Responsible Investing Policy' and 'Proxy Voting Standard' covering MLC Investments Limited. This involves undertaking formal assessment of the investment manager's ESG practices when assessing, selecting and monitoring investment managers to protect investments and manage the risk profile for long-term returns.

6.2 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Schemes, resulting in a financial loss to the Schemes. It arises principally from interest bearing securities held, derivative instruments and cash and cash equivalents.

6.2.1 Management of credit risk

The Schemes' policy over credit risk is to minimise its exposure to counterparties with higher risk of default by dealing only with counterparties meeting the credit standards set out in the Schemes' PDSs and by taking collateral. Credit risk is further minimised by managing the assets of the Schemes within credit rating limits.

Credit risk is monitored by the investment managers in accordance with the policies and procedures in place, including assessing the credit rating and quality of interest bearing instruments relative to their price and yield.

6.2.2 Derivative financial instruments

The Schemes may enter into two types of derivative transactions: exchange-traded derivatives (ETD) and over-the-counter (OTC) derivatives. Credit risk arising from ETD is mitigated by margin requirements. OTC derivatives expose the Schemes to the risk that the counterparties to the derivative financial instruments might default on their obligations to the Schemes.

Derivative financial instruments are transacted with counterparties on arm's length basis and within predetermined limits.

6.2.3 Cash and cash equivalents

The Schemes' cash and cash equivalents are held mainly by National Australia Bank Limited. The short term credit rating of banking institutions are determined by Standard & Poor's is A-1+ (2022: A-1+), as at reporting date. Maximum credit risk exposure from cash and cash equivalents is represented by the carrying amount in the Statements of Financial Position.

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6.2.4 Settlement risk

The Schemes' activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For the majority of transactions, the Schemes mitigate this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval and monitoring processes described in Note 6.2.1 Management of credit risk.

6.2.5 Past due and impaired assets

No financial assets carried at amortised cost were past due or impaired either at 31 May 2023 or 31 May 2022.

6.2.6 Offsetting financial assets and financial liabilities

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.

The gross and net positions of foreign currency forward contracts that have been offset in the Statements of Financial Position are disclosed in the following table:

	12. MLC MasterKey Unit Trust MLC - Platinum Global Fund					
	Amounts offset in the Statement of Financial Position			Related amounts not offset in the Statement of Financial Position		
	Gross amounts of recognised financial instruments \$'000	Gross amounts of recognised financial instruments offset in the Statement of Financial Position \$'000	Net amount of financial instruments presented in the Statement of Financial Position \$'000	Financial instruments (including non-cash collateral) \$'000	Cash Collateral received/pledged \$'000	Net amount \$'000
31 May 2023						
Financial assets						
Derivative financial instruments	563	-	563	(563)	-	-
Financial liabilities						
Derivative financial instruments	(1,622)	-	(1,622)	563	1,059	-
Total	(1,059)	-	(1,059)	-	1,059	-
31 May 2022						
Financial assets						
Derivative financial instruments	6,325	-	6,325	(1,807)	-	4,518
Financial liabilities						
Derivative financial instruments	(1,807)	-	(1,807)	1,807	-	-
Total	4,518	-	4,518	-	-	4,518

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6.3 Liquidity risk

Liquidity risk is the risk that the Schemes will encounter difficulty in meeting obligations arising from their financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Schemes.

6.3.1 Management of liquidity risk

The Schemes' policy and the investment managers' approaches to managing liquidity is to have sufficient liquidity to meet their liabilities, including estimated redemptions of units, as and when they fall due, without incurring undue losses.

The Schemes' PDSs allow for the daily creation and cancellation of units and they are therefore exposed to the liquidity risk of meeting unitholder redemptions at each redemption date. The amounts attributable to unitholders are considered to be on call.

The Schemes' payables are expected to be settled within less than one month.

The Schemes' listed securities are considered to be readily realisable as they are exchange traded.

The Schemes hold investments in unlisted unit trusts, which may be subject to redemption restrictions. As a result, the Schemes may not be able to liquidate some of their investments in these instruments in due time in order to meet their liquidity requirements. If the Schemes are unable to meet liquidity requirements this may impact on unitholder redemptions. If the Schemes are unable to meet liquidity requirements, the Responsible Entity has the power to suspend redemptions in certain circumstance, or may delay the timing of unitholder redemption payments.

The Schemes' liquidity risk is managed on a daily basis and the investment managers' approaches are in accordance with their investment mandates. Daily monitoring of cash flow and liquidity levels is conducted to ensure appropriate and timely action which is in the best interests of the unitholders. In addition to monitoring daily cash flows, the Schemes' portfolio of assets are maintained within defined mandate limits and monitoring these positions is part of liquidity risk management.

6.3.2 Liquidity risk exposure

The tables below detail the financial instruments that give rise to liquidity exposure. Information is provided on a contractual basis.

	1. MLC MasterKey Unit Trust Income Portfolio		2. MLC MasterKey Unit Trust Conservative Growth Portfolio		3. MLC MasterKey Unit Trust Balanced Portfolio		4. MLC MasterKey Unit Trust Growth Portfolio	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Net assets attributable to unitholders								
On call amounts	53,742	60,510	1,230,454	1,250,029	1,869,352	1,937,800	803,399	776,734
Total net assets attributable to unitholders	53,742	60,510	1,230,454	1,250,029	1,869,352	1,937,800	803,399	776,734
Derivative financial liabilities								
Fair value < 1 month	-	-	-	-	-	-	-	-
Total derivative financial liabilities	-	-	-	-	-	-	-	-

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6.3.2 Liquidity risk exposure

	5. MLC MasterKey Unit Trust Share Portfolio		6. MLC MasterKey Unit Trust Accelerated Growth Portfolio		7. MLC MasterKey Unit Trust Property Securities Fund		8. MLC MasterKey Unit Trust Australian Share Fund	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Net assets attributable to unitholders								
On call amounts	330,784	344,918	28,020	27,570	60,909	69,747	85,385	89,464
Total net assets attributable to unitholders	330,784	344,918	28,020	27,570	60,909	69,747	85,385	89,464
Derivative financial liabilities								
Fair value < 1 month	-	-	-	-	-	-	-	-
Total derivative financial liabilities	-	-	-	-	-	-	-	-
	9. MLC MasterKey Unit Trust IncomeBuilder		10. MLC MasterKey Unit Trust Share Index Fund		11. MLC MasterKey Unit Trust Global Share Fund		12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Net assets attributable to unitholders								
On call amounts	1,326,891	1,370,278	99,094	107,408	42,115	41,630	589,754	553,102
Total net assets attributable to unitholders	1,326,891	1,370,278	99,094	107,408	42,115	41,630	589,754	553,102
Derivative financial liabilities								
Fair value < 1 month	-	-	-	-	-	-	1,622	1,807
Total derivative financial liabilities	-	-	-	-	-	-	1,622	1,807
	13. MLC MasterKey Unit Trust Cash Fund							
	31 May 2023 \$'000	31 May 2022 \$'000						
Net assets attributable to unitholders								
On call amounts	91,626	91,622						
Total net assets attributable to unitholders	91,626	91,622						
Derivative financial liabilities								
Fair value < 1 month	-	-						
Total derivative financial liabilities	-	-						

6.4 Market risk

Market risk is the risk that changes in market prices, such as equity prices and foreign exchange rates will affect the Schemes' income or the fair value of their holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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6.4.1 Management of market risk

The Schemes' strategy for the management of market risk is driven by each Scheme's investment objectives. The Schemes' market risk is managed on a daily basis by the investment managers in accordance with the investment guidelines of each Scheme's investment mandates.

The Schemes use derivatives to manage their exposure to foreign currency, interest rate and other price risks. The instruments used include forward contracts, futures and options. The Schemes do not apply hedge accounting.

6.4.2 Interest rate risk

The Schemes are exposed to the risk that the fair value or future cash flows of their financial instruments will fluctuate as a result of changes in market interest rates. Financial instruments that would be impacted by changes in market interest rates include cash and cash equivalents, interest bearing securities, derivatives (such as swaps and futures) and deposits with brokers.

The Schemes' interest rate risk is actively managed in accordance with the defined investment process and within the guidelines and restrictions outlined in the Schemes' PDSs. The investment process actively assesses the level of interest rate risk and seeks to manage the interest rate exposure accordingly.

6.4.3 Exposure and sensitivity analysis - interest rate risk

A sensitivity analysis reflects how 'Net assets attributable to unitholders' and Profit/(loss) for the financial year/Total comprehensive income would have been affected by changes in the relevant risk at the end of the reporting period.

Interest rate risk is not considered to be significant to the Schemes except in relation to investments in interest bearing securities. The interest rate risk disclosures have been prepared on the basis of the Schemes' direct investments and not on a look through basis for investments held indirectly through unit trusts. The Schemes do not have any investments in interest bearing securities at 31 May 2023 and 31 May 2022.

The Schemes hold cash for liquidity and transactional purposes and this cash is held at floating rates of interest. As a result, the Schemes are not subject to a material exposure to interest rate.

6.4.4 Currency risk

The Schemes invest in financial instruments and may enter into transactions that are denominated in currencies other than their functional currency. Consequently, the Schemes are exposed to risk that the exchange rate of their currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of that portion of the Schemes' financial assets or liabilities denominated in currencies other than the Australian dollar.

The Schemes' currency risk is actively managed on a regular basis by the investment managers in accordance with its defined currency management process, and within the guidelines and constraints of the Schemes' investment mandates in order to enhance total returns. The investment managers may use derivative contracts such as options, futures, swaps and forward contracts as permitted by the mandates in managing currency risk.

6.4.5 Exposure and sensitivity analysis - currency risk

The Schemes' total net direct exposure to fluctuations in foreign currency exchange rates as at the reporting date is shown in Note 6.4.6 Currency risk exposure and sensitivity analysis.

A sensitivity analysis reflects how 'Net assets attributable to unitholders' and Profit/(loss) for the financial year/Total comprehensive income would have been affected by changes in the relevant risk at the end of the reporting period. Management has determined that a movement in the Australian dollar of 10% is reasonably possible, considering the current economic environment in which the Schemes operate.

The tables at Note 6.4.6 Currency risk exposure and sensitivity analysis set out the effect on the Schemes' Net assets attributable to unitholders' and the 'Change in net assets attributable to unitholders/Total comprehensive income' of a possible strengthening or weakening of the Australian dollar of 10% as at 31 May 2023 (2022: 10%).

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6.4.6 Currency risk exposure and sensitivity analysis

At reporting date the value of the Schemes' net foreign currency exposure expressed in Australian dollars and the currency risk sensitivity analysis is detailed in the tables below.

	11. MLC MasterKey Unit Trust Global Share Fund		12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	
	31 May 2023 Fair value \$'000	31 May 2022 Fair value \$'000	31 May 2023 Fair value \$'000	31 May 2022 Fair value \$'000
United States Dollar	1	-	195,446	179,647
Euro	-	-	102,436	93,619
Pound Sterling	-	-	52,167	86,755
Japanese Yen	-	-	62,321	85,879
Hong Kong Dollar	-	-	86,377	81,438
Canadian Dollar	-	-	14,865	20,292
Swiss Franc	-	-	101	163
Chinese Yuan	-	-	10,654	4,199
Other Currencies [#]	-	-	78,007	47,669
Foreign currency exposure	1	-	602,374	599,663
Australian Dollar	-	-	-	-
Net foreign currency exposure	1	-	602,374	599,663
Sensitivity analysis	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000

Impact on Profit/loss from operating activities and Net assets attributable to unitholders / Other comprehensive income

Currency risk - 10% upward movement in AUD (2022: 10%)*	-	-	(60,237)	(59,966)
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* A decrease will have an equal and opposite effect on the Profit/loss from operating activities and Net assets attributable to unitholders / Other comprehensive income.

Other Currencies include South Korean Won, Indian Rupee and Brazilian Real.

6.4.7 Other price risk

At the reporting date, other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. Other price risk is managed by the investment managers by diversifying the portfolio and economically hedging using derivative financial instruments such as options and future contracts, in accordance with the PDSs or information memorandum.

The Schemes' financial instruments which are carried at fair value have any change in the fair value of investments recognised in the Statements of Comprehensive Income in the line item 'Net change in fair value of investments'.

6.4.8 Exposure and Sensitivity analysis - other price risk

The other price risk exposure of financial instruments is equal to the fair value of financial instruments as reported in the Statements of Financial Position and in Note 4 Financial assets and liabilities.

A sensitivity analysis reflects how 'Net assets attributable to unitholders' and Profit/(loss) for the financial year/Total comprehensive income would have been affected by changes in the relevant risk at the end of the reporting period.

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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.

Management has determined that a movement in market prices of 10% is possible, considering the economic environment in which the Schemes operate.

The tables at Note 6.4.9 Other price risk and sensitivity analysis set out the effect on the Schemes' Net assets attributable to unitholders' and Profit/(loss) for the financial year/Total comprehensive income of a possible increase or decrease in market prices of 10% (2022: 10%).

6.4.9 Other price risk and sensitivity analysis

At the reporting date, the Schemes' other price risk sensitivity analysis is detailed in the tables below:

	1. MLC MasterKey Unit Trust Income Portfolio		2. MLC MasterKey Unit Trust Conservative Growth Portfolio		3. MLC MasterKey Unit Trust Balanced Portfolio		4. MLC MasterKey Unit Trust Growth Portfolio	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Equities	-	-	-	-	-	-	-	-
Unlisted unit trusts	52,942	58,963	1,217,373	1,249,260	1,868,648	1,960,572	802,840	778,552
Derivatives	-	-	-	-	-	-	-	-
Total	52,942	58,963	1,217,373	1,249,260	1,868,648	1,960,572	802,840	778,552
Sensitivity analysis	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000

Impact on Profit/loss from operating activities and Net assets attributable to unitholders / Other comprehensive income

Price risk - increase of 10% (2022: 10%)*	5,294	5,896	121,737	124,926	186,865	196,057	80,284	77,855
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	5. MLC MasterKey Unit Trust Share Portfolio		6. MLC MasterKey Unit Trust Accelerated Growth Portfolio		7. MLC MasterKey Unit Trust Property Securities Fund		8. MLC MasterKey Unit Trust Australian Share Fund	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Equities	-	-	-	-	-	-	-	-
Unlisted unit trusts	340,915	349,177	26,618	24,757	60,232	69,030	82,583	87,319
Derivatives	-	-	-	-	-	-	-	-
Total	340,915	349,177	26,618	24,757	60,232	69,030	82,583	87,319
Sensitivity analysis	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000

Impact on Profit/loss from operating activities and Net assets attributable to unitholders / Other comprehensive income

Price risk - increase of 10% (2022: 10%)*	34,092	34,918	2,662	2,476	6,023	6,903	8,258	8,732
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* A decrease will have an equal and opposite effect on the Profit/loss from operating activities and Net assets attributable to unitholders / Other comprehensive income.

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6.4.9 Other price risk and sensitivity analysis

	9. MLC MasterKey Unit Trust IncomeBuilder		10. MLC MasterKey Unit Trust Share Index Fund		11. MLC MasterKey Unit Trust Global Share Fund		12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	
	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Equities	1,337,749	1,421,524	-	-	-	-	578,690	507,449
Unlisted unit trusts	-	-	103,414	107,618	40,035	36,780	-	-
Derivatives	-	-	-	-	-	-	(1,059)	4,518
Total	1,337,749	1,421,524	103,414	107,618	40,035	36,780	577,631	511,967
Sensitivity analysis	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Impact on Profit/loss from operating activities and Net assets attributable to unitholders / Other comprehensive income								
Price risk - increase of 10% (2022: 10%)*	133,775	142,152	10,341	10,762	4,004	3,678	57,763	51,377

	13. MLC MasterKey Unit Trust Cash Fund	
	31 May 2023 \$'000	31 May 2022 \$'000
Equities	-	-
Unlisted unit trusts	-	-
Derivatives	-	-
Total	-	-
Sensitivity analysis	2023 \$'000	2022 \$'000
Impact on Profit/loss from operating activities and Net assets attributable to unitholders / Other comprehensive income		
Price risk - increase of 10% (2022: 10%)*	-	-

* A decrease will have an equal and opposite effect on the Profit/loss from operating activities and Net assets attributable to unitholders / Other comprehensive income.

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6.4.10 Derivative financial instruments

The Schemes' derivative financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments. As at 31 May 2023, the overall direct market exposures were as follows:

	12. MLC MasterKey Unit Trust MLC - Platinum Global Fund			
	31 May 2023 Contract/Notional value \$'000	31 May 2022 Contract/Notional value \$'000	31 May 2023 Fair value \$'000	31 May 2022 Fair value \$'000
Derivative financial instruments:				
Foreign currency forward Contracts	(1,059)	1,112	(1,059)	1,112
Futures	-	46,764	-	68
Options	-	3,338	-	3,338
Total	(1,059)	51,214	(1,059)	4,518

6.5 Valuation of financial instruments

The Schemes' accounting policy on fair value measurement is discussed in Note 3.2.5 Fair value measurement principles.

The Schemes measure financial assets and financial liabilities held at fair value through profit or loss using the following fair value hierarchy:

Level 1 - Quoted price (unadjusted) in an active market for an identical instrument.

The quoted market price used for financial assets is the current bid price. The quoted market price used for financial liabilities is the current ask price.

Level 2 - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

Level 3 - Valuation techniques using significant unobservable inputs.

This category includes all instruments that use a valuation technique which includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The valuation of Level 2 equities which are subject to transfer restrictions may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The Schemes determine Level 2 fair values for corporate bonds using either a price, credit spread or spread basis evaluation as determined by the observed market data including quoted prices for similar assets, benchmark yield curves and market corroborated inputs.

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The valuation of managed investment schemes included in Level 2 and Level 3 is based on the daily net asset value of the managed investment scheme provided by the relevant Responsible Entities.

Level 2 fair values for simple, over the counter derivative financial instruments are based on the amount to terminate the contract at the end of reporting period taking into account current market conditions. Fair values reflect the credit risk of the instrument and include an adjustment to take account of the credit risk of the Schemes and counterparty where appropriate.

The Schemes recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. Changes in Level 2 and 3 fair values are analysed at each reporting date and the reasons for the fair value movements are explained. There were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the financial year ended 31 May 2023.

The carrying value of assets and liabilities not held at fair value such as cash and cash equivalents and term deposits approximate fair value.

6.5.1 Financial instruments hierarchy

6.5.1.1 Recurring fair value measurements

All Schemes, except listed below, invest only in unlisted unit trusts and foreign forward exchange contracts which are both classified as Level 2. There have been no transfers between levels during the period.

The tables below detail financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Note	9. MLC MasterKey Unit Trust IncomeBuilder		12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	
		31 May 2023 \$'000	31 May 2022 \$'000	31 May 2023 \$'000	31 May 2022 \$'000
Financial assets held at fair value through profit or loss					
Equities:					
Level 1		1,337,749	1,421,524	578,690	501,161
Level 2		-	-	-	6,288
Level 3		-	-	-	-
Unlisted unit trusts:					
Level 1		-	-	-	-
Level 2		-	-	-	-
Level 3		-	-	-	-
Derivative assets:					
Level 1		-	-	-	68
Level 2		-	-	563	6,257
Level 3		-	-	-	-
Total financial assets held at fair value through profit or loss	4.1	1,337,749	1,421,524	579,253	513,774
Financial liabilities held at fair value through profit or loss					
Derivative liabilities:					
Level 1		-	-	-	-
Level 2		-	-	1,622	1,807
Level 3		-	-	-	-
Total financial liabilities held at fair value through profit or loss	4.2	-	-	1,622	1,807

6.5.1.2 Non - recurring fair value measurements

The Schemes have no assets or liabilities measured at fair value on a non - recurring basis in the current reporting period.

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for the financial year ended 31 May 2023**6.5.2 Valuation processes**

The Responsible Entity's Unit Pricing and Valuations Forum (UPVF) reviews valuations of the financial instruments.

7. Related parties**7.1 Responsible Entity**

The Responsible Entity of the Schemes is MLC Investments Limited (ABN 30 002 641 661). MLC Investments Limited (MLCI) is a subsidiary of Insignia Financial Ltd (Insignia).

7.2 Key management personnel

The Schemes do not employ personnel in their own right. However, the Schemes are required to have an incorporated Responsible Entity to manage the activities and this is considered to be key management personnel. The directors of the Responsible Entity, which are key management personnel, during or since the end of the financial year are:

Name	Position Held	Date Appointed
K A Watt	Independent Non-Executive Director, Chair	Appointed 05/12/2016
J Selak	Independent Non-Executive Director	Appointed 31/05/2021
M A Joiner	Independent Non-Executive Director	Appointed 01/01/2021
G J Mulcahy	Executive Director	Appointed 07/07/2014

The Schemes have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the reporting period.

No director has entered into a material contract with the Schemes since the end of the previous financial year and there were no material contracts involving directors' interests existing at financial year end.

7.3 Related party transactions

All related party transactions are conducted on commercial terms and conditions.

The Directors of the Responsible Entity may also be employees and/or directors of other companies owned by Insignia. The Responsible Entity may also be involved in activities other than the business of managed investment schemes.

The Schemes have not made, guaranteed or secured, directly or indirectly, any loans to the Responsible Entity at any time during the reporting period.

During the financial period, there was no compensation paid directly by the Schemes to the Directors of the Responsible Entity. Directors compensation was paid by MLC Wealth Ltd (a wholly owned subsidiary of Insignia Financial Ltd, the ultimate parent company of MLCI).

From time to time the Directors of MLC Investments Limited may invest or withdraw from the Schemes. These investments or withdrawals are on the same terms and conditions as those entered into by other unitholders in the Schemes.

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7.4 Responsible Entity fees

The Responsible Entity is entitled to management fees which are calculated as a proportion of net assets attributable to unitholders. All transactions with related parties are conducted on normal commercial terms and conditions. Management fees are reflected as 'Responsible Entity fees' in the Statements of Comprehensive Income. Fees received and receivable by the Responsible Entity for the year ended 31 May 2023 are as follows:

	Total management fees paid and payable to the RE during the financial year	
	2023	2022
	\$	\$
1. MLC MasterKey Unit Trust Income Portfolio	616,364	697,836
2. MLC MasterKey Unit Trust Conservative Growth Portfolio	14,849,705	15,170,684
3. MLC MasterKey Unit Trust Balanced Portfolio	22,139,407	25,085,010
4. MLC MasterKey Unit Trust Growth Portfolio	9,691,721	9,664,696
5. MLC MasterKey Unit Trust Share Portfolio	4,339,179	4,754,847
6. MLC MasterKey Unit Trust Accelerated Growth Portfolio	354,831	385,599
7. MLC MasterKey Unit Trust Property Securities Fund	727,725	870,630
8. MLC MasterKey Unit Trust Australian Share Fund	1,174,778	1,292,838
9. MLC MasterKey Unit Trust IncomeBuilder	20,821,428	22,130,611
10. MLC MasterKey Unit Trust Share Index Fund	992,138	1,087,985
11. MLC MasterKey Unit Trust Global Share Fund	529,853	582,656
12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	10,699,638	12,344,944
13. MLC MasterKey Unit Trust Cash Fund	756,533	729,938

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7.5 Related party investments held by the Schemes

The Schemes may purchase and sell units in other schemes managed by the below related responsible entities in the ordinary course of business at application and redemption prices calculated in accordance with the Constitutions of the Schemes. The below responsible entities are wholly owned subsidiaries of Insignia Financial Ltd, the ultimate parent company:

- IOOF Investment Services Limited (IISL);
- MLC Investments Limited (MLCI);
- Navigator Australia Ltd (Navigator).

Details of the Schemes' investments in other schemes operated by the above responsible entities are set out in the table below:

Name of entity Name of related entity	Fair value of investment		% Interest held in the Scheme/Entity		Distributions/Dividends received/receivable (including Return of Capital)		Number of units/shares held	
	2023 \$	2022 \$	2023 %	2022 %	2023 \$	2022 \$	2023	2022
1. MLC MasterKey Unit Trust Income Portfolio								
Antares Enhanced Cash Trust	-	5,575,838	-	0.12	-	27,210	-	5,494,026
IOOF Income Trust	9,561,474	-	0.54	-	-	-	9,250,652	-
Low-Correlation Strategy Trust	77,404	2,897,548	0.34	0.24	188,810	325,155	69,856	2,116,908
WM Pool - Australian Equities No. 2	1,605,437	1,812,355	0.02	0.02	164,470	111,611	22,647	23,540
WM Pool - Equities Trust No. 29	371,138	569,973	0.15	0.23	15,937	10,132	625,230	838,257
WM Pool - Equities Trust No. 47	1,116,419	1,085,663	0.17	0.06	67,514	110,653	12,009	11,792
WM Pool - Equities Trust No. 58	-	4,434,694	-	1.62	-	220,019	-	44,558
WM Pool - Equities Trust No. 59	2,640,990	1,251,842	0.49	0.20	82,003	86,476	25,900	12,572
WM Pool - Equities Trust No. 73	-	238,241	-	0.21	-	1,177	-	2,445
WM Pool - Equities Trust No. 82	2,659,195	-	0.72	-	-	-	46,149	-
WM Pool - Equities Trust No. 84	856,721	-	0.37	-	-	-	850,000	-
WM Pool - Fixed Interest Trust No. 18	1,610,582	1,265,971	0.09	0.07	67,365	1,785	12,481	10,329
WM Pool - Fixed Interest Trust No. 24	5,486,229	3,065,625	0.24	0.39	65,137	7,188	29,295	54,427
WM Pool - Fixed Interest Trust No. 5	2,249,254	1,193,115	0.11	0.05	1,147	73,356	22,875	12,149
WM Pool - Global Properties Trust	612,611	732,617	0.06	0.06	268	-	6,365	6,365
WM Pool - Inflation Linked Securities Trust	-	1,255,236	-	0.31	-	5,563	-	1,101,869
WM Sector - Australian Equities Trust	3,474,587	3,809,089	0.25	0.10	362,383	502,581	33,221	34,359
WM Sector - Diversified Debt (All) Trust	13,486,839	9,566,513	0.23	0.19	100,845	110,722	154,896	108,487
WM Sector - Diversified Debt (Short) Trust	-	11,363,067	-	0.52	-	129,244	-	121,909
WM Sector - Global Equities (Hedged) Trust	1,830,615	1,457,971	0.20	0.11	6	-	12,173	9,889
WM Sector - Global Equities (Unhedged) Trust	3,730,493	4,967,201	0.15	0.10	656,085	641,426	37,700	48,144
2. MLC MasterKey Unit Trust Conservative Growth Portfolio								
Antares Enhanced Cash Trust	-	28,316,451	-	0.60	-	114,244	-	27,900,977
IOOF Income Trust	104,977,614	-	5.94	-	-	-	101,565,029	-
Low-Correlation Strategy Trust	1,702,281	57,454,393	7.44	4.67	3,743,842	6,447,381	1,536,283	41,975,383
WM Pool - Australian Equities No. 2	61,149,018	66,087,163	0.58	0.62	6,382,207	3,660,992	862,590	858,368
WM Pool - Equities Trust No. 29	24,317,955	27,045,516	9.69	11.10	959,507	477,304	40,966,767	39,775,683
WM Pool - Equities Trust No. 47	80,213,439	63,782,376	11.90	3.36	4,850,812	6,500,831	862,824	692,764
WM Pool - Equities Trust No. 58	-	52,300,161	-	19.12	-	2,545,234	-	525,492
WM Pool - Equities Trust No. 59	70,976,848	74,433,745	13.08	11.66	2,293,205	5,120,039	696,061	747,526
WM Pool - Equities Trust No. 73	-	10,131,158	-	8.87	-	49,711	-	103,955
WM Pool - Equities Trust No. 82	61,093,671	-	16.45	-	-	-	1,060,239	-
WM Pool - Equities Trust No. 84	31,245,117	-	13.34	-	-	-	31,000,000	-
WM Pool - Fixed Interest Trust No. 18	36,681,409	26,919,473	2.09	1.44	1,534,243	37,952	284,267	219,631
WM Pool - Fixed Interest Trust No. 24	79,297,742	91,893,924	6.23	6.52	1,541,949	118,678	757,755	911,647
WM Pool - Fixed Interest Trust No. 5	50,510,268	25,481,209	2.46	1.11	24,912	1,281,834	513,690	259,456
WM Pool - Global Properties Trust	33,994,873	36,155,302	3.19	3.02	14,871	-	353,228	314,139

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7.5 Related party investments held by the Schemes

Name of entity Name of related entity	Fair value of investment		% Interest held in the Scheme/Entity		Distributions/Dividends received/receivable (including Return of Capital)		Number of units/shares held	
	2023 \$	2022 \$	2023 %	2022 %	2023 \$	2022 \$	2023	2022
2. MLC MasterKey Unit Trust Conservative Growth Portfolio								
WM Pool - Inflation Linked Securities Trust	-	25,801,140	-	6.29	-	110,489	-	22,648,711
WM Sector - Australian Equities Trust	136,475,874	137,620,959	9.80	3.61	14,319,329	18,135,380	1,304,846	1,241,395
WM Sector - Diversified Debt (All) Trust	193,730,664	150,367,249	3.26	3.05	1,475,245	2,427,825	2,224,992	1,705,207
WM Sector - Diversified Debt (Short) Trust	-	192,230,782	-	8.76	-	1,826,698	-	2,062,362
WM Sector - Global Equities (Hedged) Trust	91,312,927	72,084,457	10.06	5.49	304	-	607,219	488,935
WM Sector - Global Equities (Unhedged) Trust	80,777,031	111,154,144	3.14	2.16	13,901,324	14,353,567	816,331	1,077,344
3. MLC MasterKey Unit Trust Balanced Portfolio								
Antares Enhanced Cash Trust	-	17,136,111	-	0.36	-	77,319	-	16,884,681
IOOF Income Trust	51,791,212	-	2.93	-	-	-	50,107,596	-
Low-Correlation Strategy Trust	1,905,463	99,718,088	8.32	8.11	6,497,829	11,190,102	1,719,651	72,852,653
WM Pool - Australian Equities No. 2	131,275,895	152,041,353	1.24	1.42	13,352,499	8,824,535	1,851,824	1,974,777
WM Pool - Equities Trust No. 29	57,177,779	70,317,206	22.78	28.86	2,338,294	1,240,970	96,323,428	103,415,108
WM Pool - Equities Trust No. 47	200,881,021	185,124,970	29.80	9.76	12,148,040	18,868,318	2,160,798	2,010,712
WM Pool - Equities Trust No. 59	-	33,222,774	-	5.20	-	2,546,313	-	333,651
WM Pool - Equities Trust No. 73	-	18,016,937	-	15.78	-	89,021	-	184,871
WM Pool - Equities Trust No. 82	94,282,653	-	25.39	-	-	-	1,636,211	-
WM Pool - Equities Trust No. 84	71,082,178	-	30.36	-	-	-	70,524,541	-
WM Pool - Fixed Interest Trust No. 18	55,455,169	42,668,777	3.15	2.29	2,319,478	60,151	429,756	348,097
WM Pool - Fixed Interest Trust No. 24	68,203,367	85,584,386	5.36	6.07	1,326,218	110,529	651,739	849,052
WM Pool - Fixed Interest Trust No. 5	57,902,230	40,586,671	2.82	1.78	34,762	2,212,790	588,866	413,263
WM Pool - Global Properties Trust	64,157,777	80,971,143	6.02	6.77	28,066	-	666,639	703,525
WM Pool - Inflation Linked Securities Trust	-	29,241,229	-	7.13	-	158,337	-	25,668,483
WM Pool - LTAR Part 1 NS Trust	126,469,041	137,545,833	15.76	18.69	3,908,732	10,113,462	1,437,404	1,605,821
WM Sector - Australian Equities Trust	300,384,061	313,203,257	21.56	8.21	30,609,748	41,466,237	2,871,973	2,825,215
WM Sector - Diversified Debt (All) Trust	163,433,475	248,444,989	2.75	5.04	1,244,146	5,512,209	1,877,029	2,817,436
WM Sector - Diversified Debt (Short) Trust	-	10,865,768	-	0.50	-	408,743	-	116,574
WM Sector - Global Equities (Hedged) Trust	208,152,212	224,486,174	22.94	17.11	692	-	1,384,186	1,522,645
WM Sector - Global Equities (Unhedged) Trust	150,145,761	171,396,752	5.84	3.33	23,639,153	22,132,822	1,516,938	1,661,237
4. MLC MasterKey Unit Trust Growth Portfolio								
Antares Enhanced Cash Trust	-	3,746,499	-	0.08	-	16,904	-	3,691,529
Low-Correlation Strategy Trust	543,346	23,381,485	2.37	0.02	3,596,128	2,623,809	490,361	17,082,189
WM Pool - Australian Equities No. 2	71,608,699	74,474,619	0.68	0.70	7,023,059	4,036,461	1,010,138	967,307
WM Pool - Equities Trust No. 29	23,347,176	25,965,851	9.30	10.66	921,203	458,250	39,331,363	38,187,827
WM Pool - Equities Trust No. 47	87,136,557	70,436,390	12.92	3.71	5,269,479	7,179,022	937,294	765,036
WM Pool - Equities Trust No. 73	-	3,651,116	-	3.20	-	18,040	-	37,464
WM Pool - Equities Trust No. 82	30,581,589	-	8.24	-	-	-	530,723	-
WM Pool - Equities Trust No. 84	30,610,136	-	13.07	-	-	-	30,370,000	-

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Notes to the Financial Statements

for the financial year ended 31 May 2023

7.5 Related party investments held by the Schemes

Name of entity Name of related entity	Fair value of investment		% Interest held in the Scheme/Entity		Distributions/Dividends received/receivable (including Return of Capital)		Number of units/shares held	
	2023 \$	2022 \$	2023 %	2022 %	2023 \$	2022 \$	2023	2022
4. MLC MasterKey Unit Trust Growth Portfolio								
WM Pool - Fixed Interest Trust No. 18	15,933,024	17,116,343	0.91	0.92	666,417	24,131	123,475	139,647
WM Pool - Fixed Interest Trust No. 24	29,137,423	34,106,196	2.29	2.42	588,066	44,047	278,432	338,355
WM Pool - Fixed Interest Trust No. 5	16,756,156	16,249,449	0.82	0.71	13,204	777,914	170,410	165,456
WM Pool - Global Properties Trust	27,634,696	33,048,138	2.59	2.76	12,089	-	287,142	287,142
WM Pool - Inflation Linked Securities Trust	8,631,122	8,219,047	3.36	2.00	110,387	47,043	7,214,829	7,214,829
WM Pool - LTAR Part 1 NS Trust	55,101,588	68,201,088	6.86	9.27	1,702,569	5,014,686	626,106	796,235
WM Sector - Australian Equities Trust	161,817,594	160,371,552	11.61	4.20	16,493,070	20,942,142	1,547,138	1,446,614
WM Sector - Diversified Debt (All) Trust	13,992,979	24,494,132	0.24	0.50	104,542	764,558	160,709	277,770
WM Sector - Global Equities (Hedged) Trust	112,698,028	102,076,029	12.42	7.78	375	-	749,428	692,361
WM Sector - Global Equities (Unhedged) Trust	105,025,956	113,014,305	4.08	2.20	16,904,652	14,593,774	1,061,088	1,095,374
5. MLC MasterKey Unit Trust Share Portfolio								
Low-Correlation Strategy Trust	-	12,640,752	-	1.03	-	1,418,512	-	9,235,158
WM Pool - Australian Equities No. 2	38,532,036	43,685,900	0.36	0.41	4,094,521	2,604,257	543,547	567,411
WM Pool - Equities Trust No. 29	11,171,203	8,656,230	4.45	3.55	409,781	152,767	18,819,348	12,730,666
WM Pool - Equities Trust No. 47	37,106,149	32,556,518	5.50	1.72	2,243,950	3,318,227	399,136	353,609
WM Pool - Equities Trust No. 84	14,917,024	-	6.37	-	-	-	14,800,000	-
WM Pool - Global Properties Trust	4,433,719	6,987,431	0.42	0.58	1,940	-	46,069	60,711
WM Pool - LTAR Part 1 NS Trust	18,334,506	28,500,641	2.28	3.87	566,513	2,095,593	208,330	332,739
WM Sector - Australian Equities Trust	91,975,453	91,128,248	6.60	2.39	9,484,370	12,066,394	879,378	822,012
WM Sector - Global Equities (Hedged) Trust	60,400,441	43,017,585	6.66	3.28	201	-	401,655	291,780
WM Sector - Global Equities (Unhedged) Trust	64,044,636	82,003,649	2.49	1.59	10,382,546	10,589,303	647,050	794,808
6. MLC MasterKey Unit Trust Accelerated Growth Portfolio								
MLC Horizon 7 Trust	20,446,810	19,677,730	1.95	1.99	1,672,868	2,844,308	15,470,248	14,691,671
WM Pool - Equities Trust No. 29	676,236	572,152	0.27	0.23	24,892	10,131	1,139,207	841,461
WM Pool - Equities Trust No. 84	1,439,750	-	0.61	-	-	-	1,428,455	-
WM Pool - LTAR Part 1 NS Trust	-	839,953	-	0.11	-	61,760	-	9,806
WM Sector - Global Equities (Hedged) Trust	3,782,021	3,667,332	0.42	0.28	13	-	25,150	24,875
WM Sector - Global Equities (Unhedged) Trust	272,997	-	0.01	-	15,413	-	2,758	-
7. MLC MasterKey Unit Trust Property Securities Fund								
WM Sector - Property Securities Trust	60,232,139	69,029,522	13.26	13.47	1,730,388	1,734,106	667,810	729,803
8. MLC MasterKey Unit Trust Australian Share Fund								
WM Pool - Equities Trust No. 41	82,583,087	87,319,378	36.76	7.71	9,623,861	10,240,176	915,606	907,652
10. MLC MasterKey Unit Trust Share Index Fund								
WM Pool - Equities Trust No. 30	103,413,626	107,618,386	55.71	8.46	7,713,664	10,549,342	88,932,713	88,737,598
11. MLC MasterKey Unit Trust Global Share Fund								
WM Sector - Global Equities (Unhedged) Trust	40,035,017	36,779,691	1.56	0.72	6,550,890	4,749,439	404,478	356,481

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for the financial year ended 31 May 2023

7.6 Units in the Schemes held by related parties

As at the reporting date, details of the unit holdings in the Schemes by related parties are set out in the table below. The below related parties are wholly owned subsidiaries of Insignia Financial Ltd, the ultimate parent company:

- IOOF Investment Management Limited (the Trustee for IOOF Portfolio Service Superannuation Fund);
- NULIS Nominees (Australia) Limited (Trustee for MLC Super fund and the Trustee for MLC Superannuation Fund which is invested through the MLC Pooled Superannuation Trust);
- Oasis Fund Management Limited (the Trustee for Oasis Superannuation Master Trust);
- OnePath Custodians Pty Limited (the Trustee for Retirement Portfolio Service); and
- Other schemes operated by Antares Capital Partners Limited, IOOF Investment Services Limited, MLC Investments Limited, Navigator Australia Limited and OnePath Funds Management Limited.

Name of entity Name of related entity	Fair value of unit holdings		% Interest held		Distributions paid/payable		Number of units held	
	2023 \$	2022 \$	2023 %	2022 %	2023 \$	2022 \$	2023	2022
1. MLC MasterKey Unit Trust Income Portfolio								
MLC Pooled Superannuation Trust	-	517,212	-	0.85	-	4,623	-	448,188
2. MLC MasterKey Unit Trust Conservative Growth Portfolio								
Horizon 3 Conservative Growth Portfolio	1,155,670,357	1,198,611,507	93.92	95.89	5,972,340	48,346,394	1,129,649,041	1,181,270,584
MLC Pooled Superannuation Trust	-	2,227,364	-	0.18	-	96,599	-	2,195,136
3. MLC MasterKey Unit Trust Balanced Portfolio								
Horizon 4 Balanced Portfolio	1,568,326,531	1,679,678,878	83.90	86.68	32,985,848	110,108,755	1,056,705,754	1,117,419,537
MLC Pooled Superannuation Trust	1,790,935	15,444,460	0.10	0.80	38,514	1,078,763	1,206,695	10,274,544
4. MLC MasterKey Unit Trust Growth Portfolio								
G J Mulcahy and associates†	78,350	83,538	0.01	0.01	2,191	5,355	55,793	55,506
Horizon 5 Growth Portfolio	721,171,044	717,408,712	89.77	92.36	19,815,663	45,835,588	513,547,305	507,715,393
MLC Pooled Superannuation Trust	1,352	3,119,814	-	0.40	38	207,615	962	2,207,913
5. MLC MasterKey Unit Trust Share Portfolio								
Horizon 6 Share Portfolio	283,729,208	306,198,061	85.77	88.77	16,652,083	26,233,350	275,049,261	287,863,825
MLC Pooled Superannuation Trust	-	1,422,304	-	0.41	-	133,313	-	1,337,142
7. MLC MasterKey Unit Trust Property Securities Fund								
MLC Pooled Superannuation Trust	79,482	1,083,662	0.13	1.55	1,235	13,486	75,629	983,013
8. MLC MasterKey Unit Trust Australian Share Fund								
MLC Pooled Superannuation Trust	9,476	4,335,384	0.01	4.85	818	448,825	5,058	2,199,122
9. MLC MasterKey Unit Trust IncomeBuilder								
MLC Pooled Superannuation Trust	23,135	13,081,952	-	0.95	1,726	687,971	10,866	5,917,601
MLC Super Fund	721,303,618	734,021,221	54.36	53.57	35,568,578	37,885,993	338,790,361	332,033,384
Wholesale Income Builder	357,215,693	387,825,146	26.92	28.30	17,913,236	19,934,615	167,781,265	175,432,116
10. MLC MasterKey Unit Trust Share Index Fund								
MLC Pooled Superannuation Trust	464,044	2,452,590	0.47	2.28	-	273,586	252,364	1,232,537
11. MLC MasterKey Unit Trust Global Share Fund								
MLC Pooled Superannuation Trust	698,530	1,580,707	1.66	3.80	68	120	240,346	600,546
12. MLC MasterKey Unit Trust MLC - Platinum Global Fund								
G J Mulcahy and associates†	-	80,312	-	0.01	-	7,546	-	42,440
MLC Pooled Superannuation Trust	4,971,632	2,672,377	0.84	0.48	43,657	279,066	2,754,296	1,569,553
MLC Super Fund	236,546,102	227,839,330	40.11	41.19	12,740,304	21,538,507	131,047,111	133,815,643
13. MLC MasterKey Unit Trust Cash Fund								
G J Mulcahy and associates†	-	268	-	-	-	-	-	268
MLC Pooled Superannuation Trust	-	-	-	-	6	-	-	-

† Executive Director Garry John Mulcahy and associates.

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Notes to the Financial Statements
for the financial year ended 31 May 2023

8. 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 7.5 Related party investments held by the Schemes. The Schemes have not sponsored or provided support and have no intention of providing support, financial or otherwise to the unlisted managed investment schemes they hold.

9. Auditor's remuneration

During the year, the following Auditor's remuneration fees were paid or payable by the Responsible Entity for services provided by KPMG as the auditor of the Schemes:

	1. MLC MasterKey Unit Trust Income Portfolio		2. MLC MasterKey Unit Trust Conservative Growth Portfolio		3. MLC MasterKey Unit Trust Balanced Portfolio		4. MLC MasterKey Unit Trust Growth Portfolio	
	31 May 2023	31 May 2022	31 May 2023	31 May 2022	31 May 2023	31 May 2022	31 May 2023	31 May 2022
	\$	\$	\$	\$	\$	\$	\$	\$
KPMG								
- Audit Services								
Audit & Review of financial reports	7,662	14,057	7,662	14,057	7,662	14,057	7,662	14,057
- Other assurance services								
Other compliance & regulatory audit services	2,793	3,534	2,793	3,534	2,793	3,534	2,793	3,534
Total audit fees paid	10,455	17,591	10,455	17,591	10,455	17,591	10,455	17,591
	5. MLC MasterKey Unit Trust Share Portfolio		6. MLC MasterKey Unit Trust Accelerated Growth Portfolio		7. MLC MasterKey Unit Trust Property Securities Fund		8. MLC MasterKey Unit Trust Australian Share Fund	
	31 May 2023	31 May 2022	31 May 2023	31 May 2022	31 May 2023	31 May 2022	31 May 2023	31 May 2022
	\$	\$	\$	\$	\$	\$	\$	\$
KPMG								
- Audit Services								
Audit & Review of financial reports	7,662	14,057	7,662	14,057	7,662	14,057	7,662	14,057
- Other assurance services								
Other compliance & regulatory audit services	2,793	3,534	2,793	3,534	2,793	3,534	2,793	3,534
Total audit fees paid	10,455	17,591	10,455	17,591	10,455	17,591	10,455	17,591
	9. MLC MasterKey Unit Trust IncomeBuilder		10. MLC MasterKey Unit Trust Share Index Fund		11. MLC MasterKey Unit Trust Global Share Fund		12. MLC MasterKey Unit Trust MLC - Platinum Global Fund	
	31 May 2023	31 May 2022	31 May 2023	31 May 2022	31 May 2023	31 May 2022	31 May 2023	31 May 2022
	\$	\$	\$	\$	\$	\$	\$	\$
KPMG								
- Audit Services								
Audit & Review of financial reports	7,662	14,057	7,662	14,057	7,662	14,057	7,662	14,057
- Other assurance services								
Other compliance & regulatory audit services	2,793	3,534	2,793	3,534	2,793	3,534	2,793	3,534
Total audit fees paid	10,455	17,591	10,455	17,591	10,455	17,591	10,455	17,591

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for the financial year ended 31 May 2023

9. Auditor's remuneration

	13. MLC MasterKey Unit Trust Cash Fund	
	31 May 2023 \$	31 May 2022 \$
KPMG		
- Audit Services		
Audit & Review of financial reports	7,662	14,057
- Other assurance services		
Other compliance & regulatory audit services	2,793	3,534
Total audit fees paid	10,455	17,591

10. Commitments and contingencies

There were no commitments or contingencies for the Schemes as at the reporting date (31 May 2022: Nil).

11. Events subsequent to reporting date

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Schemes disclosed in the Statements of Financial Position as at 31 May 2023 or on the results of the Schemes for the financial year ended on that date.

**Financial Report
Directors' Declaration
for the financial year ended 31 May 2023**

MLC Investments Limited presents the Directors' Declaration in respect of the following Schemes:

1. MLC MasterKey Unit Trust Income Portfolio
2. MLC MasterKey Unit Trust Conservative Growth Portfolio
3. MLC MasterKey Unit Trust Balanced Portfolio
4. MLC MasterKey Unit Trust Growth Portfolio
5. MLC MasterKey Unit Trust Share Portfolio
6. MLC MasterKey Unit Trust Accelerated Growth Portfolio
7. MLC MasterKey Unit Trust Property Securities Fund
8. MLC MasterKey Unit Trust Australian Share Fund
9. MLC MasterKey Unit Trust IncomeBuilder
10. MLC MasterKey Unit Trust Share Index Fund
11. MLC MasterKey Unit Trust Global Share Fund
12. MLC MasterKey Unit Trust MLC - Platinum Global Fund
13. MLC MasterKey Unit Trust Cash Fund

In the opinion of the Directors:

1. The financial statements and notes to the financial statements of the Schemes, set out on pages 5 to 40 are in accordance with the *Corporations Act 2001*, including:
 - 1.1 giving a true and fair view of the Schemes' financial positions as at 31 May 2023 and their performance for the financial year ended on that date.
 - 1.2 complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. The financial statements and notes to the financial statements of the Schemes, set out on pages 5 to 40 comply with International Financial Reporting Standards.
3. There are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable.

This Declaration is made in accordance with a resolution of the Directors of MLC Investments Limited.



Kathryn Watt

Director

Melbourne

10 August 2023



Independent Auditor's Report

To the respective unitholders of the following Schemes:

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

For the purpose of this report, the terms 'Scheme' and 'Schemes' denote the individual and distinct entity for which the financial information is prepared and upon which our audit is performed. Each is to be read as a singular subject matter.

Opinion

We have audited the **Financial Report** of the Schemes.

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

- giving a true and fair view of the Schemes' financial position as at 31 May 2023 and of their financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statements of financial position as at 31 May 2023;
- Statements of comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.



Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in the Schemes' annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of MLC Investments Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of MLC Investments Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 opinions.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Joshua Pearse

Partner

Melbourne

10 August 2023