



## Things you should know

### MLC MasterKey Super & Pension Fundamentals As at 30 June 2021

Where did that year go? It feels like only yesterday that we sent out last year's statements. It's nice to take a moment to reflect on what we've all achieved in that time. Whether it's something big or small, be proud of what you've accomplished. Now that you've seen how your super has been tracking in your statement, we'd like to let you know about some of the things we've been up to over the past 12 months and some important changes to your product.

### Our new beginning with IOOF

**We're excited to now be a part of IOOF.**

On **31 May 2021**, National Australia Bank (NAB) sold MLC to wealth manager, IOOF Holdings Ltd (IOOF). IOOF has been helping Australians plan for and achieve their financial goals for over 170 years and has grown to become a leading provider of quality financial advice, investment, superannuation and trustee products and services.

While it's been a big change for us, for you things have stayed pretty much the same. You're still a part of the MLC Super Fund with NULIS Nominees (Australia) Limited as Trustee and there's been no change to your fees, product or services.

We've set up a dedicated website with all the information about our sale to IOOF. To find out more, visit [mlc.com.au/ownership](https://mlc.com.au/ownership)

### Buy/sell spread changes

Each individual fund manager reviews their fund's performance and makes appropriate changes from time to time.

When assets in an investment option are bought or sold, costs such as brokerage, stamp duty and settlement costs are incurred. Some or all of these costs may be recovered by a buy-sell spread. These can change from time to time, so we recommend you contact a financial adviser if you're thinking of selling or switching.

You can keep up to date with current buy-sell spreads at [mlc.com.au/buysellsreads](https://mlc.com.au/buysellsreads)

### Tobacco exclusion

We're committed to making responsible investment decisions for the benefit of our members. In line with our Responsible Investment Policy, we're looking at ways we can consider Environmental, Social and Governance (ESG) factors in investment decisions.

One environmental factor is tobacco production and manufacturing.

Our MLC investment options have had minimal exposure to tobacco companies in recent years. From October 2021, we will no longer allow investment managers to invest in companies with material exposure (over 5% of total revenue) to the production and manufacture of tobacco for these MLC options. There may, from time to time, be a small level of unintended exposure across some of the asset classes (such as unlisted assets, alternatives and Private Equity).

You can view the full list of impacted investment options at [mlc.com.au/tobaccoexclusion](https://mlc.com.au/tobaccoexclusion)

This exclusion won't change the fees or costs of the impacted investment options.

We'll continue to look at ways we can consider ESG factors with our investments in future.

## Changes to Strategic Asset Allocations and ranges

We've recently completed a review resulting in changes to the Strategic Asset Allocations (SAAs) and ranges for some of our MLC investment options. Every three to five years we review the SAA so it remains a relevant benchmark. As part of these reviews we consider new asset classes and strategies that are available, changes in the competitive landscape, and risk and return efficiency of the portfolios.

We believe these changes provide our members with better returns for the risk taken, and help position these investment options to deliver long-term competitive investment outcomes for members.

The new SAAs are shown in the table below. The allocations to each asset class were effective 1 December 2020.

Asset Class	MLC Horizon 2 Capital Stable (%)	MLC Horizon 3 Conservative Growth (%)	MLC Horizon 4 Balanced (%)	MLC Horizon 5 Growth (%)	MLC Horizon 6 Share (%)	MLC Horizon 7 Accelerated Growth (%)	MLC Index Plus Growth (%)	MLC Index Plus Balanced (%)	MLC Index Plus Conservative Growth (%)
Australian Shares	10	17	24	30	39	50	33	28	18
Global Shares	13	19	27	34	40	65	44	34	25
Listed Property Securities	1	3	4	4	2	–	4	4	3
Private Equity	2	4	6	6	7	8			
Growth Alternatives and other	3	5	9	10	10	5	4	4	4
Defensive Alternatives and other	10	8	4	2	2	2	2	2	2
Fixed Income	51	41	25	14	–	–	12	25	41
Cash	10	3	1	–	–	–	1	3	7
Gearing						(30)			
Growth assets	29	47	67	82	96	127	84	69	49
Defensive assets	71	53	33	18	4	3	16	31	51
Growth asset range	20–40	40–60	60–80	75–95	90–100	120–135	75–95	60–80	40–60
Defensive asset range	60–80	40–60	20–40	5–25	0–10	0–10	5–25	20–40	40–60

The total defensive and growth mix was effective 1 June 2021, as explained in the *Reclassification of growth assets* section.

## Reclassification of growth assets

We've adjusted how we classify growth alternatives within the growth and defensive mix of the MLC multi-asset portfolios. Growth alternatives are now considered 75% growth and 25% defensive assets while they were previously grouped as 100% growth assets. Reclassifying this asset class as partly defensive is consistent with the direction being taken by the industry and the desire to achieve more standardised treatment of asset classes.

Growth assets were reclassified as 75% growth and 25% defensive, effective **1 June 2021**.

## Standard Risk Measure update for some investment options

We use the Standard Risk Measure (SRM) to help you compare investment risk across the investment options offered. The SRM is based on industry guidance and is an estimate of the number of negative annual returns an investment option may experience over any 20-year period. It's not a complete guide, but it can help you compare the investment risk of different investment options.

The SRM for various investment options have changed, which we've tabled below. We've also listed the definition of each SRM to help you understand these changes. For more information, see the Product Disclosure Statement and the Investment Menu.

These changes were effective **1 December 2020**

Investment menu Effective 1 December 2020	Previous SRM	Updated SRM	Risk band	Risk label	Estimated number of negative annual returns in any 20 year period
MLC Inflation Plus – Conservative Portfolio	Medium	Low to Medium	1	Very low	Less than 0.5
MLC Horizon 2 Capital Stable Portfolio	Medium	Low to Medium	2	Low	0.5 to less than 1
MLC Horizon 3 Conservative Growth Portfolio	Medium to high	Medium	3	Low to medium	1 to less than 2
MLC Horizon 4 Balanced Portfolio	High	Medium to high	4	Medium	2 to less than 3
Macquarie Income Opportunities Fund	Low to Medium	Medium	5	Medium to high	3 to less than 4
			6	High	4 to less than 6
			7	Very high	6 or greater

## Keeping up with communications

We want to take away the complexity and make it as simple as possible for you to get active with your super. Whether it's communicating better by email, personal opportunities to hear about your fund or further improving our online support, we're committed to making it easy for you to get involved.

Read about some of the ways you can stay up to date with your super here.



### Have you downloaded the MLC app?

We're always looking for ways to give you more information at your fingertips – making it easier for you to know what's happening.

The MLC app gives you just that – keeping you up to date with your MasterKey accounts whenever you want.

Download it from Google Play or the App store today.



### The value of financial advice

Nothing beats specialist financial advice to make sure all aspects of your personal financial situation are considered before making decisions about your super and investments. Your financial adviser can review your investment strategy to make sure it still suits your investment objectives as well as help you understand any tax or other implications. After all, nobody wants to deal with an unexpected financial problem as a result of not being informed.

Don't have a financial adviser? Give us a call and we can put you in touch with one.

We also recommend you review your *Product Disclosure Statement* before making any changes on your account.



### Financial Wellness Hub

Access educational and interactive content. View a webinar, listen to a podcast, or join one of our panel discussion events. You can also schedule a phone conversation with our Super Consultants at a time that suits you.

To learn more go to [mlc.com.au/financial-wellness-series](https://mlc.com.au/financial-wellness-series)



### SuperSizer

Take our 2-minute super check and compare your super savings with other Aussies today.

With a few simple details such as your age, working status and income, you'll be able to compare your super savings with the average of 'people like you'.

Go to [mlc.com.au/supersizer](https://mlc.com.au/supersizer)

### Important information

This is intended to provide general information only and has been prepared by NULIS Nominees (Australia) Limited ABN 80 008 515 633 (AFSL 236465) (NULIS) without taking into account your objectives, financial situation or needs. NULIS is part of IOOF Holdings Ltd ABN 49 100 103 722 and its related bodies corporate (IOOF Group). Subject to super law, the final authority on any issue relating to your account is the Fund's Trust Deed, and the relevant insurance policy, which govern your rights and obligations as a member. You should, before acting on this information, consider the appropriateness of this information having regard to your personal objectives, financial situation or needs. We recommend you obtain financial advice specific to your situation before making any financial investment or insurance decision.