

Product Disclosure Statement

MLC MasterKey Unit Trust



The purpose of this Product Disclosure Statement is to give you the information you need when investing in this product.

For more information please contact us, your financial adviser, or go to the online copy of this document on mlc.com.au/pds/mkut

References to mlc.com.au in the online copy link directly to the additional information available.

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MLC. It all adds up

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Before you do any investing, we want you to know about both the benefits and potential risks involved.

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When we introduced the multi-manager approach to investing in 1985, we transformed the way Australians invest.

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This will give you an understanding of what fees and costs you'll pay.

If you're investing through MLC MasterKey Investment Service or any other Investor Directed Portfolio Service, you'll need to read your corresponding Financial Services Guide.

MLC. It all adds up

At MLC we do things differently because we have your interests at heart.

As Australia's first and leading multi-manager, our investment solutions have been looking after investors for over 20 years.

We design solutions based on the fundamental need of our investors; to grow and protect wealth for the long term.

And we believe the best way to build wealth is to invest in businesses by owning shares or by lending money to them.

Choosing good businesses to invest in is a specialist skill.

That's why we bring together some of the best investment managers in the world who can select the best businesses to invest in.

We combine these managers and implement strategies in our portfolios so your investments are well diversified.

Our global expertise, combined with our local knowledge of tax and investment conditions, means our portfolios are sensitive to the needs of the Australian investor.

We also appreciate investors have different needs, so we provide you with a selection of investment options.

It all adds up at MLC.

The MLC group of companies looks after more than \$88 billion (at 31 December 2009) on behalf of individual and corporate investors in Australia and is the wealth management division of the National Australia Bank (NAB).

About the MLC MasterKey Unit Trust

**At MLC we
recognise your
investment goals
are individual.**

Whether investing for the long or short term, the MLC MasterKey Unit Trust helps bring your goals to life.

Whatever your needs, our extensive range of investments means you can build the portfolio you want.

Looking out for your interests

In this document we outline how we manage your money, the risks of investing and the fees you'll be paying.

This will help you decide whether the investment you're considering is right for you.

If you need any further details, please contact your financial adviser or call us.

Who can invest

If you want to start an investment in the MLC MasterKey Unit Trust you can do so through the MLC MasterKey Investment Service.

If you already have an investment in the MLC MasterKey Unit Trust you can add or change your investments, however some restrictions may apply.

Things to consider before you invest

Before you do any investing, we want you to know about both the benefits and potential risks involved.

Even the simplest of investments come with a level of risk.

While the idea of investment risk can be confronting, it is a normal part of investing. Without it you may not get the returns you need to reach your financial goals.

This is known as the risk/return trade-off.

The value of an investment with a higher level of risk will tend to rise and fall more often and by greater amounts.

In other words it will be more volatile than those with less risk.

Many factors influence an investment's value. These include, but are not limited to:

- market sentiment
- growth and contraction in the Australian and overseas economies
- legislative changes
- changes in interest rates
- defaults on loans
- company specific issues
- liquidity (the ability to buy or sell investments when you want)
- changes in the value of the Australian dollar.

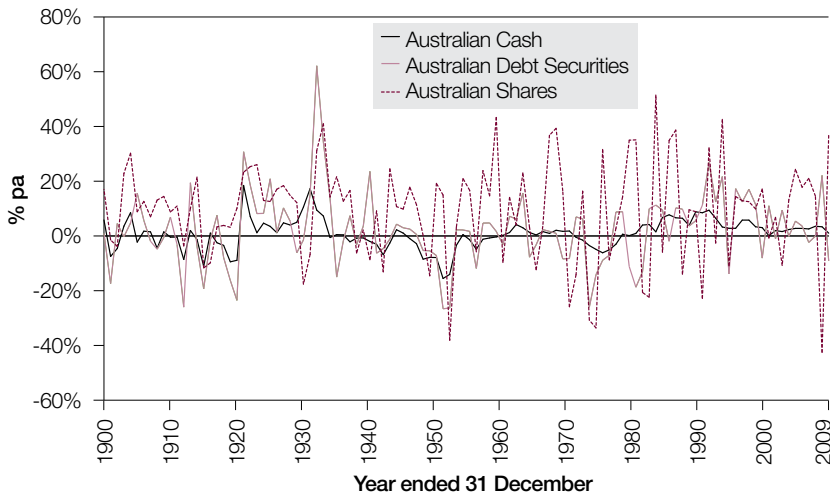
The investment options are Registered Managed Investment Schemes governed by their respective constitutions. The investment options may access investment managers via other funds operated by MLC and through other managers' pooled investments. The investment options may also hold direct assets.

None of the NAB companies nor any other party, guarantees the capital value, payment of income or performance of the investment options. Your investment doesn't represent a deposit with or a liability of any NAB companies.

As demonstrated in the graphs below, investments can increase and decrease significantly in the short term.

Investments that are volatile in the short term ...

Returns above inflation over one year periods (1900–2009)



By understanding volatility will occur, you'll be able to manage your expectations and resist reacting to these short-term movements.

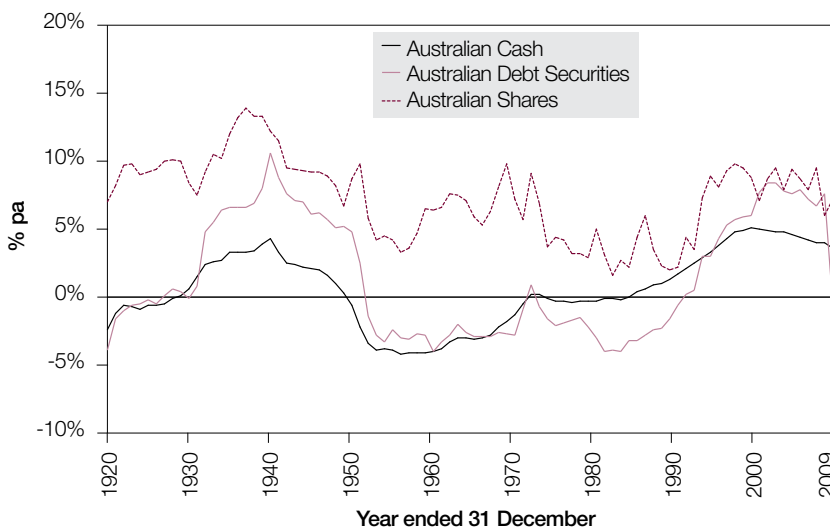
This will help you stay true to your investment strategy, and keep on track to achieve your long-term goals.

Source: Calculated by MLC using data presented in DMS Data Module offered through the Morningstar software program EnCorr. Based on copyrighted books by Dimson, Marsh, and Staunton, *Triumph of the Optimists*, Princeton University Press, (c) 2002, and *Global Investment Returns Yearbook 2003*, ABN AMRO/London Business School (c) 2003. All rights reserved. Used with permission.

However investments that are volatile in the short term may increase in value over the long term in line with your financial goals.

... have produced higher returns over most long periods

Returns above inflation over 20 year periods (1920–2009)



Things to consider before you invest

Diversify to reduce volatility and other risks

Diversification is a sound way to reduce short-term volatility. It also helps you manage the risk of not being able to buy or sell assets when you want to.

The more you diversify the less impact any one investment can have on your portfolio.

One of the most effective ways of reducing volatility is to diversify across a range of asset classes.

Asset classes are groups of similar types of investments.

Each class has its risks and benefits, and goes through its own market cycle. A market cycle can take a couple of years or many years; it's different each time.

So you need to be prepared for all sorts of return outcomes when investing.

A financial adviser can develop a financial plan to help you manage risk and consider issues such as:

- how many years you have to invest
- the savings you will need to reach your goals
- the return you may expect from your investments, and
- how comfortable you are with volatility.

The main asset class risks and benefits are:

Debt securities

When investing in debt securities, you are effectively lending money to businesses or governments.

Returns typically comprise interest and changes in the market value of the security.

Things to consider:

- There are different types of debt securities and these will have different returns and volatility. Cash is usually the least volatile type of debt.
- Debt securities denominated in foreign currencies will be exposed to exchange rate variances.
- The market value of a debt security may fall due to factors such as an increase to interest rates or concern about defaults on loans. This may result in a loss on your investment.
- Debt securities are usually included in a portfolio for their defensive characteristics.

Diversification across asset classes is just one way of managing risk. At MLC, we diversify within asset classes and across asset classes and investment managers. Please read more about our investment approach on page 9.

Property securities

Investing in property securities will give your portfolio exposure to listed property securities in Australia and around the world. These are referred to as Real Estate Investment Trusts (REITs).

Things to consider:

- Returns are driven by many factors including the economic environment in various countries.
- Australian property securities are dominated by only a few REITs and provide limited diversification.
- Investing outside Australia means you are exposed to exchange rate variances.
- Property securities may be volatile and are usually included in a portfolio for their income and growth characteristics.

Australian shares

This asset class consists of investments in companies listed on the Australian Securities Exchange.

Things to consider:

- The Australian share market has historically been dominated by a few industries such as Materials, Financials and REITs.
- Australian shares can be volatile and are usually included in a portfolio for their growth characteristics.
- Australian shares may provide tax advantages through dividend imputation (franking) credits.

Global shares

Global shares consist of investments in companies listed on securities exchanges around the world.

Things to consider:

- The number of potential investments is far greater than in Australian shares.
- Returns are driven by many factors including the economic environment in various countries.
- When you invest globally, you are less exposed to the risks associated with investing in just one economy.
- Investing outside Australia means you are exposed to exchange rate variances.
- Global shares can be volatile and are usually included in a portfolio for their growth characteristics.

Private assets

These are investments in assets that are not traded on listed exchanges. An example of this is an investment in a privately owned business.

Things to consider:

- Private assets are illiquid which makes them difficult to buy or sell.
- To access private assets you generally need to do so via a managed fund.
- Because private assets are not listed on an exchange, determining their value is difficult and may involve a considerable time lag. This means you need to be careful in interpreting the unit price of any fund with a substantial holding in private assets.
- Returns are driven by many factors including the economic environment in various countries.
- You may be exposed to exchange rate variances.
- Private assets can be volatile and are usually included in a portfolio for their growth characteristics.

Things to consider before you invest

Investment techniques

Investment managers, including MLC, use different investment techniques which can change the value of an investment. Investment techniques used in all the investment options include:

Buying long

Buying long, or taking a long position, is when an investment manager invests in assets that it expects will grow in value. Sometimes the value decreases and/or does not increase for a long time.

Derivatives

Derivatives are a common tool used to enhance returns or manage risk.

They are contracts that have a value derived from an external reference (for example, the level of a share price index).

There are many types of derivatives and they can be an invaluable tool for an investment manager.

However, they can incur significant losses.

MLC's Derivative Risk Statement, which outlines how we manage derivatives, is available on mlc.com.au

And there are additional investment techniques used in some investment options. Where these techniques are used extensively, we've made a note of it from pages 12 to 26 (under the relevant investment options).

These include:

Currency management

If an investment manager invests in assets in other countries, the value will be affected by the exchange rate.

Returns from global investments reflect movements in currency exchange rates (gains and losses), as well as movements in the value of the underlying securities.

Where desired, this can largely be managed through hedging the currency exposure back to Australian dollars.

Gearing

Gearing an investment through borrowing, leverage or by using derivatives, can magnify returns.

However it can also magnify losses. In extreme market conditions, asset values can fall dramatically in a short period of time and the value of a geared investment may even fall to zero.

Short selling

Short selling is used by an investment manager when it has a view that an asset's price will fall. The manager borrows the asset and sells it with the intention of buying it back at a lower price. If all goes to plan, a profit is made. However, if the price of the asset increases, then the loss could be significant.

Ethical investing

Investment managers may take into account labour standards, environmental, social or ethical considerations when making decisions to buy or sell investments.

At MLC, we expect our investment managers to consider any material impact these factors may have on the returns from their investments, however we do not impose any restrictions on our investment managers in this regard.

Want to know more?

We've developed a lot of information on how we can help you grow and protect your wealth.

Just talk to your financial adviser or visit mlc.com.au

The MLC approach to investing

When we introduced the multi-manager approach to investing in 1985, we transformed the way Australians invest.

And, more than 20 years later, we're still the preferred multi-manager for Australians.

This is because we design investment solutions which help investors achieve their goals, and also help manage risk.

To do this we apply our five principles of investing, in our multi-manager portfolios:

1. The best way to grow wealth is to use excellent investment managers to find the best investments

We use investment managers who have a competitive edge, can clearly articulate their investment beliefs and have the resources to build excellent portfolios.

We also ask our managers to build portfolios that reflect their best ideas. This allows them to be the best they can be.

Visit mlc.com.au for details of our current investment managers.

2. Extensive research is the only reliable way to identify excellent investment managers and build robust strategies

Brand and past returns are not reliable ways of identifying managers who will provide strong returns in the future.

That's why we research hundreds of investment managers from around the world.

3. A long-term approach should be used to achieve long-term financial goals

We know reacting to short-term market movements is usually wealth destroying.

That's why we're disciplined in applying a long-term view when we make decisions.

4. Sensible diversification reduces risk

Our portfolios are diversified in three important ways:

- **Across asset classes.** Each asset class performs differently in different circumstances. By investing in a mix of asset classes, the effect of the ups and downs of each asset class's return is smoothed for the overall portfolio.
- **Within asset classes.** We invest across a broad range of countries, currencies, industries and companies.
- **Across investment managers.** By combining managers with different investment approaches we can generate more consistent returns than a single manager approach.

5. Efficient implementation reduces costs and taxes

We carefully manage cash flows and strategy changes within our portfolios to avoid unnecessary tax and costs.

Our multi-manager approach aims to grow your wealth for a given level of volatility.

When markets are weak and returns are negative, we aim to do better than comparable funds.

When markets are very strong we keep focussed on meeting your long-term goals, rather than chasing risky returns. This may temporarily result in a lower return than comparable funds that do.

By reducing the extent of the ups and downs, returns are smoother.

Investing through MLC

**Through MLC,
you can select a
solution that suits
the way you want
to invest.**

With so many funds to choose from it should be a simple process of selecting a fund that works for you.

But where do you start?

Our multi-manager portfolios make sophisticated investing simple.

We are experts in putting together portfolios for people.

We have the experience and resources to find the best investment managers from around the world.

And, as world markets change, we manage and evolve our portfolios.

We actively research markets and seek new opportunities to increase returns or reduce risk.

This ensures we stay true to the objectives of our portfolios, so you can keep on track to meeting your goals.

Choosing your portfolio

At MLC we understand you have unique goals and circumstances, so we bring you a range of investment solutions that can help you meet your long-term goals.

Through our portfolios, you can choose a complete solution to match your investment needs.

These portfolios make the most of our multi-manager approach, which aims to grow your wealth for a given level of volatility.

Customising your portfolio

We recognise some investors want a more active role in selecting and combining their investment options.

So we offer you access to a comprehensive range of investment options.

Choosing your portfolio

Our portfolios offer a simple and reliable way to implement your financial plan.

MLC Horizon Series

We recognise every investor has a different investment time-frame, return expectation and tolerance for volatility.

Our portfolios are designed so you can use them as a total investment solution.

Each portfolio uses MLC's multi-manager investment approach.

This means you can be sure your investment's risk is managed with the right levels of diversification across asset classes and investment managers.

Investment objective

Each portfolio aims to grow your wealth for an expected level of volatility.


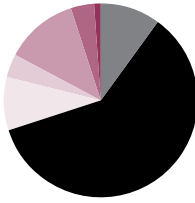
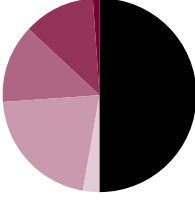
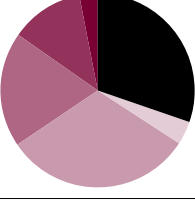
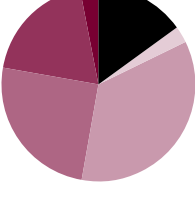
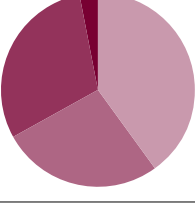
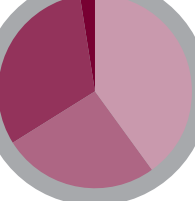
About the investment options

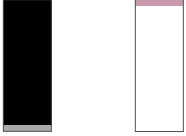
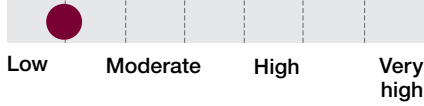
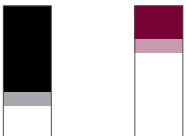
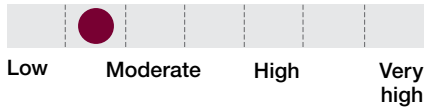
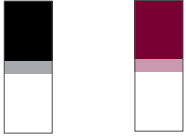
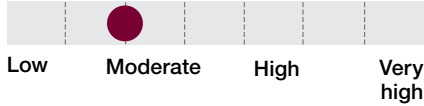

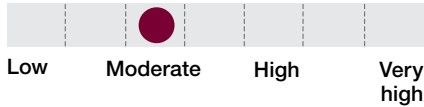

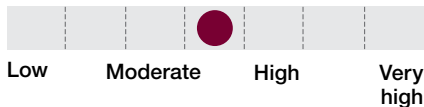

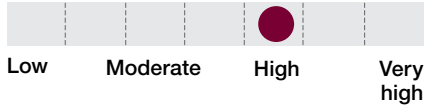

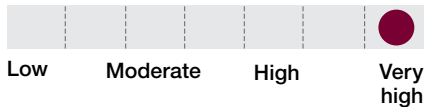
The portfolios are diversified within asset classes, across asset classes and across investment managers who invest in many companies and securities around the world. The main asset classes are described on pages 6 and 7.

Designing a complete portfolio solution involves much more than simply combining a number of asset classes. Every aspect of our portfolios is important; from the securities we include and the way in which we mandate investment managers, to the asset classes we use. This is not a set and forget approach; the portfolios are continuously kept balanced using efficient processes. And the portfolios evolve through time as we research new opportunities to increase returns or reduce risk.

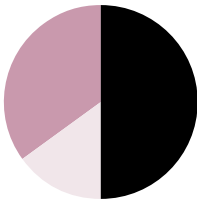
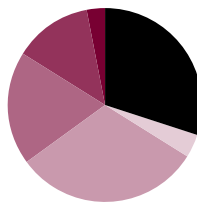
We are focussed on growing your wealth for an expected level of volatility. We won't chase risky returns when markets are very strong, which may temporarily result in a lower return than comparable funds that do. At other times, and particularly when markets are weak, we expect each portfolio to have higher returns than comparable funds.

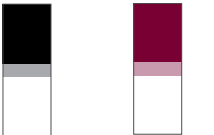
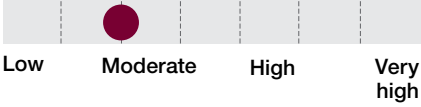
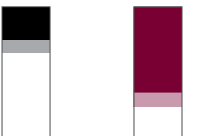
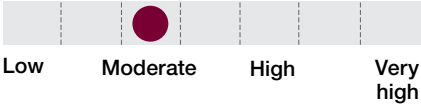
MLC Horizon Series

| | The investment option may be suited to you if ... | Target allocation of \$1,000 (at 31 December 2009) | | | | | | | | | | | | | | |
|--|--|--|-------------------|-------|-------------------------------------|-------|--------------------------------|-------|-------------------------------------|-------|-----------------------------------|--------|--------------------------|------|------------------------|------|
| MLC Horizon 1 – Bond Portfolio ARSN 112 925 274 (Only available through MLC MasterKey Investment Service) | <ul style="list-style-type: none"> • you want to invest almost entirely in defensive assets • you give priority to preserving your capital |  <table> <tr> <td>Cash</td> <td>\$300</td> </tr> <tr> <td>Debt securities</td> <td>\$700</td> </tr> </table> | Cash | \$300 | Debt securities | \$700 | | | | | | | | | | |
| Cash | \$300 | | | | | | | | | | | | | | | |
| Debt securities | \$700 | | | | | | | | | | | | | | | |
| MLC Horizon 2 – Income Portfolio ARSN 087 940 592 | <ul style="list-style-type: none"> • you want to receive a regular income stream with some tax advantages • you want to invest with a bias towards defensive assets, with some exposure to growth assets • preserving your capital is an important but not overriding concern |  <table> <tr> <td>Cash</td> <td>\$100</td> </tr> <tr> <td>Debt securities</td> <td>\$600</td> </tr> <tr> <td>Australian property securities</td> <td>\$90</td> </tr> <tr> <td>Global property securities (hedged)</td> <td>\$40</td> </tr> <tr> <td>Australian shares – IncomeBuilder</td> <td>\$120</td> </tr> <tr> <td>Global shares (unhedged)</td> <td>\$40</td> </tr> <tr> <td>Global shares (hedged)</td> <td>\$10</td> </tr> </table> | Cash | \$100 | Debt securities | \$600 | Australian property securities | \$90 | Global property securities (hedged) | \$40 | Australian shares – IncomeBuilder | \$120 | Global shares (unhedged) | \$40 | Global shares (hedged) | \$10 |
| Cash | \$100 | | | | | | | | | | | | | | | |
| Debt securities | \$600 | | | | | | | | | | | | | | | |
| Australian property securities | \$90 | | | | | | | | | | | | | | | |
| Global property securities (hedged) | \$40 | | | | | | | | | | | | | | | |
| Australian shares – IncomeBuilder | \$120 | | | | | | | | | | | | | | | |
| Global shares (unhedged) | \$40 | | | | | | | | | | | | | | | |
| Global shares (hedged) | \$10 | | | | | | | | | | | | | | | |
| MLC Horizon 3 – Conservative Growth Portfolio ARSN 097 221 077 | <ul style="list-style-type: none"> • you want to invest in an approximately equal mix of defensive and growth assets • you want a portfolio with some long-term capital growth potential and can tolerate moderate to low volatility |  <table> <tr> <td>Debt securities</td> <td>\$500</td> </tr> <tr> <td>Global property securities (hedged)</td> <td>\$30</td> </tr> <tr> <td>Australian shares</td> <td>\$210</td> </tr> <tr> <td>Global shares (unhedged)</td> <td>\$130</td> </tr> <tr> <td>Global shares (hedged)</td> <td>\$120</td> </tr> <tr> <td>Other</td> <td>\$10</td> </tr> </table> | Debt securities | \$500 | Global property securities (hedged) | \$30 | Australian shares | \$210 | Global shares (unhedged) | \$130 | Global shares (hedged) | \$120 | Other | \$10 | | |
| Debt securities | \$500 | | | | | | | | | | | | | | | |
| Global property securities (hedged) | \$30 | | | | | | | | | | | | | | | |
| Australian shares | \$210 | | | | | | | | | | | | | | | |
| Global shares (unhedged) | \$130 | | | | | | | | | | | | | | | |
| Global shares (hedged) | \$120 | | | | | | | | | | | | | | | |
| Other | \$10 | | | | | | | | | | | | | | | |
| MLC Horizon 4 – Balanced Portfolio ARSN 087 944 625 | <ul style="list-style-type: none"> • you want to invest with a bias towards growth assets • you want a portfolio with a bias towards long-term capital growth potential and can tolerate moderate volatility |  <table> <tr> <td>Debt securities</td> <td>\$300</td> </tr> <tr> <td>Global property securities (hedged)</td> <td>\$40</td> </tr> <tr> <td>Australian shares</td> <td>\$310</td> </tr> <tr> <td>Global shares (unhedged)</td> <td>\$190</td> </tr> <tr> <td>Global shares (hedged)</td> <td>\$130</td> </tr> <tr> <td>Other</td> <td>\$30</td> </tr> </table> | Debt securities | \$300 | Global property securities (hedged) | \$40 | Australian shares | \$310 | Global shares (unhedged) | \$190 | Global shares (hedged) | \$130 | Other | \$30 | | |
| Debt securities | \$300 | | | | | | | | | | | | | | | |
| Global property securities (hedged) | \$40 | | | | | | | | | | | | | | | |
| Australian shares | \$310 | | | | | | | | | | | | | | | |
| Global shares (unhedged) | \$190 | | | | | | | | | | | | | | | |
| Global shares (hedged) | \$130 | | | | | | | | | | | | | | | |
| Other | \$30 | | | | | | | | | | | | | | | |
| MLC Horizon 5 – Growth Portfolio ARSN 087 944 438 | <ul style="list-style-type: none"> • you want to invest with a strong bias to growth assets • you want a portfolio with a strong bias towards long-term capital growth potential and can tolerate moderate to high volatility |  <table> <tr> <td>Debt securities</td> <td>\$150</td> </tr> <tr> <td>Global property securities (hedged)</td> <td>\$30</td> </tr> <tr> <td>Australian shares</td> <td>\$350</td> </tr> <tr> <td>Global shares (unhedged)</td> <td>\$250</td> </tr> <tr> <td>Global shares (hedged)</td> <td>\$190</td> </tr> <tr> <td>Other</td> <td>\$30</td> </tr> </table> | Debt securities | \$150 | Global property securities (hedged) | \$30 | Australian shares | \$350 | Global shares (unhedged) | \$250 | Global shares (hedged) | \$190 | Other | \$30 | | |
| Debt securities | \$150 | | | | | | | | | | | | | | | |
| Global property securities (hedged) | \$30 | | | | | | | | | | | | | | | |
| Australian shares | \$350 | | | | | | | | | | | | | | | |
| Global shares (unhedged) | \$250 | | | | | | | | | | | | | | | |
| Global shares (hedged) | \$190 | | | | | | | | | | | | | | | |
| Other | \$30 | | | | | | | | | | | | | | | |
| MLC Horizon 6 – Share Portfolio ARSN 097 220 945 | <ul style="list-style-type: none"> • you want to invest in growth assets • you want a portfolio focussed on long-term capital growth potential and can tolerate high volatility |  <table> <tr> <td>Australian shares</td> <td>\$400</td> </tr> <tr> <td>Global shares (unhedged)</td> <td>\$270</td> </tr> <tr> <td>Global shares (hedged)</td> <td>\$300</td> </tr> <tr> <td>Other</td> <td>\$30</td> </tr> </table> | Australian shares | \$400 | Global shares (unhedged) | \$270 | Global shares (hedged) | \$300 | Other | \$30 | | | | | | |
| Australian shares | \$400 | | | | | | | | | | | | | | | |
| Global shares (unhedged) | \$270 | | | | | | | | | | | | | | | |
| Global shares (hedged) | \$300 | | | | | | | | | | | | | | | |
| Other | \$30 | | | | | | | | | | | | | | | |
| MLC Horizon 7 – Accelerated Growth Portfolio ARSN 102 215 725 | <ul style="list-style-type: none"> • you want a portfolio focussed on long-term capital growth • you want a portfolio that generally borrows to invest in growth assets • you are comfortable with the extra volatility associated with gearing |  <table> <tr> <td>Australian shares</td> <td>\$520</td> </tr> <tr> <td>Global shares (unhedged)</td> <td>\$340</td> </tr> <tr> <td>Global shares (hedged)</td> <td>\$410</td> </tr> <tr> <td>Other</td> <td>\$30</td> </tr> <tr> <td>Borrowing</td> <td>-\$300</td> </tr> </table> | Australian shares | \$520 | Global shares (unhedged) | \$340 | Global shares (hedged) | \$410 | Other | \$30 | Borrowing | -\$300 | | | | |
| Australian shares | \$520 | | | | | | | | | | | | | | | |
| Global shares (unhedged) | \$340 | | | | | | | | | | | | | | | |
| Global shares (hedged) | \$410 | | | | | | | | | | | | | | | |
| Other | \$30 | | | | | | | | | | | | | | | |
| Borrowing | -\$300 | | | | | | | | | | | | | | | |

| We may adjust the target allocation within these ranges | Expected volatility | Fees and costs <i>(You can find more information on fees and costs on pages 30 to 34)</i> | Income distribution |
|---|---|---|--|
| Defensive 95–100%  |  | Management cost 1.74% pa Contribution fee Up to 5% Transaction cost allowance Buying units Nil Selling units Nil | Generally calculated on the last Sunday of August, November, February and May and paid within 14 days. |
| Defensive 65–75% Growth 25–35%  |  | Management cost 1.76% pa Contribution fee Up to 3% Transaction cost allowance Buying units 0.05% Selling units 0.05% | Generally calculated on the last Sunday of August, November, February and May and paid within 14 days. |
| Defensive 45–55% Growth 45–55%  |  | Management cost 1.86% pa Contribution fee Up to 5% Transaction cost allowance Buying units 0.05% Selling units 0.05% | Generally calculated on the last Sunday of August, November, February and May and paid within 14 days. |
| Defensive 25–35% Growth 65–75%  |  | Management cost 1.89% pa Contribution fee Up to 5% Transaction cost allowance Buying units 0.10% Selling units 0.10% | Generally calculated on the last Sunday of August, November, February and May and paid within 14 days. |
| Defensive 10–20% Growth 80–90%  |  | Management cost 1.92% pa Contribution fee Up to 5% Transaction cost allowance Buying units 0.10% Selling units 0.10% | Generally calculated on the last Sunday of August, November, February and May and paid within 14 days. |
| Defensive 0–10% Growth 90–100%  |  | Management cost 1.95% pa Contribution fee Up to 5% Transaction cost allowance Buying units 0.15% Selling units 0.15% | Generally calculated on the last Sunday of May and paid within 14 days. |
| Growth 100–135%  |  | Management cost 2.14% pa Contribution fee Up to 5% Transaction cost allowance Buying units 0.20% Selling units 0.20% | Generally calculated on the last Sunday of May and paid within 14 days. |

National diversified portfolios

| | About the investment option | Target allocation of \$1,000 (at 31 December 2009) | | | | | | | | | | | | |
|---|--|---|-----------------|-------|-------------------------------------|-------|---|-------|--------------------------|-------|------------------------|-------|-------|------|
| <p>National Australia Monthly Income Fund ARSN 093 198 684</p> <p>(Only for existing investors in the National investment options)</p> | <p>Investment objective Aims to provide regular monthly income and the potential for some growth over the medium to long term.</p> <p>The investment option may be suited to you if ...</p> <ul style="list-style-type: none"> • you want to invest in an approximately equal mix of defensive and growth assets • you want a portfolio with some long-term capital growth potential and can tolerate moderate to low volatility |  <table> <tr> <td>Debt securities</td> <td>\$500</td> </tr> <tr> <td>Australian property securities</td> <td>\$150</td> </tr> <tr> <td>Australian shares – Dividend Imputation</td> <td>\$350</td> </tr> </table> | Debt securities | \$500 | Australian property securities | \$150 | Australian shares – Dividend Imputation | \$350 | | | | | | |
| Debt securities | \$500 | | | | | | | | | | | | | |
| Australian property securities | \$150 | | | | | | | | | | | | | |
| Australian shares – Dividend Imputation | \$350 | | | | | | | | | | | | | |
| <p>National Australia Balanced Fund ARSN 093 198 817</p> <p>(Only for existing investors in the National investment options)</p> | <p>Investment objective Aims to grow your wealth for a moderate level of expected volatility.</p> <p>The investment option may be suited to you if ...</p> <ul style="list-style-type: none"> • you want to invest with a bias towards growth assets • you want a portfolio with a bias towards long-term capital growth potential and can tolerate moderate volatility |  <table> <tr> <td>Debt securities</td> <td>\$300</td> </tr> <tr> <td>Global property securities (hedged)</td> <td>\$40</td> </tr> <tr> <td>Australian shares</td> <td>\$310</td> </tr> <tr> <td>Global shares (unhedged)</td> <td>\$190</td> </tr> <tr> <td>Global shares (hedged)</td> <td>\$130</td> </tr> <tr> <td>Other</td> <td>\$30</td> </tr> </table> | Debt securities | \$300 | Global property securities (hedged) | \$40 | Australian shares | \$310 | Global shares (unhedged) | \$190 | Global shares (hedged) | \$130 | Other | \$30 |
| Debt securities | \$300 | | | | | | | | | | | | | |
| Global property securities (hedged) | \$40 | | | | | | | | | | | | | |
| Australian shares | \$310 | | | | | | | | | | | | | |
| Global shares (unhedged) | \$190 | | | | | | | | | | | | | |
| Global shares (hedged) | \$130 | | | | | | | | | | | | | |
| Other | \$30 | | | | | | | | | | | | | |

| We may adjust the target allocation within these ranges | Expected volatility | Fees and costs (You can find more information on fees and costs on pages 30 to 34) | Income distribution |
|---|---|--|---|
| <p>Defensive 45–55% Growth 45–55%</p>  |  <p>Low Moderate High Very high</p> | <p>Management cost – Entry fee option</p> <p>Management fee 1.33% pa Recoverable expenses Up to 0.30% pa Total Up to 1.63% pa</p> <p>Management cost – Nil entry fee option</p> <p>Management fee 1.69% pa Recoverable expenses Up to 0.30% pa Total Up to 1.99% pa</p> <p>Contribution fee</p> <p>Entry fee option Up to 1.75% Nil entry fee option N/A</p> <p>Transaction cost allowance</p> <p>Buying units 0.20% Selling units Nil</p> | <p>We'll calculate and distribute income within 14 days of the end of each month using the rate set at the beginning of each quarter. The rate is an estimate of the Fund's expected income.</p> <p>At the end of the financial year if we've paid you:</p> <ul style="list-style-type: none"> • less than your share of the Fund's actual income, we'll pay a 13th distribution as additional units. This distribution is based on the number of units you hold at 30 June, or • more than your share of the Fund's actual income, the difference will be reflected in your Annual Tax Statement as a return of capital. |
| <p>Defensive 25–35% Growth 65–75%</p>  |  <p>Low Moderate High Very high</p> | <p>Management cost – Entry fee option</p> <p>Management fee 1.33% pa Recoverable expenses Up to 0.65% pa Total Up to 1.98% pa</p> <p>Management cost – Nil entry fee option</p> <p>Management fee 1.90% pa Recoverable expenses Up to 0.65% pa Total Up to 2.55% pa</p> <p>Contribution fee</p> <p>Entry fee option Up to 4% Nil entry fee option N/A</p> <p>Transaction cost allowance</p> <p>Buying units 0.20% Selling units Nil</p> | <p>Generally calculated on the last day of September, December, March and June and paid within 14 days.</p> |

Customising your portfolio

For those who prefer to play a more active role in selecting and combining investment options

You may want to customise your portfolio.

We offer a range of investment options which help you customise your asset allocation.

Asset class funds

Our asset class funds are designed to be a complete asset class solution.

Specialist funds

We also offer specialist funds, designed to be used for part of an asset class.

And, while these funds invest in just one asset class, they benefit from the strength of MLC's research capability, experience and knowledge of investing.

Single manager funds

We also offer a selection of single manager funds.

If you are considering investing in only these investment options, you will need to be careful as your portfolio may not be adequately diversified.

MLC asset class funds

MLC Cash Fund

ARSN 087 940 467

Investment objective

The Fund is designed to be a complete portfolio for the cash asset class, and aims to deliver growth by using an investment manager who invests and diversifies across many companies and securities within that asset class.

About the investment option

The Fund invests in Australian government, bank and company issued securities with high credit quality and high levels of liquidity.

MLC guarantees the value of your investment in the MLC Cash Fund.

How you can access performance

You can assess the performance of the Fund against its Market Benchmark over a full market cycle. When making this assessment, be aware that the Market Benchmark does not take into account fees and taxes that may apply to your account.

Market Benchmark

UBS Australian Bank Bill Index

Fees and costs

Management cost 1.06% pa

Contribution fee Nil

Transaction cost allowance

Buying units Nil

Selling units Nil

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Income is generally calculated daily and is paid within 14 days of the last Sunday of August, November, February and May.

MLC asset class funds

Investment objective

Each fund is designed to be a complete portfolio for the respective asset class, and aims to deliver growth by using investment managers who invest and diversify across many companies and securities within that asset class.

How you can assess performance

You can assess the performance of each fund against its Market Benchmark over a full market cycle. When making this assessment, be aware that the Market Benchmark does not take into account fees and taxes that may apply to your account.

We won't chase risky returns when markets are very strong, which may temporarily result in a lower return than the Market Benchmark. At other times, and particularly when markets are weak, we expect to have a higher return than the Market Benchmark.

MLC Property Securities Fund ARSN 087 944 652

About the investment option

The Fund invests primarily in Australian property securities, including listed Real Estate Investment Trusts and companies across most major listed property sectors. It doesn't normally invest in direct property, but may have some exposure to property securities listed outside of Australia from time to time.

Foreign currency exposures will generally be substantially hedged to the Australian dollar.

Market Benchmark

S&P/ASX 300 A-REIT Accumulation Index

Fees and costs

| | |
|----------------------------|----------|
| Management cost | 1.63% pa |
| Contribution fee | Up to 5% |
| Transaction cost allowance | |
| Buying units | 0.25% |
| Selling units | 0.20% |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last Sunday of August, November, February and May and paid within 14 days.

MLC Australian Share Fund

ARSN 087 945 293

About the investment option

The Fund invests primarily in companies listed (or expected to be listed) on the Australian Securities Exchange, and is typically diversified across major listed industry groups. It may have a small exposure to companies listed outside of Australia from time to time.

Market Benchmark

S&P/ASX 300 Accumulation Index

Fees and costs

| | |
|----------------------------|----------|
| Management cost | 1.96% pa |
| Contribution fee | Up to 5% |
| Transaction cost allowance | |
| Buying units | 0.15% |
| Selling units | 0.15% |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last Sunday of August, November, February and May and paid within 14 days.

MLC Global Share Fund

ARSN 087 943 682

About the investment option

The Fund invests primarily in companies listed (or expected to be listed) on share markets anywhere around the world, and is typically diversified across major listed industry groups.

Foreign currency exposures will generally not be hedged to the Australian dollar.

Market Benchmark

MSCI All Country World Index

Fees and costs

| | |
|----------------------------|----------|
| Management cost | 2.10% pa |
| Contribution fee | Up to 5% |
| Transaction cost allowance | |
| Buying units | 0.10% |
| Selling units | 0.10% |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last Sunday of May and paid within 14 days.

MLC specialist funds

Investment objective

Each fund aims to deliver growth by using investment managers who invest and diversify across many companies and securities within the respective asset class.

How you can assess performance

You can assess the performance of each fund against its Market Benchmark over a full market cycle. When making this assessment, be aware that the Market Benchmark does not take into account fees and taxes that may apply to your account.

MLC Australian Share Growth Style Fund ARSN 106 465 418

About the investment option

The Fund invests primarily in companies listed (or expected to be listed) on the Australian Securities Exchange. It may have a small exposure to companies listed outside of Australia from time to time.

We primarily use investment managers who have an investment style focussing on companies that are expected to have strong earnings growth.

Market Benchmark

S&P/ASX 300 Accumulation Index

Fees and costs

| | |
|----------------------------|----------|
| Management cost | 1.98% pa |
| Contribution fee | Up to 5% |
| Transaction cost allowance | |
| Buying units | 0.20% |
| Selling units | 0.20% |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last Sunday of August, November, February and May and paid within 14 days.

MLC Australian Share Value Style Fund

ARSN 106 465 383

About the investment option

The Fund invests primarily in companies listed (or expected to be listed) on the Australian Securities Exchange. It may have a small exposure to companies listed outside of Australia from time to time.

We primarily use investment managers who have an investment style focussing on companies that they believe are undervalued in relation to their earning potential.

Market Benchmark

S&P/ASX 300 Accumulation Index

Fees and costs

| | |
|----------------------------|----------|
| Management cost | 1.98% pa |
| Contribution fee | Up to 5% |
| Transaction cost allowance | |
| Buying units | 0.15% |
| Selling units | 0.15% |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last Sunday of August, November, February and May and paid within 14 days.

MLC Global Share Growth Style Fund

ARSN 106 465 356

About the investment option

The Fund invests primarily in companies listed (or expected to be listed) on share markets anywhere around the world.

Foreign currency exposures will generally not be hedged to the Australian dollar.

We primarily use investment managers who have an investment style focussing on companies that are expected to have strong earnings growth.

Market Benchmark

MSCI All Country World Index

Fees and costs

| | |
|----------------------------|----------|
| Management cost | 2.12% pa |
| Contribution fee | Up to 5% |
| Transaction cost allowance | |
| Buying units | 0.15% |
| Selling units | 0.10% |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last Sunday of May and paid within 14 days.

Investment objective

Each fund aims to deliver growth by using investment managers who invest and diversify across many companies and securities within the respective asset class.

How you can assess performance

You can assess the performance of each fund against its Market Benchmark over a full market cycle. When making this assessment, be aware that the Market Benchmark does not take into account fees and taxes that may apply to your account.

MLC Global Share Value Style Fund ARSN 106 465 454

About the investment option

The Fund invests primarily in companies listed (or expected to be listed) on share markets anywhere around the world.

Foreign currency exposures will generally not be hedged to the Australian dollar.

We primarily use investment managers who have an investment style focussing on companies that they believe are undervalued in relation to their earning potential.

Market Benchmark

MSCI All Country World Index

Fees and costs

| | |
|----------------------------|----------|
| Management cost | 2.15% pa |
| Contribution fee | Up to 5% |
| Transaction cost allowance | |
| Buying units | 0.10% |
| Selling units | 0.10% |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last Sunday of May and paid within 14 days.

MLC IncomeBuilder™

ARSN 087 944 287

Investment objective

Aims to provide returns from companies that are expected to deliver a growing dividend stream over time.

About the investment option

MLC IncomeBuilder™ invests primarily in Australian companies that have the potential to provide future growth in dividends.

The Fund is expected to generate tax-effective returns by:

- investing in companies expected to have high franking levels, and
- carefully managing the realisation of capital gains.

The Fund is expected to provide returns consistent with investing in a broad range of Australian companies.

How you can assess performance

You can assess performance based on the annual growth in dividends received from the underlying companies.

Fees and costs

Management cost 1.83% pa

Contribution fee Up to 5%

Transaction cost allowance

Buying units 0.15%

Selling units 0.15%

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last Sunday of August, November, February and May and paid within 14 days.

The May distribution will be paid in two parts. The first part includes dividends, interest and concessional capital gains. You may request to have it paid to your bank account or as additional units. The second part of the distribution is the net taxable realised gains accumulated by the Fund. This is only paid as additional units.

National asset class and specialist funds

National Australia Property Fund

(Only for existing investors in the National investment options)
ARSN 093 198 513

Investment objective

Aims to provide an income stream and growth over time from a portfolio of property securities.

About the investment option

The investment option invests primarily in Australian property securities, including listed Real Estate Investment Trusts and companies across most major listed property sectors. It does not normally invest in direct property, but may have some exposure to property securities listed outside of Australia from time to time.

Foreign currency exposures will generally be substantially hedged to the Australian dollar.

Fees and costs

Management cost – Entry fee option

| | |
|----------------------|-----------------------|
| Management fee | 1.33% pa |
| Recoverable expenses | Up to 0.65% pa |
| Total | Up to 1.98% pa |

Management cost – Nil entry fee option

| | |
|----------------------|-----------------------|
| Management fee | 1.90% pa |
| Recoverable expenses | Up to 0.65% pa |
| Total | Up to 2.55% pa |

Contribution fee

| | |
|----------------------|----------------|
| Entry fee option | Up to 4% |
| Nil entry fee option | Not applicable |

Transaction cost allowance

| | |
|---------------|-------|
| Buying units | 0.45% |
| Selling units | Nil |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last day of September, December, March and June and paid within 14 days.

National Australia Dividend Imputation Fund

(Only for existing investors in the National investment options)
ARSN 093 198 602

Investment objective

Aims to provide a tax-effective income stream and growth over the long term.

About the investment option

Primarily invests in a range of shares listed on the Australian Securities Exchange with a bias to those which are expected to deliver an income stream with some tax advantages through the benefits of dividend imputation.

Fees and costs

Management cost – Entry fee option

| | |
|----------------------|-----------------------|
| Management fee | 1.33% pa |
| Recoverable expenses | Up to 0.65% pa |
| Total | Up to 1.98% pa |

Management cost – Nil entry fee option

| | |
|----------------------|-----------------------|
| Management fee | 1.90% pa |
| Recoverable expenses | Up to 0.65% pa |
| Total | Up to 2.55% pa |

Contribution fee

| | |
|----------------------|----------------|
| Entry fee option | Up to 4% |
| Nil entry fee option | Not applicable |

Transaction cost allowance

| | |
|---------------|-------|
| Buying units | 0.15% |
| Selling units | 0.25% |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last day of September, December, March and June and paid within 14 days.

Single manager funds

MLC – Vanguard Australian Share Index Fund ARSN 087 939 919

Investment objective

Aims to match the return of the S&P/ASX 200 Accumulation Index, before taking into account fees, expenses and tax.

About the investment option

To closely track the Index, Vanguard employs optimisation techniques to select a representative sample of shares in the Index to form the portfolio. Individual security weightings may vary marginally from the Index from time to time.

Fees and costs

| | |
|-----------------------------------|----------|
| Management cost | 1.28% pa |
| Contribution fee | Up to 5% |
| Transaction cost allowance | |
| Buying units | 0.05% |
| Selling units | 0.05% |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last Sunday of August, November, February and May and paid within 14 days.

MLC Capital International Global Share Fund ARSN 087 940 172

Investment objective

Aims to provide long-term growth from an actively managed share portfolio selected from share markets around the world.

About the investment option

Invests in a diversified range of global shares in both developed and emerging markets, actively managed by Capital International.

Foreign currency exposures will generally not be hedged to the Australian dollar.

Fees and costs

| | |
|-----------------------------------|----------|
| Management cost | 2.14% pa |
| Contribution fee | Up to 5% |
| Transaction cost allowance | |
| Buying units | 0.10% |
| Selling units | 0.10% |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last Sunday of May and paid within 14 days.

Single manager funds

MLC-Platinum Global Fund (Only for existing investors in this Fund) ARSN 087 940 065

Investment objective

Aims to provide capital growth over the long-term through searching out undervalued listed (and unlisted) investments around the world.

About the investment option

The Fund primarily invests in listed securities that Platinum believes to be undervalued by the market. Cash may be held when undervalued securities cannot be found.

Derivatives may be used for risk management purposes that is to protect the Fund's portfolio from either being invested or uninvested and to take opportunities to increase returns (for example, to gain access to markets not readily available to foreign investors, and to build a position in selected companies or issues of securities as a short-term strategy to be reversed when physical positions are purchased).

The Fund's currency exposure is actively managed.

Fees and costs

| | |
|----------------------------|----------|
| Management cost | 2.23% pa |
| Contribution fee | Up to 5% |
| Transaction cost allowance | |
| Buying units | Nil |
| Selling units | Nil |

You can find more information on fees and costs on pages 30 to 34.

Income distribution

Generally calculated on the last Sunday of May and paid within 14 days.

Additional information you need to know

We outline the ins and outs of how the MLC MasterKey Unit Trust works.

If you're investing through the MLC MasterKey Investment Service or any other Investor Directed Portfolio Service, you'll need to read your corresponding Financial Services Guide for transaction information.

Adding to your account

You can make one-off investments by direct debit, BPAY® or cheque.

You can also set up a Regular Investment Facility for monthly investments from your bank account.

We can only process additional investments when we receive all required information. Investments we can't process will be held in trust for up to 30 days. Any interest earned during this time will be kept by MLC.

If you hold any National investment options you can only invest in a MLC investment option by applying for a MLC MasterKey Investment Service account.

Accessing your money

You can request a one-off partial or full withdrawal from your account at any time.

You can also set up a Regular Withdrawal Facility for monthly payments to your bank account.

You can elect to increase your regular investment or withdrawal facility annually at either a rate of up to 5% or 10% per annum.

Can you change your mind?

The right to 'cool off' (to decide if your investment in the fund suits your needs) doesn't apply.

Switching

A switch is a withdrawal from one investment option and an investment in one or more other investment options.

If you hold any MLC investment options you can switch to another MLC investment option.

If you hold any National investment options you can only switch to the same fee option of another National investment option.

Before you switch, please make sure you have the latest copy of this Product Disclosure Statement available on mlc.com.au or you can request a paper copy by calling us.

Additional information you need to know

Minimum transaction amounts (per investment option)

| | Balance | Initial investment | Additional investment | Withdrawal |
|------------------------------------|---------|--|--|---|
| MLC investment options | | | | |
| MLC Cash Fund | \$100 | \$5,000 or \$2,000 under a Regular Investment Facility | \$500 or \$200 under a Regular Investment Facility | \$500 or no minimum under a Regular Withdrawal Facility |
| Other options | \$1,000 | | | |
| National investment options | | | | |
| Entry fee | | | | |
| Monthly Income Fund | \$1,000 | \$5,000 | \$500 | \$500 or no minimum under a Regular Withdrawal Facility |
| Other options | \$1,000 | \$5,000 or \$2,000 under a Regular Investment Facility | \$500 or \$200 under a Regular Investment Facility | |
| Nil entry fee | \$1,000 | \$10,000 | \$500 | |

Receiving distribution income

Most investment options will generally distribute income throughout the year.

You can manage this income by:

- reinvesting it in the same investment option
- investing in the MLC Cash Fund (only available if you are invested in a MLC investment option), or
- having it paid into your bank account.

Distributions paid are based on the number of units you hold at the end of a distribution period, except for the MLC Cash Fund where distributions paid are also based on the time spent in the Fund.

Buying and selling investments

Usually, if you're buying or selling units, we'll process your request on the same day.

We may refuse or vary the terms for processing a request in certain circumstances. The consequences are that there are times when your instruction may not be able to be actioned. The unit prices for a withdrawal will be those effective at the time that units are actually redeemed.

We may also change our processes and procedures.

All complete transaction requests received before we close off processing for the day (generally 3pm Sydney time) will usually be processed using the unit price for that business day (which is calculated as at the end of the day).

Units and unit prices

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

The value of your account is based on:

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

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

We calculate the unit prices as at the end of each business day and use robust unit pricing policies to do this.

Each unit price will reflect the performance of the underlying assets, income earned, fees, expenses and taxes paid and payable.

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

If you'd like to find out more about our unit pricing philosophy, go to mlc.com.au

Keeping you informed

| | |
|-------------------------------|---|
| Transaction Confirmation | Confirms any one-off investment, switch or withdrawal you make on your account. |
| Distribution Statement | Provides details of distributions paid to your National Australia Monthly Income Fund. |
| Quarterly Statement | Provides details of investments held, transactions over the quarter, distribution details and performance information. |
| Annual Tax Statement | Gives you the break-up of your taxable income received during the financial year to assist you in completing your Tax Return. |
| Annual Financial Report | Contains the financial statements for the funds. |
| Product changes | Changes will be made from time to time. Changes that are not materially adverse will be made available on mlc.com.au or you can obtain a paper copy of the changes on request free of charge. |
| mlc.com.au | Provides information to help build your knowledge on superannuation, retirement and investing. You can also access your account information. |
| Continuous disclosure notices | Provides you with certain reports (including the Annual Financial Report) and other disclosures to keep you informed about your investment. As a disclosing entity we are required to lodge these notices and reports with the Australian Securities and Investments Commission. You can view these at its offices at any time. |

Eligibility

This offer is made in Australia in line with Australian laws and will be regulated by these laws.

Resolving complaints

We can usually resolve complaints over the phone. If we can't or you're not satisfied with the outcome, then you'll need to write to us. We'll work to resolve your complaint as soon as possible.

If you're dissatisfied with our decision you can get further advice from the Financial Ombudsman Service by calling 1300 780 808 or by emailing info@fos.org.au

More information is available on fos.org.au

Privacy

We value your privacy. NAB's privacy policy is available on **mlc.com.au** or you can call us for a paper copy. By investing in the MLC MasterKey Unit Trust you acknowledge you have access to NAB's privacy policy and agree any NAB company may collect, use, disclose and handle your personal information in a manner set out in that policy.

Tax considerations

While you may have to pay tax on your investments, you could be eligible to claim some of the fees as a tax deduction.

To help prepare your tax return, we'll send you an Annual Tax Statement.

As tax is complex, we recommend that you contact your financial adviser, tax adviser or the Australian Tax Office at **ato.gov.au** for further details and expert advice in relation to your personal circumstances.

Fees and other costs

This will give you an understanding of the fees and costs you'll pay.

If you have a MLC MasterKey Investment Service (or any other Investor Directed Portfolio Service) account, you'll also need to refer to your Financial Services Guide.

Some of the types of fees that you're charged in the MLC MasterKey Unit Trust are the same as those charged in the MLC MasterKey Investment Service. If you're investing in the MLC MasterKey Unit Trust through the MLC MasterKey Investment Service, you'll only be charged these fees once.

Did you know?

Small differences in both investment performance and fees and costs, can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask us or your financial adviser.

To find out more

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission** website (fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

The fees and costs we outline in this section apply to the MLC MasterKey Unit Trust.

We may deduct fees and costs from your money, the returns on your investment, or from the individual investment options.

On the following pages, all contribution fees and commission are shown inclusive of Goods and Services Tax.

All other fees are shown inclusive of Goods and Services Tax and net of Reduced Input Tax Credits.

| Type of fee or cost | Amount | How and when paid |
|--|---|--|
| Fees when your money moves into or out of the MLC MasterKey Unit Trust | | |
| Establishment fee The fee to open your investment | Nil | There is no establishment fee. |
| Contribution fee The fee on each amount contributed to your investment | For MLC investment options: 0–5% For National investment options: 0–4% An additional contribution fee (maximum of 2.25%) may be charged if switching from the Monthly Income Fund to another National investment option. Refer to the investment option profiles on pages 12 to 26. | The contribution fee is calculated as a percentage of each amount invested and deducted from your money before it is invested. A lower contribution fee can be negotiated with your financial adviser. MLC will only charge a maximum contribution fee for the MLC investment options of 5%. MLC will only charge a maximum contribution fee for the National investment options of 4%. |
| Withdrawal fee The fee on each amount you take out of your investment | Nil | There is no withdrawal fee for MLC investment options. We've waived the withdrawal fee for the National investment options. |
| Termination fee The fee to close your investment | Nil | There is no termination fee. |
| Management costs | | |
| The fees and costs for managing your investment | For MLC investment options: Management costs vary between 1.06% pa and 2.23% pa of the value of each investment option. For National investment options: Management costs vary between up to 1.63% pa and up to 2.55% pa for each investment option. Please refer to investment option profiles on pages 12 to 26. A fee refund applies based on the combined account balances you, and any eligible linked investor have in MLC MasterKey accounts. The fee refund is detailed on page 33. | Reflected in the daily unit price for each investment option and may be increased by MLC with 30 days notice. For MLC investment options: Management costs may be increased up to a maximum of 3.08% pa. For National investment options: Management costs are made up of the management fee plus recoverable expenses. The management fee may be increased up to a maximum of 2% pa. |
| Service fees¹ | | |
| Investment switching fee The fee for changing investment options | Nil | We've waived the investment switching fee for the MLC investment options. There is no investment switching fee for National investment options. |

¹ Other service fees may apply. Refer to the Additional explanation of fees and costs section on pages 33 and 34 for further information.

Fees and other costs

Example of annual fees and costs for a Balanced investment option

This table gives an example of how the fees and costs in the MLC MasterKey Unit Trust can affect your investment over a one-year period. You should use this table to compare this product with other investment products.

| Example: MLC MasterKey Horizon 4 – Balanced Portfolio | | Balance of \$50,000 with a contribution of \$5,000 during year |
|--|-------|---|
| Contribution fee | 0–5% | For every \$5,000 you put in, you'll be charged between \$0 and \$250. |
| Plus Management costs | 1.89% | And , for every \$50,000 you have in the investment option you'll be charged \$945 each year. |
| Equals Cost of investment option | | If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, then for that year you would be charged fees from \$945 to \$1,195. What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or your financial adviser. |

Additional explanation of fees and costs

Fee refund

The fee refund is based on the combined account balances you, and any eligible linked investor have in MLC MasterKey accounts.

Calculated on your monthly account balance and paid quarterly, the fee refund is:

- 0.17% pa for combined account balances of between \$200,000 and less than \$400,000
- 0.32% pa for combined account balances \$400,000 and over.

Your holding in the MLC Cash Fund is included in the total balance used to calculate your refund. However, there is no refund paid for the MLC Cash Fund.

To receive the fee refund, your account must be open at the time the refund is paid. The fee refund is subject to change.

Transaction cost allowances

When calculating unit prices, we may make an allowance for the costs of buying and selling underlying assets. These costs include brokerage and stamp duty.

When you transact on your account you may pay a small portion of your transaction towards meeting these costs. Transaction cost allowances are shown in each investment option profile. These may vary in the future without prior notice to you.

The maximum transaction cost allowance for the MLC investment options is 2% for buying and selling units. The maximum transaction cost allowance for the National investment options is 1% when buying units.

Contribution fee for National investment options

National investment options have two different fee structures. You can choose the Nil entry fee option or the Entry fee option.

In the Nil entry fee option you won't pay a contribution fee but will pay a higher Management cost.

In the Entry fee option you may pay a contribution fee but will pay a lower Management cost.

Adviser service fee

If you wish, you can have amounts deducted from your account to pay fees to your financial adviser. This fee will be in addition to the other fees described in the fees and costs section. Any arrangement you have should be detailed in the Statement of Advice provided by your financial adviser.

Fees paid to NAB group companies

MLC may use the services of NAB-owned companies where it makes good business sense to do so and will benefit our customers.

Amounts paid for these services are always negotiated on an arms length basis and are included in the fees detailed on these pages.

Additional explanation of fees and costs

Changes to fees

Unless otherwise stated, we'll give you no less than 30 days notice prior to increasing or implementing a new fee or other cost.

No notice will be given in respect of changes to transaction cost allowances.

Other fees we may charge

Fees may be charged if you request a service not currently offered.

We may pass on any costs we incur in implementing Federal Government legislation or fees which are charged by third parties.

Adviser remuneration

Your financial adviser may receive a payment from MLC for providing you continuing advice in one or more of the following ways:

- contribution-based commission and/or
- asset based commission and/or
- an adviser service fee.

Advisers may receive alternative forms of remuneration, such as the costs of maintaining their professional development qualifications. This is paid from the Management cost and is not an additional cost to you. Actual payments are recorded in registers which you can view on request.

MLC options

Contribution-based commission

| Amount | How it's paid |
|----------|-------------------------------------|
| Up to 5% | At the time you make a contribution |

Asset-based commission

| Amount of combined portfolio balance (serviced by the same financial adviser) | Rate of asset based commission (pa) ¹ | How it's paid |
|---|--|--|
| \$0 to less than \$50,000 | 0.44% | Paid monthly based on the balance of your account in that month. |
| \$50,000 to less than \$100,000 | 0.50% | |
| \$100,000 to less than \$200,000 | 0.55% | |
| \$200,000 to less than \$400,000 | 0.60% | |
| \$400,000 and over | 0.66% | |

¹ The rate of asset-based commission for the MLC Cash Fund is 0.28% pa.

National investment options

Contribution-based commission

| Amount | How it's paid |
|--|-------------------------------------|
| Entry fee option: Monthly Income Fund up to 1.50% Other investment option up to 3.50% | At the time you make a contribution |
| Nil entry fee option: Monthly Income Fund up to 1.25% Other investment option up to 3% | At the time you make a contribution |

Asset-based commission

| Rate of asset based commission (pa) | How it's paid |
|-------------------------------------|---|
| 0.30% | Paid monthly based on the balance of your account in that month. Maximum 0.50% pa |



MLC Investments

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