



MLC MasterKey  
Business Super

**Product Disclosure Statement**

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**Issued by:** The Trustee  
MLC Nominees Pty Ltd (MLC)  
ABN 93 002 814 959  
AFSL 230702

The Universal Super Scheme  
ABN 44 928 361 101

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MLC Limited (The Insurer)  
ABN 90 000 000 402  
AFSL 230694

This document is a summary of significant information and contains references to further important information available at [mlc.com.au](http://mlc.com.au)

You should consider all information before making a decision to invest in this product.

This information is general and does not take into account your personal financial situation or needs.

We recommend you obtain financial advice for your own personal circumstances.

This offer is made in Australia in accordance with Australian laws and your super account will be regulated by these laws.

The MLC group of companies is the wealth management division of National Australia Bank. We provide investment, super and insurance solutions and work closely with you and your adviser to help grow and protect your wealth.

For more information please contact us, your Plan adviser, or go to the online copy of this document on [mlc.com.au/pds/mkbs](http://mlc.com.au/pds/mkbs)

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# 1 About MLC MasterKey Business Super

Your employer has given you a great opportunity to grow and protect your wealth by selecting MLC MasterKey Business Super for you. It's a flexible and convenient way to save for retirement in the tax-effective environment of super.

You can receive a lump sum when you stop working or transition easily into retirement with an account that pays you a steady income stream. Plus, with the insurance you're provided, you can be sure your future and your family are protected.

With 125 years' experience of looking after Australians' needs, you know you're with one of Australia's most trusted and awarded wealth managers.

MLC MasterKey Business Super is part of The Universal Super Scheme. Your Plan is the super arrangement your employer has established within MLC MasterKey Business Super for its employees.

# 2 How super works

Investing through super is a tax-effective way to save for your retirement.

The Government encourages Australians to use super to build wealth that will generate income in their retirement, and it's compulsory for contributions to be made to super for most working Australians. Tax concessions and other Government benefits generally make it one of the best long-term investment vehicles.

The law defines your eligibility, the types of contributions you or others can make on your behalf, and the maximum amount you can contribute before you pay additional tax. It also determines whether you are eligible to access your super.

To find out more go to [apra.gov.au](http://apra.gov.au) or [ato.gov.au](http://ato.gov.au) or [moneysmart.gov.au](http://moneysmart.gov.au)

## Contributing to your super

Generally you, your spouse or your employer can contribute to your super and help it grow faster. You could also use strategies that include Government co-contributions or arranging with your employer to contribute some of your pre-tax salary.

Whatever strategy you choose, you can contribute via direct debit, BPAY®, credit card or cheque. You can also set up a Regular Investment Facility to make contributions from your bank account.

While you can contribute as much as you like, you will incur additional tax if contributions exceed certain limits.

## Consolidating your super

You can apply to consolidate your super and insurance with us. Keeping your super in one place makes sense. You can transfer the money you hold in other Australian and overseas super accounts to your MLC super account.

This gives you a single view of your money, helps you keep track of your investments and means you are only paying one set of fees for your super.

If you have insurance with another provider, you have the option to consolidate it with the insurance you have with us.

We recommend that you seek financial advice before consolidating your super as your fees and benefits may be different.

Please use the Request to transfer balance of superannuation benefits between funds form or the Request to consolidate insurance form available at [mlc.com.au](http://mlc.com.au)

## Leaving your employer

When you leave your current employer, we'll automatically transfer your super account to MLC MasterKey Personal Super. You can generally request your next employer to contribute to your account and keep your super in one place.

## Choosing where your super is invested

You can generally choose where you want to invest your super. However, if you don't make a choice, your employer has chosen to pay your super contributions to MLC MasterKey Business Super.

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## 3 Benefits of investing with MLC MasterKey Business Super

MLC MasterKey Business Super is a great way to access sophisticated investment and insurance solutions to grow and protect your super. We offer a range of features to help you get your money working for you, in the way you want.

### Investments

As Australia's largest and most experienced multi-manager, we research hundreds of investment managers from around the world to select some of the best ones for our investment portfolios.

This means our portfolios are expertly designed so you can use them as a total investment solution.

And, because world markets change, we manage and evolve our portfolios by actively researching these markets, and seeking new opportunities to increase returns or reduce risk.

As part of your Plan, your super is invested into one of our portfolios. If you want to select your own investments, we offer a wide range of other portfolios and specialist funds with different risk levels, to suit you at any stage of life.

We also keep you updated with regular reports and online access to your account, so you can see exactly how your investments are performing.

### Insurance

We automatically provide you with insurance. You also benefit from group discounts on your Plan, so the premiums on this insurance are generally cheaper than if you had insurance separately.

Protecting yourself through your super is a tax-effective option. And, as your premiums are deducted from your super account, it's also hassle free.

When your life changes, so do your insurance needs. That's why when big events happen, like getting married or having a baby, it's really easy for you to increase your insurance.

### Extras

MLC Member Rewards is our way of giving you a little something extra with your super. You can obtain a range of great deals on financial and lifestyle products, just log on to [mlc.com.au](http://mlc.com.au) for more details.

### In the event of your death

Your account balance, including any insurance payment, can be paid to your beneficiaries or your estate in the event of your death. Please let us know who you want to receive your account balance, otherwise the Trustee will decide.

## 4 Risks of super

Before you do any investing in super, there are some things you need to consider including the level of risk you are prepared to accept. Factors that will affect your decision include:

- your investment goals
- the savings you'll need to reach your goals
- how many years you have to invest
- the return you may expect from your investments, including investments outside of super, and
- how comfortable you are with investment risk.

### Investment risk

Even the simplest of investments come with a level of risk and different investments have different levels of risk.

While the idea of investment risk can be confronting, it's 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.

When considering your investment, it's important to understand that:

- its value will vary over time
- investments with higher return potential usually have higher levels of risk
- returns aren't guaranteed, and you may lose some of your money

- previous returns shouldn't be used to predict future returns, and
- your final super balance may not provide for an adequate retirement.

### Accessing the money you put into super

Because super is for your retirement, the law is strict about how and when you can access your money. To find out more go to [moneysmart.gov.au](http://moneysmart.gov.au)

### Legislative change

Just as the Government makes rules, it can also change them. Your Plan adviser can help you respond to any changes to laws on super, tax, social security and other retirement issues.

## 5 How we invest your money

We make sophisticated investing easy so you can get your investment plan into action right away. If you don't make a choice, your super money will go into our default option, the MLC Horizon 5 – Growth Portfolio, or an alternative investment option selected by your employer. You'll find details of this investment option in your **Welcome Kit**.

You can also choose from a range of options shown in the **Investment Menu**. You can switch between these options at any time. To switch, log in to [mlc.com.au](http://mlc.com.au) or call us.

**You should consider the likely return, risk and investment timeframe when making your decision.**

We may change the target allocation in each investment option, and add or remove investments options at any stage. Up-to-date information is available at [mlc.com.au](http://mlc.com.au)

**You should read the important information about our investment philosophy, including ethical investing and the Standard Risk Measure in the Investment Menu before making a decision. Go to [mlc.com.au/pds/mkbs](http://mlc.com.au/pds/mkbs)**

The material relating to the Investment Menu may change between the time when you read this Statement and when you invest in MLC MasterKey Business Super.

### Want to know more?

Your future is what matters, so we've developed a lot of information on super, investment risk and investing for the future. Just talk to your Plan adviser or go to [mlc.com.au](http://mlc.com.au)

### MLC Horizon 5 – Growth Portfolio

#### Investment objective:

Aims to grow your wealth for an expected level of risk.

The Portfolio may be suited to you if:

- 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 large changes in value.

#### Target allocation of \$1,000 (at 30 June 2012)

■ Cash	\$5
■ Australian fixed income	\$100
■ Global fixed income	\$60
<b>Defensive</b>	<b>\$165</b>
■ Australian shares	\$360
■ Global shares (hedged)	\$45
■ Global shares (unhedged)	\$280
■ Global property securities (hedged)	\$40
■ Global private assets (hedged)	\$60
■ Other	\$50
<b>Growth</b>	<b>\$835</b>



We may adjust the target allocation within these ranges:

Defensive	10–20%
Growth	80–90%

**Minimum suggested time to invest:** Seven years

**Estimated number of negative annual returns:** High, between 4 and 5 years in 20

**Indicative investment fee (% pa):** 0.73%

# 6 Fees and costs

## 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 or your employer may be able to negotiate to pay a lower contribution fee and management costs where applicable.

Ask us or your Plan adviser.

## To find out more

If you would like to find out more, or see the impact of fees for your own circumstances, the Australian Securities and Investments Commission (ASIC) website [moneysmart.gov.au](http://moneysmart.gov.au) has a Superannuation calculator to help you check out different fee options.

A tax benefit may apply to fees charged to your super account. All fees in the table below are before the tax benefit.

We charge the fees and then pass the tax benefit back to your super account as a credit, which effectively reduces the fees shown below by 15%.

The information in this table can be used to compare fees and costs between different superannuation products.

These fees and costs may be deducted from your account, from the returns on your investment or from fund assets as a whole.

You should read the important information about the fees, costs and investment options in the Fee Flyer and Investment Menu before making a decision. Go to [mlc.com.au/pds/mkbs](http://mlc.com.au/pds/mkbs)

The material relating to the fees, costs and investment options in the Fee Flyer and Investment Menu may change between the time when you read this Statement and when you invest in MLC MasterKey Business Super.

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the fund</b>	
<b>Establishment fee</b>	Nil.
<b>Adviser contribution fee</b>	0% – 5.88% of each contribution as negotiated by your employer with your Plan adviser.
<b>Withdrawal fee</b>	Nil.
<b>Termination fee</b>	\$75.00
<b>Management costs</b>	
The fees and costs for managing your investment.	<p><b>Administration fee</b></p> <p>This has two parts:</p> <ul style="list-style-type: none"> <li>Up to 1.05% pa of your account balance, based on the size of your employer's MLC MasterKey Business Super Plan or your MLC MasterKey Personal Super account. plus</li> <li>A fixed fee of up to \$1.50 per week (or \$2.00 per week for MLC MasterKey Personal Super) if your individual account balance is below \$50,000.</li> </ul> <p>We may agree lower fees with your employer.</p> <p>The maximum Administration fee you may pay is \$3,500 pa.</p>
<b>Investment fee</b>	<p>The Indicative investment fee for the default option MLC Horizon 5 – Growth Portfolio is 0.73% pa.</p> <p>The Indicative investment fee for the other investment options ranges from 0.25% pa to 4.32%<sup>1</sup> pa.</p>

<sup>1</sup> Includes a performance fee. For more information refer to the **Investment Menu**.

If you leave your employer or stop making contributions, the balance of your account may be transferred to MLC MasterKey Personal Super. The fees, costs and rebates will vary from those you pay with MLC MasterKey Business Super and are generally higher.

### Example of annual fees and costs

This table is an example of how the fees and costs in the default option can affect your investment over a one-year period.

You should use this table to compare this product with other super products.

#### Example: MLC Horizon 5 – Growth Portfolio

Balance of \$50,000 with total contributions of \$5,000 during the year

<b>Contribution fees</b>	0–5.88%	For every \$5,000 you put in, you will be charged \$0–\$294.
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Plus Management costs:

<b>Administration fee</b>	1.05% x \$50,000	\$525	<b>And</b> , for every \$50,000 you have in the fund you will be charged \$890.
<b>Indicative investment fee</b>	0.73% <sup>1</sup> x \$50,000	\$365	

<b>Equals Cost of fund</b>	If you put in \$5,000 during a year and your balance was \$50,000, then for that year you would be charged fees from \$890 to \$1,184 <sup>2</sup> .
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What it costs you will depend on the investment option you choose and the fees you or your employer negotiate with your Plan adviser.

<sup>1</sup> The Indicative investment fee for MLC Horizon 5 – Growth Portfolio is 0.73%.

<sup>2</sup> Additional fees may apply: **Establishment fee** – \$0. And, if you leave the fund early, you may be charged **Withdrawal fees** of 0% of your total account balance. A **Termination fee** of \$75.00 is deducted from the amount paid when you make a full withdrawal. This example assumes no investment gains or losses during the year and the contribution was made on the last day of the year.

## Fees your employer negotiates with the Plan adviser

There are a number of ways your employer can choose to remunerate your Plan adviser for the services they provide. The actual fees you pay for this are in your **Welcome Kit**.

In addition to the Adviser contribution fee in the table, the following fees can be charged:

### Plan service fee

A fee of up to 1.5% pa of your account balance may be deducted monthly from your account and paid to your Plan adviser.

The fee is for providing financial services that are tailored to the needs of the employees in your Plan.

### Insurance commission

Generally a commission of up to 23.65% of the insurance premium can be paid to your Plan adviser.

For members migrated from certain products, such as Employer Super, a commission of up to 27.50% of the insurance premium may be paid to your Plan adviser.

## Fees you can negotiate with your financial adviser

### Adviser service fee

If you wish, you can have amounts deducted from your account to pay fees to your financial adviser for their services.

This fee will be in addition to the other fees described in the **Fee Flyer**.

Any arrangement you have should be detailed in the Statement of Advice provided by your financial adviser.

## Varying of fees

We may vary our fees, costs or fee discounts but we'll give you 30 days' notice of any increase. The only exception is for investment fees, which vary daily with investment costs and Government taxes and charges.

# 7 How super is taxed

This section isn't a comprehensive and complete tax guide.

Tax on super is complex. This is general information, and we recommend you seek advice from a registered tax agent to determine your personal tax obligations. MLC is not a registered tax agent.

Tax treatments in your account		Tax treatments on payments to you
Contributions	Investment earnings	Lump sum withdrawals
<ul style="list-style-type: none"> <li>• Concessional contributions, such as employer and salary sacrifice contributions                             <ul style="list-style-type: none"> <li>– usually taxed at a rate of 15%.</li> </ul> </li> <li>• Personal contributions                             <ul style="list-style-type: none"> <li>– not taxed.</li> </ul> </li> </ul> <p>Generally, these are contributions made by you or your spouse for which no personal income tax deduction will be claimed.</p> <p>Tax is deducted at 30 June or when you leave the Plan.</p> <p><b>Additional tax may be payable if you exceed the contribution limits, go to <a href="http://ato.gov.au">ato.gov.au</a></b></p>	<p>Taxed at a rate of up to 15%.</p> <p>Tax paid or payable on investment earnings is reflected in your account balance.</p>	<p>Tax-free component: Nil.</p> <p>Taxable component:</p> <ul style="list-style-type: none"> <li>• If under age 55, tax of up to 21.5% (including Medicare Levy at 1.5%).</li> <li>• If aged between 55–59, tax-free on first \$175,000 (this is a lifetime limit which may be increased periodically). Tax is then paid on the remainder up to 16.5% (including Medicare Levy at 1.5%).</li> <li>• From age 60, tax-free.</li> </ul> <p>Other taxes and government levies may apply from time to time.</p> <p>If applicable, we'll deduct the tax from your account before paying the lump sum.</p>

You don't have to provide us with your TFN, but we can only accept contributions made by you or your spouse to your super if we have your TFN recorded. Also, your money may be taxed at the highest marginal tax rate plus the Medicare levy, rather than at the concessional tax rate of 15%. For more information visit [ato.gov.au](http://ato.gov.au)



# 8 Insurance in your super

We believe all Australians should be able to protect their family and their future. That's why we've made sure you can have insurance with your super. When you join the Plan you're automatically given insurance. This will either be our basic insurance or insurance your employer has selected for you. You won't have to fill out any forms and if we do need more information, we'll contact you. You can apply for a different level or type of insurance or cancel it at any time.

## Insurance selected for you

Your employer may have selected an insurance package for your Plan. This can include Death, Death and Total and Permanent Disablement (TPD) insurance, and Income Protection (IP) insurance.

If your employer hasn't selected insurance for your Plan, we'll provide you with basic insurance. This consists of Death and TPD insurance. Every year we'll confirm your level of insurance and your premium on your **Annual statement**. We'll adjust your level of insurance each year on your birthday. You won't pay any more than \$2 a week, but your level of insurance can decrease as you get older.

Your insurance premium will be deducted from your account.

## Insurance you select

Everybody has different needs and insurance is no exception.

The insurance that's right for you depends on things like your family and financial commitments, income and lifestyle. You can apply for a different level or type of insurance, or cancel it at any time.

Insurance type	You can apply for up to
Death	\$10 million
Death and TPD	\$10 million, including up to a maximum \$3 million of TPD insurance
Income Protection	Generally up to 75% of your Monthly Income up to a maximum benefit of \$50,000 per month

The maximum insurance you can apply for includes any existing policies you have and the insurance provided by your employer or by us.

You can apply to increase your insurance by completing the Short form insurance application available at [mlc.com.au](http://mlc.com.au)

## Bringing your insurance together

If you're like many Australians, you've probably got a few super accounts and may have insurance through these as well. You can apply to bring your other insurance together with the insurance you have with us.

## Making sure you're eligible

When we provide you with insurance, we assume you're eligible for it. So, we'll automatically deduct premiums from your account unless you tell us you're not eligible.

For more information on eligibility, please refer to the **Insurance Guide**.

**You should read the important information about insurance in the Insurance Guide before making a decision. Go to [mlc.com.au/pds/mkbs](http://mlc.com.au/pds/mkbs)**

**The material relating to insurance may change between the time when you read this Statement and when you invest in MLC MasterKey Business Super.**

## When won't a benefit be paid?

If you're not At Work on the day you joined the Plan or if you've been enrolled after 130 days of starting work, you won't be covered for Pre-existing Conditions. This exclusion will be removed when you've worked continuously for more than 12 months.

For IP insurance, you're not insured for normal and uncomplicated pregnancy or child birth, your involvement in or any act of war, or for an intentional self-inflicted injury.

Your IP benefits will be reduced by income you're entitled to from other sources.

## Premiums

Every year we'll confirm your level of insurance and your premium on your **Annual statement**. We calculate premiums based on the type and amount of insurance you have, and circumstances like your age, occupation, medical history, and lifestyle and leisure activities.

Your insurance premiums can be paid from either your account balance or from super contributions made by your employer.

The current MLC MasterKey Business Super Insurance Rate Table is included in your **Welcome Kit**.

## 9 How to open an account

Your employer has opened your account for you. Members of your family can also join and take advantage of the features of your Plan. Eligible Family Members include your spouse, de facto spouse, parents, brothers, sisters and children. For further information please go to [mlc.com.au](http://mlc.com.au)

As a member of MLC MasterKey Business Super or MLC MasterKey Personal Super you are bound by the Trust Deed for The Universal Super Scheme and this forms the contract between you and the Trustee. Unless told otherwise, we will assume that you're eligible to contribute or have contributions made on your behalf to The Universal Super Scheme.

If we don't receive any contributions from you or your employer within the first 130 days of joining, we will close your account.

If you close your account, there may be a delay while we confirm certain details with your employer such as your final contribution. This is to make sure that the amount transferred is correct.

### Product and investment option changes

Changes will be made from time to time. Changes that are not materially adverse will be made available at [mlc.com.au](http://mlc.com.au) or you can obtain a paper copy of the changes on request free of charge.

### Privacy

To let you know about the products we have on offer, we may need to use your personal information for marketing activities. If you don't consent to the use of your personal information for marketing activities, simply let us know. If you don't contact us, your consent will be assumed. You can change your consent at any time. You can access our Privacy Policy at [mlc.com.au](http://mlc.com.au) or contact us for a paper copy. The policy provides information about how we handle information we collect about you, including how you may access information we collect about you, the purpose of information being collected and to whom we will disclose the information.

We may send your TFN to the Australian Tax Office or Eligible Rollover Fund to assist them in locating any unclaimed or lost superannuation benefits.

### Resolving complaints

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

If you're not satisfied with our decision, you can get further advice from the Superannuation Complaints Tribunal by calling 1300 884 114 or emailing [info@sct.gov.au](mailto:info@sct.gov.au). More information is available at [sct.gov.au](http://sct.gov.au)

### How to contact us

For more information visit [mlc.com.au](http://mlc.com.au)  
You can also call us on **132 652** or from outside Australia on **+61 3 8634 4721** or contact your adviser.

### Registered office:

Ground floor,  
105–153 Miller Street  
North Sydney, NSW 2060

### Postal address:

MLC Limited, PO Box 200  
North Sydney NSW 2059