

# Changes to your MLC MasterKey Business Super Plan

## Reference guide

This guide will help explain the improvements we're making to your account on 8 September 2012.

Some aspects of your account will remain the same, others have been changed and you'll also be able to take advantage of new features. If you have any questions please speak with your Plan adviser or call us on 132 652 between 8 am and 6 pm (AEST) Monday to Friday.

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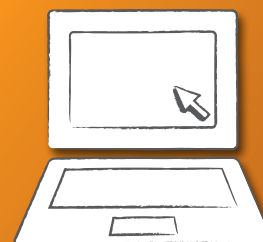
### An easy to use online service

Managing your super account is even easier with our improved online service for members.

It's now much simpler to:

- get an instant overview of your account
- access your account information, including your insurance
- make contributions to your super and view tax components
- change your investment options
- view statements and letters and choose to receive your statements online, and
- keep track of your investments.

You can also bring all your super together with our online consolidation tool. Log in or register on [mlc.com.au](http://mlc.com.au) today.



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

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.

# Your investments

Your investment  
options are changing

## Updating your investment choices

To give you access to some of the best opportunities to get your money working for you, we're updating your Investment Menu. The new Investment Menu reflects our experience and resources in finding some of the best investment managers from around the world.

## New investment options

We're adding the following 10 new investment options. To find out more about them, please visit [mlc.com.au](https://mlc.com.au)

New investment options
MLC Diversified Debt Fund
MLC Global Property Fund
MLC Hedged Global Share Fund
Altrinsic Global Equities Trust
Antares Elite Opportunities Fund
Antares High Growth Shares Fund
Fairview Equity Partners Emerging Companies Fund
Northward Capital Australian Equity Trust
Pengana Asian Equities Fund
Platinum Asia Fund

## Investment options we are removing

We're also removing the 5 investment options shown in the table below.

Current investment option	Investment option you'll switch to
BlackRock Balanced Fund	MLC MasterKey Horizon 4 Balanced Portfolio
Colonial First State Diversified Fund	MLC MasterKey Horizon 4 Balanced Portfolio
National Balanced Fund	MLC MasterKey Horizon 4 Balanced Portfolio
UBS Diversified Credit Fund	MLC MasterKey Horizon 1 Bond Portfolio
UBS Australian Share Fund	Antares Elite Opportunities Fund

These investment options were closed to new contributions some time ago and the Trustee doesn't believe it's in members' interests to continue to invest in them.

### If you currently invest in an investment option that is being removed

You have two choices:

- **Take no action** and we'll automatically switch your balance to an investment option with a similar asset allocation and risk profile as shown in the table above.

For these options, transaction costs will apply when we switch your money into these new investment options, except if you are invested in National Balanced Fund or UBS Diversified Credit Fund.

We'll move your investments into your new investment options as quickly as possible. To make sure your investments are managed effectively during this transition period, please be aware there may be a delay in processing transactions received from 29 August 2012 to 11 September 2012.

Information about your new investment options is available on **mlc.com.au**. After we've switched your investment options, we'll write to you confirming the transaction.

- **Switch to another investment option** by logging in to **mlc.com.au** by 29 August 2012.

Before making any investment decision we recommend that you speak with your adviser.

# A new simplified and transparent fee structure

This will give you an understanding of changes to your fees and costs.

We're changing the fees for MLC MasterKey Business Super to make them simpler and more transparent. How the new fee structure affects you depends on your account balance, the size of your employer Plan and the investment options you hold.

The changes include:

- reducing the number of fees from 10 to 6
- showing clearly online and on your statements what you pay to us as an Administration fee, your investment fees, and what is paid to your Plan adviser
- reducing the Administration fee if your account balance is \$50,000 or more
- introducing a fairer way to allocate transaction costs, and
- if your employer pays fees on your behalf, the way this works will change.

## What are the fee changes?

The following tables show the changes to fees and costs for MLC MasterKey Business Super. All fees shown are before the tax benefit which will be credited back to your account and effectively reduces your fees by up to 15%.

All fees are shown inclusive of GST and net of Reduced Input Tax Credits (where applicable).

On 7 September we'll deduct any fees owing up to that date, and from 8 September your new fees will be calculated.

Current	New
<b>Fees when money moves into or out of the fund</b>	
<b>Contribution fee</b>	
<p>Up to 5.88% of each contribution. A lower contribution fee can be negotiated by your employer with your Plan adviser.</p> <p>The Contribution fee is calculated as a percentage of your investment and deducted from your account by selling units at the time the contribution is invested.</p> <p>A different Contribution fee percentage can be applied to personal and employer contributions.</p>	<p>This fee is now called the "Adviser contribution fee" – refer to "Advice fees" on page 10.</p>
<b>Termination fee</b>	
<p>\$76.47.</p> <p>The termination fee is deducted from the amount paid when you make a full withdrawal.</p> <p>The fee is currently not charged where a Death, Total and Permanent Disablement or financial hardship payment is paid.</p>	<p>\$75.00.</p> <p>There is no change to how the fee is applied.</p>

Current	New																		
<b>Management costs</b>																			
<b>Administration fee</b>																			
<p>The Administration fee is 1.53% pa. Depending on the value of your Plan, you may receive a rebate on the Administration fee, as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #f4a460;">Employer Plan value</th> <th style="background-color: #f4a460;">Large Plan rebate (% pa)</th> <th style="background-color: #f4a460;">Fee paid after rebate (% pa)</th> </tr> </thead> <tbody> <tr> <td style="background-color: #f2f2f2;">Less than \$500,000</td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">1.53</td> </tr> <tr> <td style="background-color: #f2f2f2;">\$500,000 to \$999,999</td> <td style="text-align: center;">0.45</td> <td style="text-align: center;">1.08</td> </tr> <tr> <td style="background-color: #f2f2f2;">\$1,000,000 to \$1,999,999</td> <td style="text-align: center;">0.56</td> <td style="text-align: center;">0.97</td> </tr> <tr> <td style="background-color: #f2f2f2;">\$2,000,000 to \$4,999,999</td> <td style="text-align: center;">0.62</td> <td style="text-align: center;">0.91</td> </tr> <tr> <td style="background-color: #f2f2f2;">\$5,000,000 and over</td> <td style="text-align: center;">0.68</td> <td style="text-align: center;">0.85</td> </tr> </tbody> </table> <p>The relevant percentage amount is applied to your entire account balance and is reflected in the daily unit price for each investment option.</p> <p>The Administration fee includes an Asset based commission of 0.33% pa.</p> <p>Under current arrangements, the Administration fee can't exceed 2.56% pa.</p>	Employer Plan value	Large Plan rebate (% pa)	Fee paid after rebate (% pa)	Less than \$500,000	Nil	1.53	\$500,000 to \$999,999	0.45	1.08	\$1,000,000 to \$1,999,999	0.56	0.97	\$2,000,000 to \$4,999,999	0.62	0.91	\$5,000,000 and over	0.68	0.85	<p>The fee has two parts:</p> <ul style="list-style-type: none"> <li>• 0.35%-1.05% pa of your account balance, based on the size of your MLC MasterKey Business Super employer Plan, plus</li> <li>• a fixed fee of up to \$1.50 per week if your individual account balance is below \$50,000 when the fee is deducted.</li> </ul> <p>We may agree lower fees with your employer or Plan adviser.</p> <p>See the accompanying letter for the fees you pay.</p> <p>The percentage fee is deducted monthly from your account using your average account balance in the previous month.</p> <p>The total Administration fee is capped at \$3,500 pa.</p>
Employer Plan value	Large Plan rebate (% pa)	Fee paid after rebate (% pa)																	
Less than \$500,000	Nil	1.53																	
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<b>Account fee</b>																			
<p>The Account fee is based on how your employer contributes to your account.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #f4a460;">Contribution method</th> <th style="background-color: #f4a460;">Monthly fee charged</th> </tr> </thead> <tbody> <tr> <td style="background-color: #f2f2f2;">MLC SuperEzy®, BPAY®, direct debit and credit card.</td> <td style="text-align: center;">\$4.12</td> </tr> <tr> <td style="background-color: #f2f2f2;">Cheque or where your employer has selected insurance with an external insurer.</td> <td style="text-align: center;">\$6.47</td> </tr> </tbody> </table> <p>The fee you pay was confirmed in your Welcome Kit. It is deducted monthly from your account.</p>	Contribution method	Monthly fee charged	MLC SuperEzy®, BPAY®, direct debit and credit card.	\$4.12	Cheque or where your employer has selected insurance with an external insurer.	\$6.47	Nil.												
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MLC SuperEzy®, BPAY®, direct debit and credit card.	\$4.12																		
Cheque or where your employer has selected insurance with an external insurer.	\$6.47																		
<b>Additional management fee</b>																			
<p>0.13% per month.</p> <p>If your account balance falls below \$5,000, this fee will be charged on the difference between your account balance and \$5,000.</p>	Nil.																		
<b>Issuer fee</b>																			
Up to 0.12% pa.	Nil.																		

# A new simplified and transparent fee structure

## Fee refunds

We'll continue to include your MLC MasterKey Business Super account balance in your MLC MasterKey portfolio value to help you qualify for fee refunds on other MLC MasterKey accounts you or your family may hold.

## A fairer way to allocate transaction costs

When you buy and sell units, the investment option incurs transaction costs such as brokerage and government charges. These costs reduce the performance of the investment option. All investors in the option currently share these costs, even if they don't make any transactions.

To make MLC MasterKey Business Super fairer for everyone, we're

introducing a transaction cost allowance for each investment option. This means you'll only pay the costs for the transactions you make. After the change, the performance of your investment options won't be reduced by the impact of other members' transaction costs.

The transaction cost allowance is an estimate of the transactions costs and is not a fee paid to MLC. The allowance for each investment option is shown in the table on page 7.

You'll pay an 'entry price' when you buy units and receive an 'exit price' when you sell units in an investment option.

The entry price is the unit price plus a transaction cost allowance. The exit price is the unit price less a transaction cost allowance.

## How your account will be valued

From 8 September 2012, your balance will be stated after allowing for transaction costs. The following example shows how the calculation of your account balance will change.

If you hold an investment ...	Units held	Transaction cost allowance	Exit price	The value of your investment will be
before the change on 7 September 2012	10,000	Not applicable	\$2.50	\$25,000
after the change on 8 September 2012	10,000	0.10%	\$2.4975	\$24,975

You may want to speak with your Plan adviser for further details on this change.

## Changes to Investment fees

The Investment fees will change to those shown in the table below. These fees vary as investment costs change. The Investment fee currently ranges from 0.19% pa to 1.54% pa. The new Investment fees range from 0.25% pa to 4.03% pa.<sup>1</sup>

The table also shows the new transaction cost allowances that will apply as outlined on page 6.

Investment option	Current Indicative investment fee (%)	New Indicative investment fee (%)	Transaction cost allowance in entry price (%)	Transaction cost allowance in exit price (%)
<b>MLC Portfolios</b>				
MLC MasterKey Horizon 1 – Bond Portfolio	0.37	0.52	0.00	0.00
MLC MasterKey Horizon 2 – Capital Stable Portfolio	0.41	0.60	0.05	0.05
MLC MasterKey Horizon 3 – Conservative Growth Portfolio	0.52	0.65	0.05	0.05
MLC MasterKey Horizon 4 – Balanced Portfolio	0.58	0.70	0.10	0.10
MLC MasterKey Horizon 5 – Growth Portfolio	0.59	0.73	0.10	0.10
MLC MasterKey Horizon 6 – Share Portfolio	0.61	0.77	0.10	0.10
MLC MasterKey Horizon 7 – Accelerated Growth Portfolio	1.07	1.00	0.20	0.20
MLC Index Plus Conservative Growth Portfolio	0.30	0.38	0.05	0.05
MLC Index Plus Balanced Portfolio	0.32	0.40	0.10	0.10
MLC Index Plus Growth Portfolio	0.33	0.42	0.10	0.10
MLC Long-Term Absolute Return Portfolio	1.41	1.50	0.15	0.15
<b>MLC investment options</b>				
MLC Australian Share Fund	0.58	0.73	0.15	0.15
MLC Australian Share Growth Style Fund	0.54	0.78	0.20	0.20
MLC Australian Share Value Style Fund	0.59	0.78	0.15	0.15
MLC Cash Fund	0.27	0.25	0.00	0.00
MLC Diversified Debt Fund (New)	-	0.50	0.00	0.00
MLC Global Property Fund (New)	-	0.87	0.15	0.15
MLC Global Share Fund	0.74	0.85	0.10	0.10
MLC Global Share Growth Style Fund	0.70	0.90	0.15	0.10
MLC Global Share Value Style Fund	0.79	0.90	0.10	0.10
MLC Hedged Global Share Fund (New)	-	0.90	0.10	0.10
MLC IncomeBuilder	0.71	0.72	0.00	0.00
MLC Property Securities Fund	0.63	0.67	0.25	0.20

<sup>1</sup> This amount includes a performance fee.

# A new simplified and transparent fee structure

Investment option	Current Indicative investment fee (%)	New Indicative investment fee (%)	Transaction cost allowance in entry price (%)	Transaction cost allowance in exit price (%)
<b>Investment options not managed by MLC</b>				
Altrinsic Global Equities Trust (New)	-	1.25	0.30	0.30
Antares Elite Opportunities Fund <sup>1</sup> (New)	-	0.70	0.20	0.20
Antares High Growth Shares Fund <sup>1</sup> (New)	-	1.00	0.15	0.15
Arnhem Australian Equity Fund	0.68	0.77	0.30	0.30
Ausbil Australian Emerging Leaders Fund <sup>1</sup>	1.22	1.30	0.30	0.30
AXA Wholesale Global Equity – Value Fund	0.93	1.01	0.20	0.20
Fairview Equity Partners Emerging Companies Fund <sup>1</sup> (New)	-	4.03	0.00	0.00
Investors Mutual Australian Share Fund	0.84	0.92	0.25	0.25
Legg Mason Property Securities Trust	0.64	0.72	0.28	0.28
MLC - Vanguard Australian Share Index Fund	0.25	0.27	0.05	0.05
MLC Capital International Global Share Fund	0.74	0.87	0.10	0.10
Northward Capital Australian Equity Trust <sup>1</sup> (New)	-	0.85	0.25	0.25
Pengana Asian Equities Fund <sup>1</sup> (New)	-	2.06	0.25	0.25
Perennial Value Shares Wholesale Trust	0.84	0.92	0.30	0.30
Perpetual Wholesale Australian Fund	0.98	1.06	0.30	0.00
Perpetual Wholesale Ethical SRI Fund	0.92	1.00	0.15	0.15
Perpetual Wholesale Smaller Companies Fund No 2	1.37	1.45	0.15	0.15
Platinum Asia Fund (New)	-	1.54	0.25	0.25
Platinum International Fund	1.54	1.54	0.25	0.25
PM CAPITAL Absolute Performance Fund <sup>1</sup>	1.54	1.62	0.25	0.25
Schroder Wholesale Australian Equity Fund	0.69	0.77	0.30	0.30
Vanguard Australian Fixed Interest Index Fund	0.31	0.39	0.20	0.20
Vanguard International Fixed Interest Index Fund (Hedged)	0.36	0.44	0.20	0.20
Vanguard International Shares Index Fund (Hedged)	0.41	0.49	0.40	0.20
Vanguard International Shares Index Fund (Unhedged)	0.38	0.46	0.30	0.10
Vanguard Property Securities Index Fund	0.36	0.44	0.20	0.20



Investment option	Current Indicative investment fee (%)	New Indicative investment fee (%)	Transaction cost allowance in entry price (%)	Transaction cost allowance in exit price (%)
<b>Closed investment options</b>				
BT Balanced Returns Fund	1.09	1.17	0.29	0.00
BT Wholesale Active Balanced Fund	1.10	1.18	0.25	0.00
Colonial First State Wholesale Income Fund	0.72	0.80	0.15	0.15
Invesco Diversified Growth Fund	1.21	1.29	0.25	0.25
MLC-Platinum Global Fund	1.16	1.16	0.00	0.00
<b>Investment options we are removing</b>				
BlackRock Balanced Fund	1.07	-	-	-
Colonial First State Diversified Fund	1.08	-	-	-
National Balanced Fund	0.58	-	-	-
UBS Australian Share Fund	0.72	-	-	-
UBS Diversified Credit Fund	0.70	-	-	-

<sup>1</sup> This amount includes a performance fee.

Investment fees are variable and may change from time to time. For the latest Investment fee charged, please refer to the Fund Profile Tool on [mlc.com.au/fundprofiletool](http://mlc.com.au/fundprofiletool)

## How you can reduce your fees

If you consolidate your super or make additional contributions, and your account balance reaches \$50,000, we'll waive your weekly Administration fee. You also have the option to consolidate any insurance you have through other super accounts with the insurance you hold with us.

Your Investment fees depend on the investment options you choose and these can vary between 0.25% and 4.03% of your account balance. In general, higher Investment fees are charged if there is an active manager using sophisticated investment

techniques. You may want to speak with your Plan adviser about this and compare your investment fees with other options in the Investment Menu.

## Changes to the way your employer pays for fees

If your employer has chosen to pay fees and insurance premiums on your behalf, these fees and the corresponding reimbursement will now appear on your account. This makes it easier to see all your fees, and what portion your employer has paid. It also means that your employer reimbursement may not always be on the same day the fee is deducted.

If your employer changes their reimbursement arrangements, we'll let you know.

# A new simplified and transparent fee structure

## The value of advice

You may pay a Plan service fee to your Plan adviser. The fee applies if your employer has arranged for the adviser to provide financial advice services that are tailored to the needs of the employees in your company.

Through onsite visits and employee seminars, your Plan adviser can provide valuable general financial advice to help you get the most from your super.

Their services include monitoring insurance arrangements for your company's employees and helping you to take advantage of tax benefits in super. They can also check that you've completed important procedures such as providing your tax file number to us and nominating beneficiaries.

If you're receiving advice about your individual financial situation, you may also have agreed to pay an Adviser Service Fee. Everyone has different

needs and goals when it comes to their finances. But no matter where you're at, an adviser can help you make sure your money is working hard for you. They take a comprehensive look at your finances and show you how you can achieve more with your money.

If you have a Plan adviser, their details are in the accompanying letter. Contact the Plan adviser to find out more about their services.

Current	New
<b>Advice fees – Fees your employer negotiates with your Plan adviser</b>	
<b>Adviser contribution fee</b> This fee is currently called the 'Contribution fee' (refer to 'Fees when money moves into or out of the fund' above).	Up to 5.88% of each contribution. The contribution fee can be agreed by your employer with your Plan adviser. The Adviser contribution fee is deducted from your account at the time the contribution is invested. A different Adviser contribution fee percentage can be applied to member and employer contributions.
<b>Asset based commission</b> Your Plan adviser can receive a commission of up to 0.33% pa paid from the Administration fee. This is not an additional cost. If your employer and Plan adviser negotiate a lower fee, the difference is rebated to you.	<b>Plan service fee</b> This fee is up to 1.5% pa of your account balance. It may be a dollar amount, as long as it doesn't exceed this limit. It is deducted monthly from your account and paid to your Plan adviser.
<b>Employer service fee</b> A fee of up to 1.1% of your account balance may be agreed for group based advice. It may be a dollar amount, as long as it doesn't exceed this limit. It is deducted monthly from your account.	The fee is for providing financial services that are tailored to the needs of the employees in your company. The Plan service fee is the Asset based commission plus the Employer service fee.
<b>Insurance commission</b> Commission of up to 23.65% of the insurance premium can be paid to your Plan adviser.	No change.
<b>Fees you can negotiate with your financial adviser</b>	
<b>Adviser service fee</b> If you wish you can have amounts deducted from your account to pay fees to your financial adviser. The fee will be in addition to the other fees in this table.	No change.

## Changes when you leave your employer

If you leave your employer, we'll automatically transfer your super account to MLC MasterKey Personal Super.

The overall changes to your fees and costs will be:

- your Administration fee may increase, as you will no longer be part of an employer Plan
- any Adviser contribution fee will cease
- any Plan service fee will be capped at 0.44%, and
- your Insurance commission will be 23.65%.

Other fees and costs will remain the same at the time of the transfer.

Your Administration fee in MLC MasterKey Personal Super will be calculated in two parts:

- a percentage based on your account balance, as follows:

Account balance	Percentage fee (% pa)
First \$49,999	1.05
Next \$50,000	0.65
Next \$100,000	0.40
Remaining balance over \$199,999	0.25

plus

- a fixed fee of \$2 per week if your account balance is below \$50,000.

The total Administration fee is capped at \$3,500 pa.

# Your insurance

Introducing new features and simpler processes

We've improved our insurance offer by introducing new features and simpler processes.

## Automatic continuation of Income Protection insurance

When you leave your employer and move to MLC MasterKey Personal Super, all of your insurance, including Income Protection, will now continue.

## Extra insurance when you need it most

When a major life event happens like getting married or buying a home, you can now apply to increase your insurance without medical evidence. To find out more you can access the Increases without medical evidence form on [mlc.com.au](http://mlc.com.au) and you'll need to complete it within 90 days of the event occurring.

## 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. Bringing all your super and insurance together makes sense.

Through your MLC super account, you can now keep track of all your insurance, only pay for the insurance you need, and make sure you've got the right kind of insurance for your lifestyle.

Go to [mlc.com.au](http://mlc.com.au) to complete the Request to consolidate insurance form.

## Total and Permanent Disablement insurance for casuals

If you're employed as a casual, you are now eligible for Total and Permanent Disablement (TPD) insurance.

## Improvements to Interim Accident Insurance

We provide Interim Accident Insurance at no extra cost while your application to increase your insurance is being considered. The amount of this insurance has now been increased.

## How to take advantage of our improved insurance offering

To find out more about the new features of our enhanced insurance offering talk to your adviser, go to [mlc.com.au](http://mlc.com.au) or call us.

## Any questions?

If you have any questions, please speak to your Plan adviser or call us on 132 652 between 8 am and 6 pm (AEST) Monday to Friday.