

Your move to MLC MasterKey Business Super

Reference guide



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This guide is issued by MLC Nominees Pty Limited, the Trustee of The Universal Super Scheme. References to 'the Trustee', 'we' and 'us' throughout this guide are references to MLC Nominees Pty Limited.

This guide will help you understand the differences between your current super and your new super account from 8 December 2012.

You'll continue to be a member of The Universal Super Scheme, and we'll remain the Trustee of your super.

Before the move	After the move
Employer Super	MLC MasterKey Business Super ('Business Super')
Employer Super Personal Option	MLC MasterKey Personal Super ('Personal Super')

Important information

Personal Super is the personal division of Business Super. Any reference to Business Super in this document also applies to Personal Super unless specifically stated. Any reference to Employer Super in this document also applies to the Employer Super Personal Option unless specifically stated.

If you have any questions about the move please speak with your adviser or call us on **1300 428 482** between 8.00 am and 6.00 pm (AEST), Monday to Friday.

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Important dates

Event	Date
Last date for Employer Super to receive a transaction request	20 November 2012 by 5.00 pm
Your current Employer Super account closes	7 December 2012
Your new Business Super account opens	8 December 2012
First date that Business Super can process a transaction request	11 December 2012
You'll receive your Employer Super Exit Statement	December 2012
You'll receive your Business Super Welcome Kit	December 2012 / January 2013

This document is a summary of significant information and contains references to further important information on mlc.com.au

The information in this document 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. The information in this guide updates the Employer Super Product Disclosure Statement.

Why we're moving you to Business Super

With its improved services we believe the move will benefit you

We're moving your super account to provide improved benefits. We believe this decision is the appropriate action for us to take for reasons including:

- Business Super is a larger product with better member services
- the fees for members were set to rise in Employer Super because of increasing costs, and
- a number of the investment options in Employer Super are becoming small in size, which could start affecting your returns.

We also believe this is the best way to implement the significant changes to superannuation the Federal Government is planning.

Improved benefits

As a result of the move, you'll:

- be in a larger product with most members paying less in fees
- see clearly online and on your statements what you pay to us as an Administration fee, your Investment fees and what is paid to your adviser
- have an Investment Menu that reflects our experience and resources in finding some of the best investment managers from around the world
- maintain your existing insurance arrangement and have access to improved features
- be supported by our award-winning service team and a significantly enhanced website, and

- have access to MLC Member Rewards, which provides you with wide ranging offers on a variety of lifestyle and banking products.

Award-winning service

The Business Super service team was awarded National Customer Service Team of the year (2010), and NSW Customer Service Team of the year (2011). MLC also won the Best of the Best award (2011) for the most outstanding customer service of any organisation across the country.¹

A significantly enhanced website

You'll also benefit from an easier to use website, with more functionality, meaning you can do more online, when it's convenient for you. And, you'll be able to find more information on your new investment options through our Fund Profile Tool. Go to mlc.com.au/fundprofiles

When will the move happen?

The move is expected to occur on 8 December 2012. You don't need to do anything for the move to occur. Your account balance, insurance and all the details held for you, such as your contact details and beneficiary nomination, will all be carried over automatically to your new account in Business Super. If you don't have any money in your account at the time of the move, your account will be closed.

More information will be in your Welcome Kit

You'll receive more information about all of these features and benefits, including the Product Disclosure Statement for Business Super in your Welcome Kit after the move.

Managing your investments

Your investments will change

Business Super offers a comprehensive range of investment options, with over 45 investment options to choose from. We regularly review and update the range of investment options available in Business Super to make sure it remains appropriate for members' needs.

However, many of the investment options available in Employer Super are not available in Business Super so the move involves a change in your investments.

If you currently invest in an option that is also offered in Business Super, you will remain in that investment option after the move.

Where your current investment option is not available, the Trustee has selected the investment option in Business Super that best matches it. Advice was obtained to ensure each Employer Super investment option was matched to the Business Super investment option with the most similar asset allocation, investment implementation style (eg active, passive, multi-manager, investment style) and investment objective. Investment fees were then also considered with fees in Business Super generally being lower. Most of the investment options selected are managed by MLC or by investment managers owned by the NAB Group.

We took care to match your investment options to the most similar investment option, however there are some differences. We encourage you to check that the investments we plan to move you to are suitable for your needs. To help you do this we suggest you refer to the Investment Menu on mlc.com.au/pds/mkbs or speak with your adviser. The most significant differences are set out on pages 10 and 11. We also encourage you to look at other options in the Investment Menu that will be available to you.

Moving your super to your new investment options

Your investments will automatically be moved on 8 December 2012, and there'll be a period of up to seven business days when your money isn't invested. This means the value of your account won't be affected by market movements (positive or negative) during this period.

We'll move your money as quickly as possible and confirm your new investment in the Welcome Kit you'll receive after the move.

When we move your investment, a transaction cost allowance will apply. This represents the cost of buying and selling assets, including brokerage and stamp duty, and is not a fee paid to MLC. We'll endeavour to keep these to a minimum where possible.

Also, in Business Super, there is a better way of allocating transaction costs than Employer Super. This is shown in more detail on the next page.

¹ Awarded by the Customer Service Institute of Australia.

Managing your investments

Fairer allocation of transaction costs

Currently, when members buy or sell units, the investment option incurs transaction costs, such as brokerage and government charges. These costs may reduce the performance of the investment option. All members in the option share these costs, even if they don't make any transactions.

After the move, 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. When we quote the value of your investment we will use the exit price.

This means you'll only pay the costs for the transactions you make and the performance of your investment options won't be reduced by the impact of other members' transaction costs.

The transaction cost allowance in the unit price for each investment option is an estimate of the transaction costs and is shown in the table on pages 5 to 9. This is not a fee paid to MLC.

Your account value

Because we're moving you, the unit price and the number of units you hold will be different after the move.

The Trustee will move the balance in each investment option to the new investment option. This will be done by buying units in the new investment option using the entry price. In the future when we quote the value of your investment in Business Super we will use the exit price. As a result, the value of your investment after the move will be reduced by the transaction costs applying in Business Super. However, the performance of your investment options won't be reduced by the impact of other members' transaction costs in the future.

The following example shows how this will work.

	Employer Super – before the move	Business Super – after the move
Investment option held	Pre Select Growth	MLC Horizon 4 Balanced
Transaction cost allowance	The method for calculating the unit price allows for estimated transaction costs.	Specific allowance included in the unit price, of: <ul style="list-style-type: none"> • 0.10% in the entry price, and • 0.10% in the exit price. The total transaction costs for your \$25,000 is \$50.
Value of your investment using the exit price	\$25,000	\$24,950

Your new Investment Menu

The core of the Investment Menu in Business Super is made up of MLC portfolios which are:

- diversified across asset classes, or
- invested in one asset class.

Additionally, we recognise you may want investment options from other managers so there are extra options on the Investment Menu from which you can choose.

Some of the investment options in Business Super have a performance based fee. Where this applies, this is reflected in the daily unit price for the investment option and included in the Indicative investment fee we disclose.

You can read about the investment options available in Business Super on mlc.com.au/pds/mkbs. For more information about each investment option please go to mlc.com.au/fundprofiles or speak to your adviser.

Where your investments will move

Your investments will automatically be moved to investments in Business Super with the most similar asset allocation and investment implementation style, shown in the table on the following pages. The Investment fees in Employer Super currently range from 0.29% pa to 5% pa. The new Investment fees in Business Super range from 0.25% pa to 4.32% pa. These Investment fees are indicative and can vary as investment costs change.

The table on the following pages shows where your investment options will be moved, the Indicative investment fee (IIF), and the transaction cost allowance.

Current investment options	IIF (% pa)	New investment options	IIF (% pa)	Transaction cost allowance in:	
				Entry price (%)	Exit price (%)
Aberdeen Actively Hedged International Equities Fund	0.98	MLC Capital International Global Share Fund	0.87	0.10	0.10
Aberdeen Capital Growth Fund	0.80	MLC Horizon 4 – Balanced Portfolio	0.70	0.10	0.10
Aberdeen Classic Series Australian Small Companies Fund	1.26	Fairview Equity Partners Emerging Companies Fund	4.32 ¹	0.30	0.30
Alphinity Socially Responsible Share Fund	1.10	Perpetual Wholesale Ethical SRI	1.00	0.15	0.15

Managing your investments

Current investment options	IIF (% pa)	New investment options	IIF (% pa)	Transaction cost allowance in:	
				Entry price (%)	Exit price (%)
Alphinity Wholesale Australian Equity Fund	1.08	Schroder Wholesale Australian Equity Fund	0.77	0.30	0.30
AMP Capital Responsible Investors Leaders International Share Fund	1.13	MLC Global Share Fund	0.85	0.10	0.10
Antares Australian Equities Fund	0.85	Antares Elite Opportunities Fund	0.70	0.20	0.20
Antares High Growth Shares Fund	1.05	Antares High Growth Shares Fund	1.05	0.15	0.15
Antares Premier Fixed Income Fund	0.54	MLC Diversified Debt Fund	0.50	0.00	0.00
Antares Small Companies Fund	0.98	Fairview Equity Partners Emerging Companies Fund	4.32 ¹	0.30	0.30
AXA Wholesale Global Equity – Value Fund	0.98	Altrinsic Global Equities Trust	1.25	0.30	0.30
BlackRock Global High Conviction Fund	0.95	MLC Capital International Global Share Fund	0.87	0.10	0.10
BlackRock Wholesale Australian Share Fund	0.95	Antares Elite Opportunities Fund	0.70	0.20	0.20
BlackRock Wholesale Balanced Fund	0.95	MLC Horizon 4 – Balanced Portfolio	0.70	0.10	0.10
BlackRock Wholesale Managed Income Fund	0.80	MLC Horizon 2 – Capital Stable Portfolio	0.60	0.05	0.05
BT Wholesale Australian Share Fund	0.79	Antares Elite Opportunities Fund	0.70	0.20	0.20
BT Wholesale Balanced Returns Fund	0.92	MLC Horizon 4 – Balanced Portfolio	0.70	0.10	0.10
BT Wholesale Property Securities Fund	0.65	MLC Property Securities Fund	0.67	0.25	0.20
Challenger Howard Wholesale Mortgage Fund	1.00	MLC Horizon 1 – Bond Portfolio	0.52	0.00	0.00
Challenger Wholesale Property Securities Fund	0.85	MLC Property Securities Fund	0.67	0.25	0.20

Current investment options	IIF (% pa)	New investment options	IIF (% pa)	Transaction cost allowance in:	
				Entry price (%)	Exit price (%)
Colonial First State Wholesale Australian Share Fund	0.97	Schroder Wholesale Australian Equity Fund	0.77	0.30	0.30
Colonial First State Wholesale Conservative Fund	0.77	MLC Horizon 2 – Capital Stable Portfolio	0.60	0.05	0.05
Colonial First State Wholesale Diversified Fund	0.98	MLC Horizon 4 – Balanced Portfolio	0.70	0.10	0.10
Colonial First State Wholesale High Growth Fund	1.17	MLC Horizon 6 – Share Portfolio	0.77	0.10	0.10
Colonial First State Wholesale Property Securities Fund	0.82	MLC Property Securities Fund	0.67	0.25	0.20
Goldman Sachs International Wholesale Fund	1.22	MLC Capital International Global Share Fund	0.87	0.10	0.10
Ibbotson Australian Property Securities Trust	0.34	Vanguard Australian Property Securities Index Fund	0.44	0.20	0.20
Ibbotson Australian Shares Active Trust	0.85	MLC Australian Share Fund	0.73	0.15	0.15
Ibbotson Conservative Growth Trust	0.75	MLC Horizon 2 – Capital Stable Portfolio	0.60	0.05	0.05
Ibbotson High Growth Plus Trust	0.85	MLC Horizon 5 – Growth Portfolio	0.73	0.10	0.10
Ibbotson International Shares (Unhedged) Trust	0.83	MLC Global Share Fund	0.85	0.10	0.10
ING Wholesale Balanced Trust	0.86	MLC Horizon 4 – Balanced Portfolio	0.70	0.10	0.10
Invesco Wholesale Australian Smaller Companies Fund	1.25	Fairview Equity Partners Emerging Companies Fund	4.32 ¹	0.30	0.30
Investors Mutual Future Leaders Fund	0.97	Perpetual Wholesale Smaller Companies Fund No 2	1.45	0.15	0.15
Legg Mason Diversified Trust	0.86	MLC Horizon 4 – Balanced Portfolio	0.70	0.10	0.10
Macquarie Master Capital Stable Fund	0.82	MLC Horizon 2 – Capital Stable Portfolio	0.60	0.05	0.05
Macquarie Master Fixed Interest Fund	0.62	Vanguard Australian Fixed Interest Index Fund	0.39	0.10	0.10

Managing your investments

Current investment options	IIF (% pa)	New investment options	IIF (% pa)	Transaction cost allowance in:	
				Entry price (%)	Exit price (%)
Macquarie Master Property Securities Fund	0.72	MLC Property Securities Fund	0.67	0.25	0.20
MIF Balanced Fund	0.45	MLC Horizon 3 – Conservative Growth Portfolio	0.65	0.05	0.05
MIF Capital Guaranteed Fund	5.00 ²	MLC Cash Fund	0.25	0.00	0.00
MIF Capital Stable Fund	0.45	MLC Horizon 2 – Capital Stable Portfolio	0.60	0.05	0.05
MIF Cash Fund	0.30	MLC Cash Fund	0.25	0.00	0.00
MIF Fixed Interest Fund	0.30	Vanguard Australian Fixed Interest Index Fund	0.39	0.10	0.10
MIF Growth Fund	0.45	MLC Horizon 4 – Balanced Portfolio	0.70	0.10	0.10
MLC Wholesale IncomeBuilder	0.97	MLC IncomeBuilder	0.72	0.00	0.00
MLC Wholesale Property Securities Fund	0.87	MLC Property Securities Fund	0.67	0.25	0.20
Perpetual Wholesale Balanced Growth Fund	1.04	MLC Horizon 4 – Balanced Portfolio	0.70	0.10	0.10
Perpetual Wholesale Geared Australian Fund	2.93 ³	Perpetual Wholesale Australian Fund	1.06	0.30	0.00
Perpetual Wholesale Industrial Fund	0.99	MLC IncomeBuilder	0.72	0.00	0.00
Perpetual Wholesale International Share Fund	1.23	Altrinsic Global Equities Trust	1.25	0.30	0.30
Perpetual Wholesale Smaller Companies Fund	1.25	Perpetual Wholesale Smaller Companies Fund No 2	1.45	0.15	0.15
Perpetual Wholesale Split Growth Fund	1.16	MLC Horizon 6 – Share Portfolio	0.77	0.10	0.10
Platinum International Fund	1.54	Platinum International Fund	1.54	0.25	0.25
Pre Select Australian Equity Fund	0.80	MLC Australian Share Fund	0.73	0.15	0.15
Pre Select Australian Small Companies Fund	1.20	Fairview Equity Partners Emerging Companies Fund	4.32 ¹	0.30	0.30

Current investment options	IIF (% pa)	New investment options	IIF (% pa)	Transaction cost allowance in:	
				Entry price (%)	Exit price (%)
Pre Select Balanced Fund	0.65	MLC Horizon 3 – Conservative Growth Portfolio	0.65	0.05	0.05
Pre Select Conservative Fund	0.60	MLC Horizon 2 – Capital Stable Portfolio	0.60	0.05	0.05
Pre Select Growth Fund	0.70	MLC Horizon 4 – Balanced Portfolio	0.70	0.10	0.10
Pre Select High Growth Fund	0.85	MLC Horizon 5 – Growth Portfolio	0.73	0.10	0.10
Pre Select International Equity Fund	0.95	MLC Global Share Fund	0.85	0.10	0.10
UBS Australian Share Fund	0.80	Antares Elite Opportunities Fund	0.70	0.20	0.20
Vanguard Australian Fixed Interest Index Fund	0.29	Vanguard Australian Fixed Interest Index Fund	0.39	0.10	0.10
Vanguard Australian Property Securities Index Fund	0.34	Vanguard Australian Property Securities Index Fund	0.44	0.20	0.20
Ventura Australian Share Fund	1.06	MLC Australian Share Fund	0.73	0.15	0.15
Ventura Conservative Fund	0.95	MLC Horizon 2 – Capital Stable Portfolio	0.60	0.05	0.05
Ventura Diversified 50 Fund	1.01	MLC Horizon 3 – Conservative Growth Portfolio	0.65	0.05	0.05
Ventura Growth 70 Fund	1.09	MLC Horizon 4 – Balanced Portfolio	0.70	0.10	0.10
Ventura International Share Fund	1.22	MLC Global Share Fund	0.85	0.10	0.10
Zurich Investments Global Thematic Share Fund	0.98	MLC Capital International Global Share Fund	0.87	0.10	0.10
Zurich Investments Managed Growth Fund	0.87	MLC Horizon 5 – Growth Portfolio	0.73	0.10	0.10

1 This fee includes an estimated performance fee of 3.12% pa based on the actual fees paid from the fund for the year ended 30 June 2012. The performance fee charged in future may differ.

2 This is the total management fee paid.

3 Assuming 60% is geared.

Managing your investments

Dynamic Default approach will no longer apply

The Dynamic Default option is a default investment approach in Employer Super. If you haven't made an investment choice, you're likely to be invested in this option.

Employer Super's Dynamic Default option automatically changes the asset class mix as you get older, to reduce the exposure to more volatile growth asset classes. This option invests your account balance as follows:

- up to age 35, your account is invested in the Pre Select High Growth Fund
- when you turn 35, your account balance is switched to the Pre Select Growth Fund, and
- when you turn 50, your account balance is switched to the Pre Select Balanced Fund.

After the move, your investments won't automatically change as you get older. If you want to reduce your exposure to growth assets as you get older, you'll have to switch some or all of your money to other investment options.

Further information about the investment changes

Some of the details relating to the investment changes are listed below.

Challenger Howard Wholesale Mortgage Fund

Investments in this fund are currently suspended by Challenger and can only be accessed when the investment manager allows a special withdrawal window.

If you're invested in this option in Employer Super we'll move your investment in this option to the MLC Horizon 1 – Bond Portfolio in Business Super. This means you can transact in full in the new option at any time and the previous restrictions will no longer apply.

Performance fees

Fairview Equity Partners Emerging Companies Fund

If you're invested in any of the following options you will be moving to the Fairview Equity Partners Emerging Companies Fund:

- Aberdeen Classic Series Australian Small Companies Fund
- Antares Small Companies Fund
- Invesco Wholesale Australian Smaller Companies Fund, or
- Pre Select Australian Small Companies Fund.

The Indicative investment fee for the Fairview Equity Partners Emerging Companies Fund is high compared to others in Business Super because it includes a performance fee. This is incurred when investment returns from this option exceed a specified performance level. We believe the investment performance of this option, after fees have been taken into account, still makes it a suitable option for member investments.

Antares Elite Opportunities and Antares High Growth Shares Funds

The Antares Elite Opportunities Fund and Antares High Growth Shares Fund can also charge a performance fee. However as at 30 June 2012, no performance fee was charged and as such is not included in the Indicative investment fee in the table. This may change in the future.

For more information refer to the investment manager's PDS on mlc.com.au

MIF Capital Guaranteed Fund

If you're invested in this option in Employer Super, we'll move your investment to the MLC Cash Fund in Business Super.

MIF Capital Guarantee Fund guarantees the value of investments in the fund plus the allocated earnings (before fees and taxes). MLC guarantees only the value of your investment in the MLC Cash Fund (before the deduction of fees and taxes) and not the allocated earnings. The MLC Cash Fund has consistently provided higher returns than the MIF Capital Guaranteed Fund, since 1 July 2006.

Perpetual Wholesale Geared Australian Fund

If you are invested in this option in Employer Super, we'll move your investment to the Perpetual Wholesale Australian Fund. These two investment options are similar, except that the Perpetual Wholesale Australian Fund does not have any gearing. Gearing is where the investment manager uses borrowing, or leverage by using derivatives, magnifying exposure to potential gains and losses of an investment. As your new option won't have any gearing your exposure to gains and losses of your investment is reduced.

Pre Select International Equity Fund

If you're invested in this option in Employer Super, we'll move your investment to the MLC Global Share Fund.

There is a difference in the way these investment options manage the risk of movements in exchange rates and its impact on investment returns:

- in the Pre Select International Equity Fund, the currency exposure that is hedged to the Australian dollar may move within the range of 0% to 100% and is currently 50%, whereas
- in the MLC Global Share Fund, there is no hedging to the Australian dollar.

This means your new option accepts the risk of movements in exchange rates. So your future investment return will be more likely to change as the value of the Australian dollar decreases or increases. The advice we received recommended the MLC Global Share Fund as an appropriate match in Business Super for the Pre Select International Equity Fund in Employer Super.

If you want to compare the features of the new investment options with the current investment options go to mlc.com.au/fundprofiles

And you may also want to speak with your adviser to confirm if these changes are appropriate for you.

Your insurance

Changes to your insurance

Any insurance you currently have will automatically be moved to Business Super with generally equal or better terms offered.

Personal Option members

If you're a member of the Personal Option, the total amount of your insurance will change to a fixed amount. This means your insurance will be fixed at this amount at the time of the move and will not be adjusted in future for any future decreases or increases that may have automatically applied to you. If you apply to increase your insurance in future, you may be required to produce medical information before you can obtain any increased insurance.

If you've increased your insurance

If you have extra insurance above that initially provided through your Plan, the total amount of your insurance will change to a fixed amount at the time of the move. This means your insurance will be fixed at this amount and will not be adjusted in future for any future decreases or increases that may have automatically applied to you.

Also, you may have multiple premium rates applicable to your insurance. After the move, your entire insurance benefit will now have one premium rate. If this applies to you, you'll generally pay a lower premium for your entire insurance benefit.

Income Protection to age 60

If you currently have Income Protection with a benefit period to age 60, then after the move your benefit period will change based on your age:

Your age at the move date	Maximum benefit period after the move
Members 54 years or younger	To age 65
Members 55–57 years	Up to 5 years
Members 58 and 59 years	Up to 2 years

As a result of the changes to your benefit period, your premiums may increase. No benefits will be paid after your 65th birthday.

Total and Permanent Disability (TPD) only

If you currently have TPD insurance only, then after the move you'll also have Death insurance for the same amount, without affecting your premiums.

Insurance premiums

The premiums you pay for your insurance change (increase or decrease) if your personal circumstances change, such as a birthday or a change in your occupation or employment.

This adjustment currently occurs in Employer Super each year on 1 July. This adjustment will occur at the time of the move and subsequently the month following any change. The premium you'll be paying will be confirmed in your Welcome Kit which you'll receive after the move.

Following the move, each time you pay your premium in Business Super you'll benefit from a tax credit of up to 15%. In Employer Super, you receive this tax credit only if you made a contribution and it is applied quarterly.

Premiums for smokers

If you've been recorded by us as a smoker, your total insurance premium may increase as a result of the move.

If you don't smoke, you can reduce the premium you pay. To let us know, simply complete the Non-smoker declaration form available on mlc.com.au/NonSmokerForm and return it to us.

Reimbursement of premiums

If your employer has chosen to pay insurance premiums on your behalf, this will continue in Business Super. If your employer changes this arrangement, we'll let you know.

Insurance features

With Business Super, the insurance features offered are generally better than what you currently have. The following table compares some of the insurance features provided through Employer Super and Business Super:

Feature comparison of Death, and Death and TPD insurance		
	Employer Super	Business Super
Maximum entry age	64	69
Leave of absence You can take leave of absence and keep your insurance if you continue to pay your premiums.	12 months	24 months
Keeping your insurance when you leave your employer	Your insurance cover continues in the Personal Option up to age 70 if you leave your employer before reaching age 65. If you leave employment aged 65 or older, your insurance won't transfer. When you transfer, you need to complete an Occupational questionnaire, otherwise a claim may be declined.	Your insurance cover continues in Personal Super up to age 70 and you don't have to do anything for it to continue. Just let us know if you change or cease your occupation.
Extended cover This is insurance without charge when you close your account.	Your Death insurance is continued for up to 60 days.	Your Death and TPD insurance is continued for up to 60 days. This doesn't apply to Personal Super.

Feature comparison of Death, and Death and TPD insurance

	Employer Super	Business Super
Increases without medical evidence	<p>You can increase your insurance by up to 25% of cover on the previous 1 July or up to \$200,000, whichever is lesser, when you:</p> <ul style="list-style-type: none"> • adopt or have a child • get married or divorced • have a child who starts secondary school, or • take out a mortgage to buy your first home. <p>You need to apply within 30 days of the event occurring and you must be aged 54 or younger.</p> <p>You can only use this feature once in any 12 month period.</p> <p>For the first six months of an increase, the increased portion of the insurance benefit will only be paid for accidental death or TPD.</p> <p>Over the life of your policy your total increases are limited to the lesser of:</p> <ul style="list-style-type: none"> • \$1 million, or • the amount of Death and/or TPD insurance at the time of the first increase without medical evidence. <p>You can only apply to increase your TPD insurance if your initial cover was less than \$1.5 million.</p>	<p>You can increase your insurance by up to 25% of cover or up to \$200,000, whichever is lesser, when you:</p> <ul style="list-style-type: none"> • adopt or have a child • get married or divorced • have a child who starts secondary school • take out, or increase, a mortgage, or • complete your first undergraduate degree at a Government recognised institution. <p>You need to apply within 90 days of the event occurring and you must be aged 64 or younger.</p> <p>The increase can only be for one event per year up to a maximum of three increases in the lifetime of your account.</p>

Feature comparison of Income Protection insurance

	Employer Super	Business Super
Insuring super contributions You can insure the super contributions your employer makes for you. This amount can be:	Up to 10% of your monthly income	Up to 15% of your monthly income
Waiver of premiums Whilst on claim you don't have to pay premiums. When your benefit period ends, you'll start paying premiums again from:	Next 1 July	Next premium due date
Return to work during the waiting period You can return to work during the waiting period and your waiting period will be extended by the amount of days you work. This return to work period is:	Two days	Five days
Leave of absence You can take leave of absence and keep your insurance if you continue to pay your premiums.	Up to 12 months	Up to 24 months
Extended cover This is insurance without charge when you close your account.	Not available	Your Income Protection insurance continues for up to 60 days. This doesn't apply to Personal Super.
CPI linked benefits Applies after 12 months of receiving claim payments as a result of being continuously disabled.	Two-year benefit period Benefits will be increased by either CPI or 5%, whichever is lower. Long-term benefit period Benefits may be CPI linked if requested.	Two-year benefit period Does not apply. Long-term benefit period Benefits will be increased in line with the CPI (up to 5%).

Maximum insurance amounts

The maximum insurance amounts you can have		
Insurance type	Employer Super	Business Super
Death	Any amount	\$10 million
TPD	\$3 million up to age 65 \$1 million age 65 or older	\$3 million
Income Protection	75% of your monthly income up to \$25,000 per month.	Generally, up to 75% of your monthly income up to: <ul style="list-style-type: none"> • \$50,000 per month for the first two years, and • \$30,000 per month for any payment thereafter.
Terminal Illness Benefit	\$2 million	\$3 million
Interim Accident Death	The amount you've applied for up to \$1 million.	The amount you've applied for up to \$10 million.
Interim Accident TPD	The amount you've applied for up to \$1 million.	The amount you've applied for up to \$3 million.
Interim Accident Income Protection	The amount you've applied for up to \$10,000 per month.	The amount you've applied for up to \$50,000 per month for the first two years, and up to \$30,000 per month for any payment thereafter.

Terms of your insurance

The terms of your insurance in Business Super after the move are summarised in this guide and in the Business Super Insurance Guide, available on mlc.com.au/pds/mkbs

Listed below are the terms and conditions relating to your insurance that are not listed in the Insurance Guide that may apply to you now in Employer Super, and will continue to apply in Business Super after the move:

	Insurance benefit	Term or definition
Terminal Illness	Death	Self-inflicted injury is currently excluded for Terminal Illness insurance in Business Super. This is not an exclusion in Employer Super and will not apply to you.
Own Occupation	TPD	Own Occupation definition for TPD is not available in Business Super. If you have been accepted for an Own Occupation definition this will continue to be the TPD definition that will apply to you in Business Super.
Activities of Daily Living waiting period	TPD	Six months is the standard waiting period for the Activities of Daily Living definition in Business Super. No waiting periods apply in Employer Super and this will continue to apply to you in Business Super.
Cognitive impairment	TPD	Cognitive impairment remains an activity in the definition of Activities of Daily Living for TPD.
Definition of Income	Income Protection	Your Income definition remains as stated: i) Where you are either self-employed, a working director or partner in a partnership, the Income generated by the business or practice due to your personal exertion or activities less your share of necessarily incurred business expenses for the last 12 months, or ii) Where you are other than that described in (i) then Income is the total value of remuneration paid to you by an employer including salary, fees, regular commission, regular bonuses, regular overtime and fringe benefits earned over the last 12 months.

Occupation classification name changes

The classification names for Occupations in Employer Super are slightly different in Business Super. These changes to Occupation classification names don't affect your premiums. The table below shows the differences:

Employer Super Occupation Classes	Business Super Occupation Classes
Professional	Professional
White Collar	White Collar
Light Blue Collar	Blue Collar
Blue Collar	Heavy Blue Collar

Do you have enough insurance?

Go to [mlc.com.au/InsuranceGap Calculator](https://mlc.com.au/InsuranceGapCalculator) to work out how much insurance you need or contact your adviser. After the move, you can request to change your insurance. To increase your insurance in Business Super, go to mlc.com.au/superinsurance and apply online, and if you'd like to decrease your insurance then simply give us a call.

A simplified and transparent fee structure

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

The fees for MLC MasterKey Business Super are simple and transparent. This means you will be able to see what you pay to us as an Administration fee, your Investment fees and what is paid to your adviser.

These fees are different to those you're currently paying in Employer Super. How this new fee structure affects you will depend on your account balance, the size of your employer Plan and the investment options you hold.

The table on the following pages shows the changes to the fees and costs. All fees shown are inclusive of GST (where applicable). In Employer Super the fees deducted from your account are net of up to 15% tax. In Business Super you will receive a tax credit back to your account which effectively reduces your fees by up to 15%.

We'll deduct any fees owing in your current account in Employer Super up to 7 December 2012, the date your account will cease. Your new fees will be calculated in your new account in Business Super.

Your Welcome Kit will confirm the fees that will apply to your new account, which you'll receive after the move.

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 your insurance with us.

Your Investment fees depend on the investment options you choose and these can vary in Business Super between 0.25% pa and 4.32% pa 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 compare your Investment fees with other options available in the Investment Menu on mlc.com.au/pds/mkbs or speak to your adviser about this.

Reimbursement of fees and premiums

If your employer has chosen to pay fees and insurance premiums on your behalf, this will continue in Business Super. If your employer changes this arrangement, we'll let you know.

A simplified and transparent fee structure

Employer Super members only

If you're an Employer Super member before the move, the table shows the changes to your fees and costs.

If you leave your employer, we'll automatically transfer your super account to Personal Super – see pages 23 to 25 for the fees that will apply to you in Personal Super from 8 December 2012.

	Before the move	After the move
Type of fee or cost	Employer Super	Business Super
Fees paid to MLC		
Annual management fee / Administration fee	<p>Annual management fee</p> <p>2.24% pa is charged to your entire account balance and is reflected in the daily unit price for each investment option.</p> <p>This includes an allowance for the Adviser services fee. Depending on what your employer has agreed with your Plan adviser, you will be charged an Adviser services fee of:</p> <ul style="list-style-type: none"> • a flat dollar fee, or • a percentage of your account balance. <p>Where the Adviser services fee is a flat dollar amount, 2.24% pa is rebated to your account in monthly instalments. The flat dollar fee is deducted monthly from your account.</p> <p>Where the Adviser services fee is a percentage, 1.41% pa is rebated to your account in monthly instalments. If your employer and Plan adviser negotiate a lower fee a further rebate may apply.</p>	<p>The Administration fee has two parts:</p> <ul style="list-style-type: none"> • a percentage of up to 1.05% pa of your account balance, based on the size of your Business Super employer Plan <p>plus</p> <ul style="list-style-type: none"> • a fixed fee of up to \$1.50 per week if your individual account balance is below \$50,000 when the fee is deducted. <p>We may agree lower fees with your employer or Plan adviser.</p> <p>The Administration fee is deducted monthly from your account.</p> <p>The total Administration fee is capped at \$3,500 pa.</p>
Member fee	\$3.53 per week. Deducted from your account monthly.	Nil.

	Before the move	After the move
Type of fee or cost	Employer Super	Business Super
Contribution transaction fee	\$4.22 The fee is charged for contributions made by cheque and is deducted from your account when the contribution is received. It does not apply to transfers or rollovers.	Nil.
Termination fee	\$125.08 The Termination fee is deducted from the amount paid when you make a full withdrawal.	\$75 The Termination fee is deducted from the amount paid when you make a full withdrawal. The fee is currently not charged where a Death, Total and Permanent Disablement or Financial Hardship payment is paid.
Fees paid for investment management		
Investment fee	Varies by investment option and is reflected in the daily unit price for each investment option. Ranges from 0.29% pa to 5.00% pa.	Varies by investment option and is reflected in the daily unit price for each investment option. Ranges from 0.25% pa to 4.32% pa.
Fees paid to your adviser		
Adviser contribution fee	Nil.	Nil. A fee can be agreed by your employer with your Plan adviser.
Adviser services fee / Plan service fee	Adviser services fee The Adviser services fee is included in the Annual management fee, outlined on page 20. Depending on what your employer has agreed with your Plan adviser, the Adviser services fee may be: <ul style="list-style-type: none"> • a flat dollar fee of up to \$412 pa, or • up to 0.83% pa. 	Plan service fee The Adviser services fee will be transferred into a Plan service fee, which can be up to 1.5% pa of your account balance, payable in addition to the Administration fee. 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. The fee is for providing financial services that are tailored to the needs of the employees in your company.

A simplified and transparent fee structure

	Before the move	After the move
Type of fee or cost	Employer Super	Business Super
Adviser review fee / Adviser service fee	<p>Adviser review fee</p> <p>If you wish, you can have amounts deducted from your account to pay fees to your financial adviser for their services.</p> <p>Any arrangement you have should be detailed in the Statement of Advice provided by your financial adviser.</p>	<p>Adviser service fee</p> <p>If you wish, you can have amounts deducted from your account to pay fees to your financial adviser.</p> <p>Any arrangement you have should be detailed in the Statement of Advice provided by your financial adviser.</p>
Insurance commission	<p>Your adviser may have negotiated with your employer to receive up to 27.5% of your insurance premiums. This is included in the premium you pay.</p>	<p>Your adviser may have negotiated with your employer to receive up to 27.5% of your insurance premiums. This is included in the premium you pay.</p>

Personal Option members and members who leave their employer

If you're a Personal Option member before the move, the table below shows the changes to your fees and costs.

The Personal Super fees and costs will also apply to you if you leave your employer.

	Before the move	After the move										
Type of fee or cost	Employer Super Personal Option	Personal Super										
Fees paid to MLC												
Annual management fee / Administration fee	<p>Annual management fee</p> <p>2.24% pa is charged to your entire account balance and is reflected in the daily unit price for each investment option.</p> <p>This includes an allowance for the Adviser services fee. Depending on what your employer has agreed with your Plan adviser, you will be charged an Adviser services fee of:</p> <ul style="list-style-type: none"> a flat dollar fee, or a percentage of your account balance. <p>Where the Adviser services fee is a flat dollar amount, 2.24% pa is rebated to your account in monthly instalments. The flat dollar fee is deducted monthly from your account.</p> <p>Where the Adviser services fee is a percentage, 1.41% pa is rebated to your account in monthly instalments. If you and your adviser negotiate a lower fee a further rebate may apply.</p>	<p>The Administration fee is calculated in two parts:</p> <ul style="list-style-type: none"> a percentage based on your account balance, as follows: <table border="1"> <thead> <tr> <th>Account balance</th> <th>Percentage fee (% pa)</th> </tr> </thead> <tbody> <tr> <td>First \$49,999</td> <td>1.05</td> </tr> <tr> <td>Next \$50,000</td> <td>0.65</td> </tr> <tr> <td>Next \$100,000</td> <td>0.40</td> </tr> <tr> <td>Remaining balance over \$199,999</td> <td>0.25</td> </tr> </tbody> </table> <p>plus</p> <ul style="list-style-type: none"> a fixed fee of \$2 per week if your account balance is below \$50,000 when the fee is deducted. <p>The Administration fee is deducted monthly from your account.</p> <p>The total Administration fee is capped at \$3,500 pa.</p>	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
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											
Member fee	\$5.89 per week. Deducted from your account monthly.	Nil.										

A simplified and transparent fee structure

	Before the move	After the move
Type of fee or cost	Employer Super Personal Option	Personal Super
Contribution transaction fee	<p>\$4.22</p> <p>The fee is charged for contributions made by cheque and is deducted from your account when the contribution is received. It does not apply to transfers or rollovers.</p>	Nil.
Termination fee	<p>\$125.08</p> <p>The Termination fee is deducted from the amount paid when you make a full withdrawal.</p>	<p>\$75</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:</p> <ul style="list-style-type: none"> • where a Death, Total and Permanent Disablement or financial hardship payment is paid, or • if your account remains in Personal Super for one year or more.
Fees paid for investment management		
Investment fee	<p>Varies by investment option and is reflected in the daily unit price for each investment option.</p> <p>Ranges from 0.29% pa to 5.00% pa.</p>	<p>Varies by investment option and is reflected in the daily unit price for each investment option.</p> <p>Ranges from 0.25% pa to 4.32% pa.</p>
Fees paid to your adviser		
Adviser contribution fee	Nil.	<p>Nil.</p> <p>A fee can be agreed by you with your adviser.</p>

	Before the move	After the move
Type of fee or cost	Employer Super Personal Option	Personal Super
Adviser services fee / Plan service fee	<p>Adviser services fee</p> <p>The Adviser services fee is included in the Annual management fee, outlined on page 23.</p> <p>Depending on what has been agreed with your adviser, the Adviser services fee may be:</p> <ul style="list-style-type: none"> • a flat dollar fee of up to \$412 pa, or • up to 0.83% pa. 	<p>Plan service fee</p> <p>The adviser services fee will be transferred into a Plan service fee, which can be up to 1.5% pa of your account balance. It may be a dollar amount, as long as it doesn't exceed this limit.</p> <p>It is deducted monthly from your account and paid to your adviser.</p> <p>You can negotiate a lower fee with your adviser.</p>
Adviser review fee / Adviser service fee	<p>Adviser review fee</p> <p>If you wish, you can have amounts deducted from your account to pay fees to your financial adviser for their services.</p> <p>Any arrangement you have should be detailed in the Statement of Advice provided by your financial adviser.</p>	<p>Adviser service fee</p> <p>If you wish, you can have amounts deducted from your account to pay fees to your financial adviser.</p> <p>Any arrangement you have should be detailed in the Statement of Advice provided by your financial adviser.</p>
Insurance commission	<p>A commission of up to 27.5% of your insurance premiums is included in the premium you pay.</p>	<p>A commission of up to 27.5% of your insurance premiums is included in the premium you pay.</p> <p>If you leave your employer after 8 December 2012 and are transferred to Personal Super, the insurance commission will be 23.65% of your insurance premium. This will be included in the premium you pay.</p>

Important information about the move

Important information to help you with the move

MLC MasterKey Business Super has been independently judged as the top rated corporate super product for 2012/13.¹



Your new account number

You'll have a new account number in Business Super, which will be included in your Welcome Kit.

Your beneficiary nominations

If you have provided the Trustee with a valid death benefit nomination, this nomination will transfer to Business Super.

With Employer Super your beneficiary nomination requires review and renewal every three years. With Business Super you can make a non-lapsing nomination, which means it will remain in place unless you tell us otherwise. Your Welcome Kit for Business Super will have more information.

¹ Awarded by the Heron Partnership

Delays in processing transactions

Any transactions received between 20 November 2012 and 10 December 2012 will be processed with an effective date of 11 December 2012.

If you leave employment before the move

If, before the move, your employer lets us know you've left their employment, your account will transfer to the Personal Option. And, on 8 December 2012, your account will transfer to Personal Super.

Further information you'll receive

The following outlines what you'll receive after the move:

Exit Statement

Soon after the move you'll receive an Exit Statement from Employer Super confirming your closing balance.

Welcome Kit

You'll then receive a Welcome Kit which includes:

- your new account number
- your online access details
- your new BPAY® details, and
- confirmation of your transferred super, personal details and any insurance.

This will also include a Business Super PDS.

Ongoing communications

You'll notice in Business Super that your Annual statement will be mailed earlier compared to Employer Super. Also, if we have your email address, you'll start to receive Business Super's quarterly email, KeyPoint. This provides you with market updates, product enhancements and educational information to help you make the most of your super. This replaces the half yearly statement you received from Employer Super. To view your personal account details at any time simply login to **mlc.com.au**

What you need to do

Making the most of the move

Send us your transaction requests

To make transactions on your Employer Super account, please send us your requests by 5.00 pm on 20 November 2012.

Your super and insurance will automatically move

You don't need to take any action for your super balance, personal details and any applicable insurance, which will automatically move to your new Business Super account.

If you'd prefer not to move to Business Super, you'll need to move to a different super fund before 20 November 2012. If you're considering this, please speak with your adviser about your options.

Continuing contributions to the Personal Option

If you're a member of the Personal Option and want to get your current employer to make contributions into your new super account, simply sign the pre-populated Fund nomination form included in your Welcome Kit and give it to your employer.

Regular personal contributions

To continue making contributions by BPAY®, you'll need to use a new biller code and customer reference number. This information will be provided in your Welcome Kit.

For Personal Option members making contributions via direct debit, we'll take the last contribution from your bank account on 4 November 2012. After the move, you can set up a new arrangement to deduct contributions from your bank account simply by going to **mlc.com.au**

Other transaction requests

With Business Super, most transactions can be done online, via your secure access. You can also keep track of your investments and insurance, access MLC Member Rewards, and view statements and other correspondence we've sent you. If you prefer to write to us, please send it to the new address shown below.

Any questions?

After the move, there will be a new phone number and address for you to contact us on. The new phone number will be **132 652** and the new postal address will be:

PO Box 200
North Sydney NSW 2059

We suggest you talk to an adviser if you're considering changes to your super or insurance arrangements.



With you

For more information
call MLC from anywhere
in Australia on 1300 428 482
or contact your adviser.

Postal address:

MLC Limited, GPO Box 2567
Melbourne VIC 3001

Registered office:

Ground Floor, MLC Building
105–153 Miller Street
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