

MLC Wrap Super

(including super service
and pension service)

Product Guide

MLC Wrap Super Supplementary Product Disclosure Statement (SPDS)

This SPDS supplements and should be read together with the MLC Wrap Super PDS dated 17 January 2011 and replaces the previous SPDS dated 30 August 2011.

Page numbers refer to the page reference in the Product Guide dated 17 January 2011.

Changes to the Product Guide

Federal Budget changes that may affect you

How much you can contribute (see page 7)

The tables on page 7 show the contribution limits for the 2010/2011 financial year. These limits now also apply for the 2011/2012 financial year.

Choosing your pension payments (see page 8)

The government has reduced the minimum payment you can receive by 25%. The table on page 8 shows the minimum pension amounts without the reduction. The table below shows the new minimums for the 2011/2012 financial year.

	Government minimum	Government minimum for 2011/2012
Age at start of pension and each 1 July	Percentage of your account balance % pa	Percentage of your account balance % pa
Under 65	4	3.00
65-74	5	3.75
75-79	6	4.50
80-84	7	5.25
85-89	9	6.75
90-94	11	8.25
95 or more	14	10.50

To find out more, you can speak with your financial adviser or go to ato.gov.au

Tax treatments on lump sum withdrawals (see page 15)

The government has made a change to the taxable component for lump sum withdrawals if you're aged between 55 and 59. These withdrawals will now be tax free on the first \$165,000 (up from \$160,000). Tax will continue to be paid on the remainder up to 16.5% (including Medicare Levy of 1.5%). There are no changes if you're under 55 or aged 60 or over. For up to date tax information go to ato.gov.au

Changes to fees

We've changed our fees from 1 December 2011. The fee table overleaf replaces the one on pages 18 to 19.

We've introduced a Group Investment discount (insert on page 21)

You may receive a 10% pa discount on the Administration fee if, across your MLC Wrap accounts, you hold \$400,000 or more in managed investment options issued by the NAB group of companies. You can view a list of these investments on mlc.com.au

Fees paid to NAB group companies (see page 22)

The following text should be added to this section now called 'Arrangements with NAB'.

The trustee believes that the combination of the interest rate payable by the NAB on the NAB Professional Funds Account and the Administration fees charged represent an arms length arrangement.

MLC Wrap Super Supplementary Product Disclosure Statement (SPDS)

These fees apply to both super and pension accounts.

Type of fee or cost	Amount	How and when paid												
Fees when money moves into or out of MLC Wrap														
Establishment fee The fee to open your investment.	Nil.	There's no Establishment fee.												
Contribution fee The fee on each amount contributed to your investment—either by you or your employer.	Nil.	There's no Contribution fee.												
Withdrawal fee The fee on each amount you take out of your investment.	Nil.	There's no Withdrawal fee.												
Termination fee The fee to close your investment.	Nil.	There's no Termination fee.												
Management costs														
Administration fee The fees and costs for managing your investment.	<p>The fee is based on your combined super and pension account balances in MLC Wrap Super.</p> <table border="1"> <thead> <tr> <th>Value of combined account balances</th> <th>Fee (% pa)</th> </tr> </thead> <tbody> <tr> <td>First \$100,000</td> <td>0.77</td> </tr> <tr> <td>Next \$150,000</td> <td>0.57</td> </tr> <tr> <td>Next \$500,000</td> <td>0.27</td> </tr> <tr> <td>Next \$750,000</td> <td>0.17</td> </tr> <tr> <td>\$1.5 million and over</td> <td>0.05</td> </tr> </tbody> </table> <p>The minimum fee for super is \$100 per month and \$20 per month for pension. The maximum fee is \$4,500 pa for combined account balances up to \$10 million. The fee is negotiated for combined account balances over \$10 million.</p>	Value of combined account balances	Fee (% pa)	First \$100,000	0.77	Next \$150,000	0.57	Next \$500,000	0.27	Next \$750,000	0.17	\$1.5 million and over	0.05	<ul style="list-style-type: none"> Calculated on your average account balance and deducted from your cash holding monthly. If you have multiple super and pension accounts the administration fee is charged to each account on a pro-rata basis. Fee discounts may apply. See page 21.
Value of combined account balances	Fee (% pa)													
First \$100,000	0.77													
Next \$150,000	0.57													
Next \$500,000	0.27													
Next \$750,000	0.17													
\$1.5 million and over	0.05													
Super administration fee The fee for complying with super laws.	0.05% pa of your account balance in MLC Wrap Super.	<ul style="list-style-type: none"> Calculated on your average account balance and deducted from your cash holding monthly. 												
Investment fee The amount you pay for a specific investment.	Only applies to managed investments and the SMA, and differs according to the investments you hold.	<ul style="list-style-type: none"> Actual fee depends on the investment chosen (see Investment Menu). For managed investments, reflected in the unit price. For the SMA, calculated on your average balance and deducted from your cash component monthly. Investment managers may vary their fees. These are set out in their PDS. 												

A tax benefit may apply to fees charged to your super account. All fees shown in the above table and pages 19 and 20 are shown before the tax benefit. We charge the fees shown and then pass the tax benefit back to your super account as a credit, which effectively reduces the fees shown above by up to 15%.

MLC Wrap Super Supplementary Product Disclosure Statement (SPDS)

Type of fee or cost	Amount	How and when paid																					
Service fees¹																							
Listed investment fees The fees for buying and selling listed investments.	<table border="1"> <thead> <tr> <th></th> <th>Preferred broker</th> <th>Panel broker</th> </tr> </thead> <tbody> <tr> <td colspan="3">Fees paid to us</td> </tr> <tr> <td>Online instructions</td> <td>0.05% of trade value (minimum of \$12.50)</td> <td>N/A</td> </tr> <tr> <td>Paper instructions</td> <td>0.123% of trade amount (minimum of \$30.75)</td> <td>\$10.50</td> </tr> <tr> <td colspan="3">Fees paid to brokers</td> </tr> <tr> <td>Brokerage</td> <td>0.082% of trade amount (minimum of \$20.50)</td> <td>On application</td> </tr> <tr> <td>Settlement</td> <td>N/A</td> <td>\$9.50</td> </tr> </tbody> </table>		Preferred broker	Panel broker	Fees paid to us			Online instructions	0.05% of trade value (minimum of \$12.50)	N/A	Paper instructions	0.123% of trade amount (minimum of \$30.75)	\$10.50	Fees paid to brokers			Brokerage	0.082% of trade amount (minimum of \$20.50)	On application	Settlement	N/A	\$9.50	<ul style="list-style-type: none"> Deducted from your cash holding at the time of the trade.
		Preferred broker	Panel broker																				
	Fees paid to us																						
	Online instructions	0.05% of trade value (minimum of \$12.50)	N/A																				
	Paper instructions	0.123% of trade amount (minimum of \$30.75)	\$10.50																				
	Fees paid to brokers																						
	Brokerage	0.082% of trade amount (minimum of \$20.50)	On application																				
Settlement	N/A	\$9.50																					
Paper-based transaction fee The fee for all paper-based requests relating to your account except for listed investment trades.	\$75 per request. There's no fee if your request is submitted online.	<ul style="list-style-type: none"> Only charged on paper-based requests. Deducted from your cash holding when the instruction is processed. 																					
Paper-based statements fee We apply this fee if you choose paper-based information including statements.	\$120 pa There's no fee if you choose to receive your information online.	<ul style="list-style-type: none"> Paid quarterly from your cash holding. 																					
Investment communication fee You can ask us to source investment communications prepared by a company or investment manager. We may charge a fee for this service.	\$50 per request.	<ul style="list-style-type: none"> Deducted from your cash holding when the communication is sent. 																					

¹ Other Service fees may apply. See the Additional explanation of fees and costs section on pages 21 and 22 for further information.

MLC Wrap Super Supplementary Product Disclosure Statement (SPDS)



Example of annual fees and costs for a balanced investment option (see page 20)

We've given you two fee examples that show how the updated fees and costs for a member invested in a balanced investment option for this product can affect a super investment over a one year period. These examples should replace the one appearing on Page 20.

Example One: You should use this to compare MLC Wrap Super with other super products.

Example: The MLC Horizon 4 – Balanced Portfolio		Scenario – Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution fees	0%	For every \$5,000 you put in, you'll be charged \$0.
Plus Management costs:		For the \$50,000 you have in your account, you'll be charged \$1,575 each year.
Administration fee on \$50,000 subject to the minimum fee of \$1,200	0.77% x \$50,000+ \$1,200	
Super administration fee	0.05% x \$50,000+ \$25	
Investment fee	0.70% ² x \$50,000 \$350	
Total	\$1,575	
Equals Cost of fund		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you'll be charged \$1,575 ¹ . What it costs you will depend on the managed investment option you choose and the fees you negotiate with your fund or financial adviser.

Example Two

Example: The MLC Horizon 4 – Balanced Portfolio		Scenario – Balance of \$200,000 with total contributions of \$5,000 during the year
Contribution fees	0%	For every \$5,000 you put in, you'll be charged \$0.
Plus Management costs:		For the \$200,000 you have in your account, you'll be charged \$2,840 each year.
Administration fee for first \$100,000	0.77% x \$100,000+ \$770	
Administration fee for next \$100,000	0.57% x \$100,000+ \$570	
Super administration fee	0.05% x \$200,000+ \$100	
Investment fee	0.70% ² x \$200,000 \$1,400	
Total	\$2,840	
Equals Cost of fund		If you put in \$5,000 during a year and your balance was \$200,000, then for that year you'll be charged \$2,840 ¹ . What it costs you will depend on the managed investment option you choose and the fees you negotiate with your fund or financial adviser.

¹ If there have been no investment gains or losses during the year and the contribution was made on the last day of the year. Additional fees may apply: Establishment fee—\$0. And, if you leave the fund early, you may also be charged Withdrawal fees of 0% of your total fund balance.

² The Investment fee for MLC Horizon 4 – Balanced Portfolio of 0.70% will be effective 1 February 2012. The current investment fee is 0.63%.

The purpose of this guide is to give you the information you need to decide whether you want to invest in this product.

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

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

In providing this information we haven't taken account of your objectives, financial situation or needs. Because of this, before acting on this information you should consider whether it is appropriate having regard to your situation.

Contents

What this guide covers

MLC. With you 2

Who you go through life with makes all the difference.

About MLC Wrap Super 3

Manage your super and retire on your terms.

Things to consider about investing 4

Before you do any investing, there are some things you need to consider.

Your super – the details 6

How you can use super to help achieve the retirement you want.

Your pension – the details 8

How you can use your pension to live the life you want.

Additional information you need to know 11

The ins and outs of how super and pension accounts work.

Fees and costs 17

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

Additional explanation of fees and costs 21

In addition to this Product Guide you should also have the Investment Menu and Application forms.

Together these documents form the Product Disclosure Statement (PDS).

For more information on how to operate your account please see the How to Guide on mlc.com.au/mlcwrap/super

MLC. With you

Who you go through
life with makes all
the difference.

At MLC we've been looking after
Australians' investment and insurance
needs for over 120 years.

This experience has taught us the right
solution for each investor is as unique as
you are.

That's why we specialise in creating a
diverse range of super, investment and
insurance solutions.

We do this so you and your financial
adviser can grow and protect your
wealth the way you want to.

And, as your needs will change with
time, we continually enhance our
products and services so you can get
the best out of your experience with us.

MLC Wrap Super is only available
to you through a licensed financial
adviser or through their
authorised representative.

The MLC group of companies is the
wealth management division of the
National Australia Bank (NAB).

We provide investment, super and
insurance solutions and work closely
with you and your financial adviser to
help grow and protect your wealth.

About MLC Wrap Super

Manage your super and retire on your terms.

An award-winning platform

MLC Wrap Super is based on our award-winning platform which was ranked Best Overall Platform for 2009 in Investment Trends' Platform Report (December 2009).



MLC Wrap Super brings all your super investments together, making it easy for you and your financial adviser to review and manage your super portfolio in one place.

Packed full of features, it gives you the control and flexibility to build a portfolio completely tailored to your individual objectives.

It's a gateway to an extensive range of investments and our award-winning insurance, which you can view and manage with ease using our leading online service.

MLC Wrap Super gives you, and your financial adviser, the ultimate tool to grow, and monitor, your super wealth.

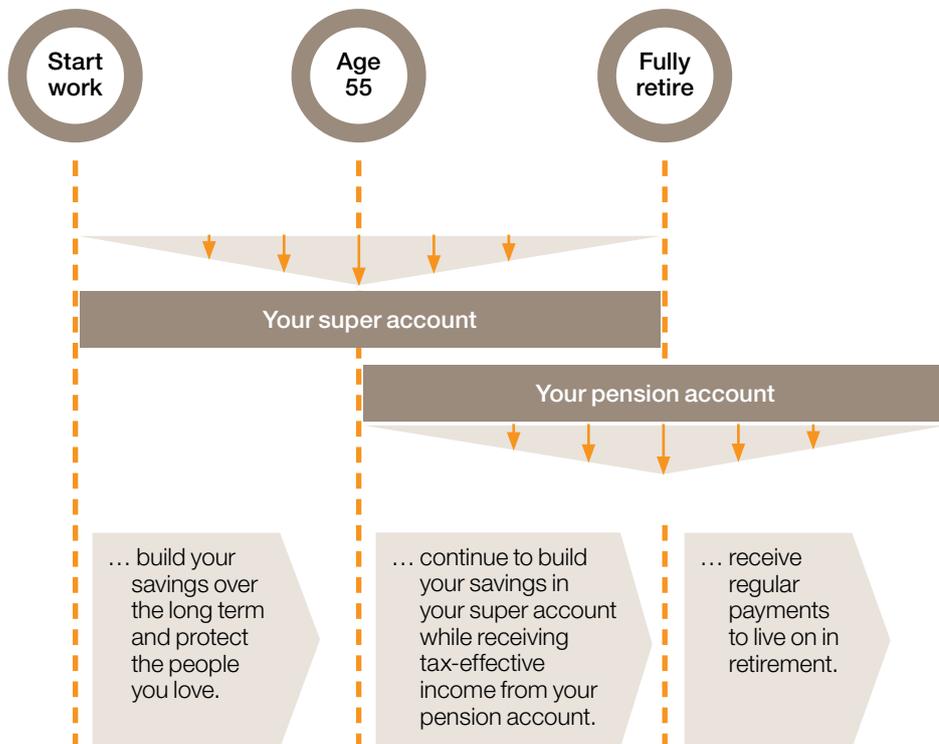
Extensive investment choice

MLC Wrap Super gives you access to:

- over 300 managed investments
- over 500 ASX listed investments, such as direct shares, and exchange traded funds
- a variety of term deposits, and
- a Separately Managed Account (SMA) providing access to a range of direct share portfolios.

All your transactions are made through your MLC Wrap Super cash holding, so you can conveniently manage and monitor your cash flow.

Our extensive range of investments is updated regularly. You can view these in the Investment Menu or online at mlc.com.au



Insurance you can depend on

With over 120 years of protecting people's wealth, it's no surprise we provide more personal insurance to Australians than any other company.

So it's good to know you can bundle our award-winning personal insurance with our award-winning platform.

A super view of your portfolio

Because your portfolio is all in one place online, you can:

- keep track of and manage your investments
- transact on your account
- view your insurance, and
- know where your money is with consolidated portfolio reporting.

Investment Trends has consented to the inclusion of the above logo and wording as it appears above.

Things to consider about investing

Before you do any investing, there are some things you need to consider.

About your investment with us

Your investment isn't a deposit with, or a liability of, the Trustee, NAB or other NAB group companies. None of these companies guarantees the capital value, payment of income or performance of the investments.

Investing through super is usually the most tax-effective way to save and provide for your retirement.

Certainly, the Government has strongly indicated it wants Australians to use super to build wealth that will generate income in their retirement.

While there are many advantages, there are also a few things you should consider before you invest.

Accessing the money you put into super

Because super is a long-term investment, the law is strict about how and when you can access your money.

You can access your money when you reach age 65. Before then you can generally access your money:

- in the form of a transition to retirement pension, or
- if you fully retire after age 55.

However there are exceptions to these rules. To find out more go to apra.gov.au or ato.gov.au

Legislative change

Just as the Government makes the rules, it can also change them.

While many changes have been beneficial for super investors, this may not always be the case.

Your financial adviser can help you respond to any changes to laws on super, tax, social security and other retirement issues.

Making sure you can reach your financial goals

Before you decide to invest, you need to consider the following:

- 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, and
- how comfortable you are with volatility.

Investment risk

Even the simplest investments come with a level of risk, like possible payment delays, loss of your invested capital or the income you earn on it.

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

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

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

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

Things to consider about investing

Diversifying can help reduce volatility

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

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

One of the ways you can reduce volatility is to diversify across a range of asset classes.

Our extensive Investment Menu gives you the list of options you can select from to help make sure your investment portfolio is diversified.

Investing through MLC Wrap Super isn't the same as investing directly

There are many benefits of investing through MLC Wrap Super, such as:

- we invest on a large scale, so we can negotiate lower investment fees
- you can benefit from the convenience of consolidated reporting of all your investments, and
- your tax position can be improved because tax is paid at the fund level.

Because it's different to investing directly, there are some other differences you should be aware of:

- we own the asset on your behalf.
This means:
 - we may sell investments on your behalf, such as when we need to recoup fees and charges owing on your account
 - you don't have the right to attend investor meetings or vote. We may do this on your behalf if it's in the members' best interests, and
 - while you can participate in the majority of corporate actions, there are some you can't participate in, like discount card offers.
- you don't have access to the 14 day cooling-off period available for managed investments, and
- all income distributions are initially paid into your cash holding. You may be able to reinvest distributions back into the investment product that earned the income.

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 financial adviser or go to mlc.com.au

Your super – the details

How you can use super to help achieve the retirement you want.

Starting to save for your retirement with MLC Wrap Super is easy.

Just apply through your financial adviser.

If we don't have all the information we need to open your MLC Wrap Super account, we'll put your contributions in a non-interest bearing account and contact your financial adviser.

If after 30 days we still can't get the information we need, we'll return your money to you.

Minimum investment amount

The table below shows the minimum investment amount you need to open an MLC Wrap Super account.

With a Regular Investment Facility	\$3,000
Without a Regular Investment Facility	\$20,000

Minimum Administration fees may apply. See page 18.

Consolidating your super

Keeping your super in one place makes sense.

If you have investments in another super account you may be able to transfer them into your MLC Wrap Super account.

You may also be able to transfer money you hold in overseas super accounts to your MLC Wrap Super account.

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

Super growth strategies

Generally, you, your spouse and your employer can contribute to your super to help it grow faster.

Salary sacrificing can also be a tax-effective way to add to your super.

Another way to boost your super is by taking advantage of strategies such as Government co-contributions.

How to contribute

You can contribute by Direct Debit, BPAY®, EFT or cheque.

You can also set up a Regular Investment Facility to make contributions from your bank account. The minimum regular contribution amount is \$200.

When you set up a regular investment, it's a good idea to keep up to date with any changes to your chosen investment.

Just talk to your financial adviser or refer to the relevant PDS available on mlc.com.au

Your super – the details

How much you can contribute

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

The two main limits are shown in the following tables.

Concessional contributions

Generally, these are contributions made by:

- your employer (including any salary sacrifice contributions)
- you, for which you're claiming a tax deduction.

Age on the last day of the financial year	Annual limit 2010/2011
Less than 50	\$25,000.
50 and over	\$50,000. Applies until 30 June 2012. From 1 July 2012 the limit will be \$25,000.

Non-concessional contributions

Generally, these are:

- personal contributions for which you're not claiming a tax deduction
- contributions made for you by your spouse.

Age on the first day of the financial year	Annual limit 2010/2011
Less than 65	\$150,000 annually, or \$450,000 over a three year period.
Between 65 and 74	\$150,000 annually.
75 and over	Non-concessional contributions can't be made.

Limits may change from time to time. Please go to apra.gov.au or ato.gov.au for more information.

Access to your super

You can move your money to most super funds at any time.

You can access your money when you reach age 65.

Before then, you can generally access your money in the form of a transition to retirement pension, or if you fully retire after age 55.

Once you have access to your super, withdrawals can be easily arranged. The minimum you can withdraw is \$500.

You'll generally receive your money within 30 days. However, it may take longer if any of your investments are, or become, illiquid.

Under these circumstances the length of time it takes to process your withdrawal will depend on the relevant investment, and investment manager.

For information and updates about your chosen investment options, please speak with your financial adviser, or visit the News and Information section on mlc.com.au

The law defines your eligibility and the types of contributions you, or others on your behalf, can make to your super. It also determines whether you're eligible to access your super. To find out more go to apra.gov.au or ato.gov.au

We recommend you talk with your financial adviser about strategies that are suitable for you.

Your pension – the details

How you can use your pension to live the life you want.

Once you have access to your super money you can start a pension.

This may be from an existing MLC Wrap Super account, other super accounts or both.

Just apply through your financial adviser.

The minimum amount you need to open a pension account is \$20,000.

How your pension is started

Your pension account must be started with a lump sum.

So if you intend to start your pension with money from different sources, we generally start your pension no more than 30 days after receiving the first amount, even if we haven't received all expected amounts.

You'll need to start a new pension for any additional amounts as you can't add money to your pension account once it has started.

You may therefore prefer to consolidate all amounts in your MLC Wrap Super account before starting your pension.

You can keep your existing MLC Wrap Super account open when starting a pension; all you need to do is maintain a minimum balance of \$2,000.

Choosing your pension payments

Account based pension

You can control how and when you receive your pension payments.

Payments will be made to your nominated bank account at the frequency you choose.

You also choose the amount you want to receive provided it meets the following minimums:

Age at start of pension and each 1 July	Percentage of your account balance % pa
Under 65	4
65–74	5
75–79	6
80–84	7
85–89	9
90–94	11
95 or more	14

Limits may change from time to time, for example, in the 2010–2011 tax year the Government halved these minimums.

Please go to ato.gov.au for more information.

The minimum amount is pro-rated in the financial year you start your pension.

However, if you set up your pension in June, you don't have to start payments until the next financial year.

Your pension – the details

Transition to retirement pension

If you have a transition to retirement pension a maximum payment of 10% pa will generally apply until you're:

- permanently retired after age 55, or
- aged 65.

The maximum amount is not pro-rated.

For all pensions, if you choose an amount other than the minimum or maximum, you can elect to have that amount increased annually at a rate you nominate.

Choosing lump sum payments

If you require money in addition to your regular payments, you can request:

- an additional pension payment, or
- a lump sum withdrawal (provided you satisfy the strict access rules if you have a transition to retirement pension).

Any decisions you make regarding the level of payments you receive may impact your Social Security entitlements (if applicable).

We recommend you talk to your financial adviser or go to centrelink.gov.au to find out more about the implications.



Additional information you need to know

The ins and outs of how your super and pension accounts work.

Want to change your mind?

You can mail, fax or email us to close your account within 14 days of opening it.

Please make sure you include your name and account details.

We'll send you confirmation once we've closed your account.

We'll transfer the balance to another eligible super account or, subject to cashing restrictions, directly to you or a pension account you nominate.

The amount we pay you will reflect:

- an increase or decrease in the value of your investment
- pension payments made to you
- tax payable, and
- administration costs incurred in establishing or closing your account.

This cooling-off period doesn't apply if you transact on your account within the 14 days.

Your cash holding

When you open your account you'll need to invest a minimum amount in your cash holding.

The cash holding is used for all transactions on your account, including pension payments.

You earn interest on your cash holding balance.

Interest will be charged if your balance is negative. This may happen if you buy investments using proceeds from sales that aren't final, or if you haven't allowed for fees or other payments.

To find out the current cash holding interest rate, please speak with your financial adviser or go to mlc.com.au/mlcwrap/super

Minimum cash requirement

The minimum amount needed in your cash holding is:

Super	1% of your account balance to a maximum of \$5,000.
Pension	1% of your account balance to a maximum of \$5,000 plus an amount to cover pension payments for the next quarter.

You and your financial adviser are responsible for maintaining your cash holding.

If your cash holding is below the minimum cash requirement we'll sell some of your investments to pay for any outstanding fees, charges and expenses and to provide at least the minimum cash requirement. We'll do this quarterly.

You can nominate the order you'd like your investments to be sold should the need arise. If you don't make a nomination, investments will be sold in the same order as listed on the Investment Allocation Authority form available on mlc.com.au

Additional information you need to know

Buying and selling investments

Managed investments

You can provide instructions for:

- one-off investments, and
- regular investments.

We'll usually instruct investment managers within five working days of receiving your instructions.

It generally takes investment managers a number of days to complete an instruction.

Listed investments

Usually, if we receive your instructions within a reasonable time before the markets close, we'll action them the same day.

However we may not complete your instruction straight away, particularly if you ask us to buy or sell a parcel of shares at a specified price.

Trades can be made through our preferred broker, or our panel of approved brokers.

We've negotiated special fees with our preferred broker.

Term deposits

We process purchase instructions weekly.

Early redemption of these investments is usually not available.

Separately Managed Account (SMA)

We'll act on your investment instructions within two business days of receiving them.

Your financial adviser can also transfer between SMA portfolios.

When we can't process instructions

There are times we might not be able to process your investment instructions, for example when:

- there are liquidity issues in the investment
- the fund manager suspends transactions
- a listed investment is under administration, is suspended or delisted
- we can't obtain a price
- the instructions are incomplete, or
- unforeseen circumstances prevent us from using our administration systems.

For more information please see the How to Guide on mlc.com.au/mlcwrap/super

Investment minimums

Investment type	Initial	Additional
Managed investments	No minimum	No minimum
Listed investments	\$2,000	\$500
Term deposits	Varies by issuer	Varies by issuer
SMA	\$10,000 per model portfolio	No minimum

Additional information you need to know

How your account is valued

The value of your account is the sum of all the investments held in your account including your cash holding.

The value of your investments is based on:

- prices provided by the investment managers and the Australian Securities Exchange
- the number of units or shares you hold, and
- any fixed interest investments you have.

Prices are generally provided daily however there may be times when we don't receive updated prices. This might happen when shares are delisted or assets can't be valued.

In these circumstances we may have to use different valuation methods.

In the event of your death

Your account balance is paid to your beneficiaries or your estate. There are different ways you can nominate your beneficiaries.

The law restricts who can be a beneficiary, as explained in the How to Guide available on mlc.com.au/mlcwrap/super

To give you greater certainty about the payment to your beneficiaries you can make a non-lapsing nomination which is binding on the Trustee subject to any contrary court order.

This nomination ensures your account balance is paid as you have directed, as long as your nomination is and remains valid.

This nomination stands even when your personal circumstances change such as getting married, having children or any other life-changing event.

It's therefore very important to regularly review your nomination to make sure it reflects your current personal circumstances.

If you don't wish to make a non-lapsing nomination, you can choose to make:

- **a nomination subject to Trustee discretion** – the Trustee will decide who receives your account balance and will consider your preferred beneficiaries.
- **no nomination** – the Trustee will decide who receives your account balance.

In each case the Trustee will use a formal process to make its decision. The process involves the identification of any potential beneficiaries and communication with them. The Trustee then gives careful consideration to what it believes is an appropriate distribution of the account balance, paying particular regard to your recorded preferences.

If you have a pension account you can nominate your spouse as a reversionary beneficiary. This means your pension payments will continue to be paid to your spouse after your death.

If you want to change your reversionary nomination you will need to cancel and restart your pension.

We'll confirm your nomination on your annual statement.

We recommend you speak to your financial or legal adviser for more information on estate planning.

Additional information you need to know

Keeping you informed

We provide the following information so you and your financial adviser can stay informed about your investments and any opportunities that may arise. Everything listed is free of charge except for paper-based statements.

Welcome letter	Confirms your account has been opened.
How to Guide	Shows you how you can transact on your account and gives other important information about how your account operates. Available on mlc.com.au/mlcwrap/super
Statements	These provide summaries of your transactions and investment details and will be available on mlc.com.au half-yearly and annually. You can also choose to receive your statements by mail, for a fee (see page 19).
Notice of intent to claim a tax deduction	Included with your annual statement, this shows personal contributions made to your super account during the financial year and sets out the information you need if you want to claim a tax deduction on your personal contributions.
Annual report	Provides an overview of changes that affect you and an abridged version of the financial reports for MLC Wrap Super. The report will be available on mlc.com.au or call us and we'll send you a copy.
Annual pension information	We'll send you details of the minimum and maximum (if applicable) payment you may receive for the new financial year. We also include information to help you complete your Tax Return or that you may need to provide to Centrelink.
Audited Financial Statements	Provides a complete version of the financial reports for MLC Wrap Super. This is available on mlc.com.au
mlc.com.au	Provides you access to information about your account and investments. Also gives you resources to help build your knowledge of super, retirement and investing.
Product and investment option changes	Changes will be made from time to time. Changes that aren't materially adverse will be available on mlc.com.au , or call us and we'll send you a copy. We'll also give you details of any other changes made.
Disclosure documents	You can get a copy of the latest PDS for each managed investment and the SMA on mlc.com.au or by contacting us. Please read the latest PDS before making an investment into an investment option.
Trust Deed	Governs the relationship between you and MLC Wrap Super and the way we can deal with your investment. A copy of this document is available on request.

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

More information is available on sct.gov.au

Additional information you need to know

Tax on your account

While both super and pension investments have favourable tax treatments they're different in the way they're taxed.

We've broadly outlined the tax treatment of each type of account in the table on this page.

How tax is calculated on your account

On an ongoing basis, we keep track of the tax payable on your:

- investment earnings (including dividends, interest and distributions)
- taxable contributions, and
- realised capital gains and losses on investments.

We may have to pay provisional tax from your cash holding to the Australian Taxation Office (ATO). We'll deduct this quarterly from your account. At the end of the financial year when your final tax liability is known you may need to pay an additional amount to the ATO, or be eligible for a refund. This amount will be paid from or credited to your cash holding.

You can find additional information in the How to Guide available on mlc.com.au/mlcwrap/super

This section isn't a comprehensive and complete tax guide. The taxation treatment of super is complex and we recommend you contact your financial adviser, tax adviser or the ATO on ato.gov.au for further details and advice in relation to your own personal circumstances.

Tax treatments on your account				Tax treatments on payments to you	
	Contributions	Investment earnings	Realised capital gains	Regular and additional pension payments	Lump sum withdrawals
Super	<ul style="list-style-type: none"> • Most concessional contributions – taxed at a rate of 15%. • Non-concessional contributions – not taxed. Additional tax may be payable if you exceed the contribution limits, see page 7.	Taxed at a rate of up to 15%.	Taxed at a rate of up to 15%.	Not applicable.	Tax-free component: Nil. Taxable component: <ul style="list-style-type: none"> • If under age 55, tax is paid up to 21.5% (including Medicare Levy at 1.5%). • If aged between 55–59, tax-free on first \$160,000 (this is a lifetime limit which may be increased periodically), then tax is paid on remainder up to 16.5% (including Medicare Levy at 1.5%). • From age 60, tax-free.
Pension	Not applicable.	Tax-free.	Tax-free.	Generally if under age 60, tax is paid at your marginal tax rate, less 15%. From age 60, tax-free.	



Fees and costs

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

Did you know?

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

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

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

You may be able to negotiate to pay a lower contribution fee and management costs where applicable.

Ask us or your financial adviser.

To find out more

If you'd like to find out more, or see the impact of fees for your own circumstances, the Australian Securities and Investments Commission website fido.asic.gov.au has a Superannuation calculator to help you check out different fee options.

This section shows the fees and other costs you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from Fund assets as a whole.

Tax information is set out on page 15.

You should read all the information about fees and costs because it's important to understand their impact on your investment.

Fees and costs for particular investment options are set out in the Investment Menu.

All fees on pages 18 to 22 are shown inclusive of GST and net of Reduced Input Tax Credits and stamp duty (where applicable).

Fees and costs

These fees apply to both super and pension accounts.

Type of fee or cost	Amount	How and when paid										
Fees when money moves into or out of MLC Wrap												
Establishment fee The fee to open your investment.	Nil.	There's no Establishment fee.										
Contribution fee The fee on each amount contributed to your investment – either by you or your employer.	Nil.	There's no Contribution fee.										
Withdrawal fee The fee on each amount you take out of your investment.	Nil.	There's no Withdrawal fee.										
Termination fee The fee to close your investment.	Nil.	There's no Termination fee.										
Management costs												
Administration fee The fees and costs for managing your investment.	The fee is based on your combined super and pension account balances in MLC Wrap Super.	<ul style="list-style-type: none"> • Calculated on your average account balance and deducted from your cash holding monthly. • If you have multiple super and pension accounts the administration fee is charged to each account on a pro-rata basis. • Fee discounts may apply. See page 21. 										
	<table border="1"> <thead> <tr> <th>Value of combined account balances</th> <th>Fee (% pa)</th> </tr> </thead> <tbody> <tr> <td>First \$100,000</td> <td>0.95</td> </tr> <tr> <td>Next \$150,000</td> <td>0.70</td> </tr> <tr> <td>Next \$500,000</td> <td>0.30</td> </tr> <tr> <td>Next \$750,000</td> <td>0.20</td> </tr> <tr> <td>\$1.5 million and over</td> <td>0.10</td> </tr> </tbody> </table> <p>The minimum fee for super is \$100 per month and \$20 per month for pension. The maximum fee is \$5,900 pa for combined account balances up to \$10 million. The fee is negotiated for combined account balances over \$10 million.</p>		Value of combined account balances	Fee (% pa)	First \$100,000	0.95	Next \$150,000	0.70	Next \$500,000	0.30	Next \$750,000	0.20
Value of combined account balances	Fee (% pa)											
First \$100,000	0.95											
Next \$150,000	0.70											
Next \$500,000	0.30											
Next \$750,000	0.20											
\$1.5 million and over	0.10											
Super administration fee The fee for complying with super laws.	0.05% pa of your combined super and pension account balances in MLC Wrap Super.	<ul style="list-style-type: none"> • Calculated on your average account balance and deducted from your cash holding monthly. 										
Investment fee The amount you pay for a specific investment.	Only applies to managed investments and the SMA, and differs according to the investments you hold.	<ul style="list-style-type: none"> • Actual fee depends on the investment chosen (see Investment Menu). • Reflected in the unit price for each investment. • Fund managers may vary their fees. These are set out in their PDS. 										

A tax benefit may apply to fees charged to your super account. All fees shown in the above table and pages 19 and 20 are shown before the tax benefit. We charge the fees shown and then pass the tax benefit back to your super account as a credit, which effectively reduces the fees shown above by up to 15%.

Fees and costs

Type of fee or cost	Amount	How and when paid
Service fees¹		
Listed investment fees The fees for buying and selling listed investments	Fees paid to us	
	Instructions	% of trade amount
	Online	0.05%
	Paper	0.123%
	Fees paid to brokers	
	Preferred broker	Panel broker
Brokerage fee	0.082% of trade amount (minimum \$20.50)	On application
Settlement fee	Doesn't apply	\$16.50
		<ul style="list-style-type: none"> Deducted from your cash holding at the time of the trade.
Paper-based transaction fee The fee for all paper-based requests relating to your account except for listed investment trades.	\$75 per request. There's no fee if your request is submitted online.	<ul style="list-style-type: none"> Only charged on paper-based requests. Deducted from your cash holding when the instruction is processed.
Paper-based statements fee We apply this fee if you choose paper-based information including statements.	\$120 pa There's no fee if you choose to receive your information online.	<ul style="list-style-type: none"> Paid quarterly from your cash holding.
Investment communication fee You can ask us to source investment communications prepared by a company or investment manager. We may charge a fee for this service.	\$50 per request.	<ul style="list-style-type: none"> Deducted from your cash holding when the communication is sent.

¹ Other Service fees may apply. See the Additional explanation of fees and costs section on pages 21 and 22 for further information.

Fees and costs

Example of annual fees and costs for a balanced investment option

This table gives an example of how the fees and costs of a balanced investment option for this product can affect your super investment over a one year period. You should use this table to compare this product with other super products.

Example: The MLC Horizon 4 – Balanced Portfolio			Scenario – Balance of \$150,000 with total contributions of \$5,000 during the year
Contribution fees		0%	For every \$5,000 you put in, you'll be charged \$0.
Plus Management costs:			For the \$150,000 you have in your account, you'll be charged \$2,320 each year.
Administration fee for first \$100,000	0.95% x \$100,000+	\$950	
Administration fee for next \$50,000	0.70% x \$50,000+	\$350	
Super administration fee	0.05% x \$150,000+	\$75	
Investment fee	0.63% x \$150,000 ¹	\$945	
Total		\$2,320	
Equals Cost of fund			If you put in \$5,000 during a year and your balance was \$150,000, then for that year you'll be charged \$2,320 ² . What it costs you will depend on the managed investment option you choose and the fees you negotiate with your fund or financial adviser.

¹ The Investment fee for MLC Horizon 4 – Balanced Portfolio is 0.63%.

² Additional fees may apply: Establishment fee—\$0.

And, if you leave the fund early, you may also be charged Withdrawal fees of 0% of your total fund balance.

Additional explanation of fees and costs

Minimum Administration fee

The minimum Administration fee of \$100 per month will be reduced to \$20 per month:

- for the first three months of your account
- if you have a pension account
- if you have a Regular Investment Facility, or
- if you have insurance through MLC Wrap Super.

Family group discount

You can link up to four MLC Wrap accounts held by you and your eligible family members as a 'family group' who may then receive a 10% discount on the Administration fee.

MLC Wrap accounts include:

- MLC Wrap Super
- MLC Wrap Investments
- MLC Wrap Self Managed Super.

The financial adviser for each linked account must be the same.

The minimum Administration fee will always apply but the maximum fee may be reduced by the Family group discount.

More details on how these discounts are calculated are provided in the How to Guide available on mlc.com.au/mlcwrap/super

Investment manager fee rebate

Some investment managers provide a rebate on their investment management fee, which we pass entirely back to your cash holding.

The investment manager fee rebates are shown in the Investment Menu.

Performance fee

An investment manager may charge a performance fee when its investment returns exceed a specified level. Where applicable, an estimate of this fee is included in the investment fees shown in the Investment Menu.

You can get more information on how performance fees are calculated by going to the investment managers' PDS available on mlc.com.au

Transaction costs

Managed investments – buy/sell spreads

This is an allowance investment managers may make for the costs of buying and selling assets when calculating unit prices for managed investments.

These costs include brokerage and stamp duty.

When you transact on your account you may pay a small proportion of your transaction towards meeting these costs.

You can get more information on buy/sell spread allowances by going to the investment managers' PDS available on mlc.com.au

SMA brokerage

Different brokerage rates apply to shares purchased and sold within an SMA. You can get more information on these fees by going to the SMA PDS available on mlc.com.au

Interest charge

Interest will be charged quarterly on your negative cash holding balance at the cash holding interest rate.

Insurance costs

If you have insurance you may be able to have your premiums deducted from your cash holding.

Dishonours

We may recover the costs of any charges incurred if a direct debit or cheque is dishonoured.

Family Law fee

The Family Law Act enables investments to be divided between parties in the event of marriage breakdown. We may be obliged to provide information to other parties and manage your account in line with Court orders.

We may charge a fee for this service.

Adviser service fee

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

This fee will be in addition to the other fees described in the Fees and costs section.

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

Additional explanation of fees and costs

Adviser remuneration

Financial advisers may receive alternative forms of remuneration from MLC Wrap Super, such as the costs of maintaining their professional development qualifications.

This is paid from the Administration fee and is not an additional cost to you. Actual payments are recorded in registers which you can view on request.

Fees paid to NAB group companies

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

Amounts paid for these services are always negotiated on an arms length basis and are included in all the fees detailed on pages 18 and 19.

Each financial year, MLC Wrap Super pays NAB a fee of up to 0.1% of contributions made to MLC Wrap Super by customers introduced by NAB. This is included in the fees and costs already shown on these pages.

Payments made to us by investment managers

Investment managers may pay us a fee which may equate to up to 0.2% of the funds held to provide distribution and marketing services. We may also charge a research fee for the assessment of the investment manager. This isn't an additional charge to you.

Other fees we may charge

Fees may be charged if you request a service not currently offered. We'll agree any additional fee with you before providing the service.

We may pass on any costs we incur in implementing government legislation or fees charged by third parties.

Varying your fees

We may increase or vary any of our fees, costs or fee discounts. We'll give you 30 days notice of any increase (other than government taxes and charges). Fund managers may vary their investment fees as set out in their PDS.

Fee rebates for small super account balances

The law limits the amount of fees that can be deducted from your account if at any time, the value of your account is less than \$1,000 and it includes or has included Superannuation Guarantee or award contributions made by your employer.



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

Fax: (03) 9869 1595

Postal address:

GPO Box 2567
Melbourne VIC 3001

Registered office:

Ground Floor, MLC Building
105 – 153 Miller Street
North Sydney NSW 2060

mlc.com.au