



Changes to  
MLC MasterKey  
Business Super

**Reference guide**

As Trustee of your super fund,  
we'd like to let you know about some  
important changes we're making  
to your super account.

MLC MasterKey Personal Super (Personal Super) is the personal division of MLC MasterKey Business Super (Business Super). Any reference to Business Super in this document also applies to Personal Super unless specifically stated.

The information in this guide updates the Business Super Product Disclosure Statement. It is general and doesn't take into account your personal financial situation or needs. We recommend you obtain financial advice for your personal circumstances.

References to 'the Trustee', 'we', and 'us' throughout this guide are references to MLC Nominees Pty Limited.

**Preparation date:** September 2013

# Why are we making these changes?

The Government has introduced a range of reforms to super, which are designed to provide a stronger, more efficient super system.

These reforms will lead to changes to your investments, fees and insurance. As Trustee of your super fund, we'll be implementing some of these changes from 29 November 2013.

This guide will help you understand the changes that are being made and the choices you have. You can also go to **[mlc.com.au/mysuper](http://mlc.com.au/mysuper)** to learn about the Government's plans for super.



## Important dates

Event	Date
Deadline for contacting us to change your investment or insurance options	7 November 2013
Your future contributions into the MLC MySuper investment option commence automatically	29 November 2013
For eligible members with MLC Basic insurance or death insurance only, your insurance will change automatically	29 November 2013
Time for contacting us to move your current super balance to MLC MySuper, before we automatically move it	After 29 November 2013
Your current super balance moves to the MLC MySuper investment option automatically	By July 2017

# Managing your investments

## Your super contributions

Currently your contributions are invested in a default investment option approved by us, as the Trustee. You can see the investment option where your super is invested in your cover letter or online.

From 29 November 2013, all future contributions made to your account will be invested in a new investment option, MLC MySuper. This has a different asset allocation, investment strategy and objective to your current investment option, which can affect your investment returns.

As the asset allocation for MLC MySuper is different to your current investment option, you should consider whether MLC MySuper is appropriate for you. You can compare MLC MySuper to your current investment option by looking at the information on the following page and the Investment Menu available at [mlc.com.au/pds/mkbs](http://mlc.com.au/pds/mkbs)

If you'd prefer, you can keep your current investment option by letting us know before 7 November 2013. To do this, please login to [mlc.com.au](http://mlc.com.au) and respond to the prompts, or complete the MySuper choices form enclosed.

## Your super balance

Your current super balance will remain invested in the default investment option, which means that from 29 November 2013, you'll see this option as well as MLC MySuper on your statements and online.

Unless you let us know otherwise, in line with the Government's reforms, we'll move your balance in the default investment option to MLC MySuper by 1 July 2017. We'll contact you about this before we make the move.

You can also choose to move your current super balance to MLC MySuper, before we automatically move it, by letting us know after 29 November 2013.

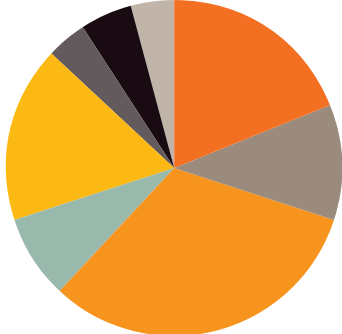
Business Super offers a comprehensive range of investment options, with over 40 to choose from.

We encourage you to check MLC MySuper is suitable for your retirement needs.

To help you do this we've provided a lot of information online at [mlc.com.au](http://mlc.com.au)



## About MLC MySuper

<b>Investment objective</b>	To outperform inflation, measured by the Consumer Price Index, by 3% per annum after fees and taxes, over any 10 year period.																						
<b>The investment option may be suited to you if...</b>	<ul style="list-style-type: none"> <li>You want long-term capital growth.</li> <li>You understand and accept there can be moderate to high fluctuations in the value of your investment.</li> </ul>																						
<b>Minimum suggested time to invest</b>	Six years																						
<b>Neutral asset allocation of \$1,000 (at 29 November 2013)</b>	 <table border="1"> <thead> <tr> <th>Asset Class</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Australian fixed income</td> <td>\$190</td> </tr> <tr> <td>Global fixed income</td> <td>\$110</td> </tr> <tr> <td><b>Defensive</b></td> <td><b>\$300</b></td> </tr> <tr> <td>Australian shares</td> <td>\$320</td> </tr> <tr> <td>Global shares (hedged)</td> <td>\$80</td> </tr> <tr> <td>Global shares (unhedged)</td> <td>\$170</td> </tr> <tr> <td>Global property securities (hedged)</td> <td>\$40</td> </tr> <tr> <td>Global private assets (hedged)</td> <td>\$50</td> </tr> <tr> <td>Other</td> <td>\$40</td> </tr> <tr> <td><b>Growth</b></td> <td><b>\$700</b></td> </tr> </tbody> </table>	Asset Class	Value	Australian fixed income	\$190	Global fixed income	\$110	<b>Defensive</b>	<b>\$300</b>	Australian shares	\$320	Global shares (hedged)	\$80	Global shares (unhedged)	\$170	Global property securities (hedged)	\$40	Global private assets (hedged)	\$50	Other	\$40	<b>Growth</b>	<b>\$700</b>
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<b>Growth</b>	<b>\$700</b>																						
<b>We may adjust the neutral allocation within these ranges</b>	Defensive 15-45% Growth 55-85%																						
<b>Risk label, estimated number of negative annual returns</b>	Medium to high, between three and four years in 20																						
<b>Indicative investment fee</b>	0.61% <sup>1</sup> pa																						
<b>Transaction cost allowance Entry/Exit</b>	0.05% / 0.05%																						

<sup>1</sup> Includes estimated performance fees. Actual fees may be different.

To find more information about your current investment option, please access our Fund profile tool at [mlc.com.au/fundprofiletool](http://mlc.com.au/fundprofiletool)

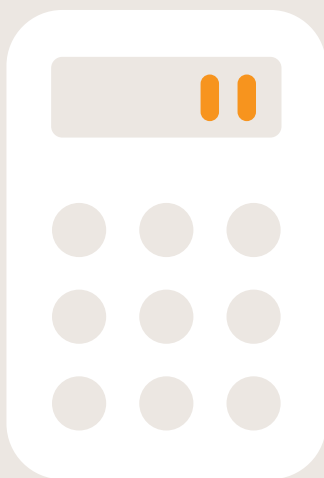
# Fees you pay

The fees you pay will be impacted by these changes. How you're affected will depend on your account balance and the investment options you hold.

The table over the page shows the maximum fees and costs for your current investment option and the MLC MySuper investment option. All fees shown are inclusive of GST (where applicable). For more information on your current fees, please refer to the Fee Flyer available at [mlc.com.au/pds/mkbs](https://mlc.com.au/pds/mkbs)

If your employer pays your fees and insurance premiums for you, these payments can continue. If there's a change to these reimbursement arrangements, we'll let you know.

Please refer to your cover letter or Annual statement for the fees you pay after we've applied any discounts or waivers. You may receive a discount on the fees shown in the following table, based on the size of your employer's Business Super Plan.



Type of fee or cost	Your current investment option	MLC MySuper investment option
<b>Administration fee % based</b>  <b>Fixed dollar<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Up to 1.05% pa of your balance invested in this investment option</li> </ul> <b>plus</b> <ul style="list-style-type: none"> <li>a fixed fee of up to \$1.50 per week (or \$2 per week for Personal Super)</li> </ul> <b>If your entire super balance is held outside MLC MySuper, we'll still be able to apply a fee waiver on balances above \$50,000, and a maximum fee of \$3,500.</b>	Up to 0.40% pa of your balance invested in this investment option  <b>plus</b> <ul style="list-style-type: none"> <li>a fixed fee of up to \$1.50 per week</li> </ul>
<b>Indicative investment fee</b>	The indicative investment fee for the MLC Horizon 5 Growth Portfolio 0.73% <sup>2</sup> pa  The indicative investment fee for other Trustee default investment options ranges from 0.38% pa to 0.73% <sup>2</sup> pa	Indicative investment fee 0.61% <sup>2</sup> pa
<b>Transaction cost allowance (Entry/Exit)</b>	0.05% / 0.05% to 0.10% / 0.10% for Trustee default investment options	0.05% / 0.05%
<b>Plan service fee</b>	Up to 1.5% of your individual account balance	Nil
<b>Adviser contribution fee</b>	Up to 5.88% of contributions	Nil
<b>Adviser service fee</b>	Amount agreed between you and your adviser	Amount agreed between you and your adviser
<b>Termination fee<sup>1</sup></b>	\$75	\$75

<sup>1</sup> Fixed dollar fees are only charged to one investment option.

<sup>2</sup> Includes estimated performance fees. Actual fees may be different.

If you have any of your super balance in MLC MySuper, the fixed dollar Administration fee will be charged irrespective of your account balance. It will not be charged to more than one investment option and will be deducted monthly from MLC MySuper.

In future, our reporting will include extra information about 'indirect costs', which are the costs associated with managing some of the assets held in certain investment options. These have always been incurred and reflected in the investment performance of the options. While the reporting of these indirect costs will change, there'll be no change to the way the options are managed or the fees you pay. For more information about indirect costs, please refer to the Product Disclosure Statement available on [mlc.com.au](http://mlc.com.au) after 29 November 2013.

### If you leave your employer

From 29 November 2013, if we're notified you've left your employer, your account may be moved to Personal Super and the fees you pay in MLC MySuper will still apply. However, any employer discounts will no longer apply.

# Your insurance

Currently you have either:

- insurance selected by you or your employer (MLC Tailored insurance)
- insurance selected for you (MLC Basic insurance)
- MLC Lifestage insurance
- fixed insurance (Personal Super members only), or
- no insurance.

If you have MLC Tailored insurance or fixed insurance, your insurance won't change unless you have Death insurance only. In this case, your insurance will change to Death and Total and Permanent Disablement (TPD) insurance. For more information about TPD insurance, please refer to the Insurance guide available at [mlc.com.au/pds/mkbs](http://mlc.com.au/pds/mkbs)

If you have MLC Basic insurance, your insurance will change to MLC Lifestage insurance, unless your account balance is less than \$2,000 and we haven't received a contribution since 8 July 2012.

If you've recently been provided MLC Lifestage insurance your insurance won't change.

If you've previously chosen to have no insurance, this won't change. If you'd like to apply for insurance, please go to [mlc.com.au](http://mlc.com.au) or call us. If you've never been offered insurance, you'll be provided MLC Lifestage insurance.

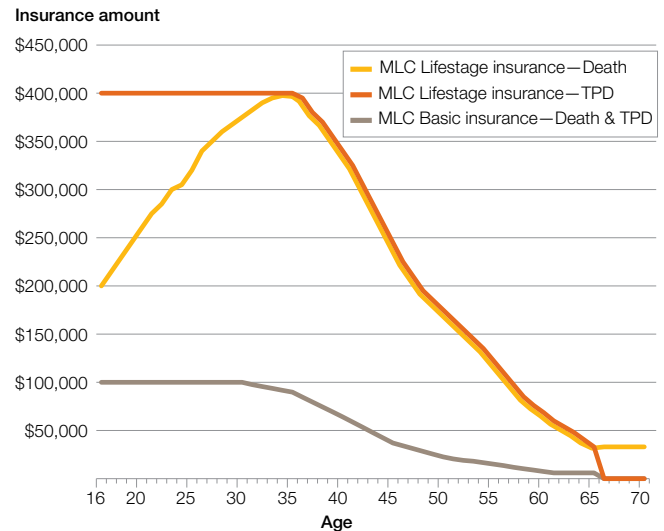
If you have Income Protection insurance, it's not affected by these changes.

## MLC Lifestage insurance

MLC Lifestage insurance has been designed to cater to your needs through different life stages. Your Death insurance will increase when you're most likely to have a higher mortgage or

children at home. Your TPD insurance will be higher if you're younger, to help cover costs should you become totally and permanently disabled at an early age. The following graph shows you how this works:

### MLC Lifestage insurance vs MLC Basic insurance



With MLC Lifestage insurance:

- you'll have higher insurance than you currently have in MLC Basic insurance
- you'll have high TPD insurance when you're younger, and
- your Death and TPD insurance will decrease after age 35.

The MLC Lifestage insurance scale will increase on 1 July each year in line with increases in Average Weekly Ordinary Time Earnings. Your Annual statement will show you the amount of your insurance. This means the insurance will stay relevant to you and your needs.

Your Death insurance will continue to age 70 and your TPD insurance will cease at age 65.



## MLC Lifestage insurance premium

Your premium in MLC Lifestage insurance may be higher than you're currently paying in MLC Basic insurance. It's based on the amount of insurance you have, your age, gender and occupation. Your premium will change as you get older and when your insurance changes.

You can use the tables below to determine how much MLC Lifestage insurance will cost you annually per \$1,000 of insurance:

Age at next birthday	Male		Female	
	Death	TPD	Death	TPD
16	0.285	0.091	0.145	0.036
17	0.360	0.091	0.153	0.036
18	0.428	0.091	0.176	0.036
19	0.482	0.091	0.199	0.036
20	0.523	0.091	0.222	0.036
21	0.558	0.091	0.223	0.036
22	0.574	0.091	0.208	0.036
23	0.583	0.091	0.201	0.038
24	0.585	0.100	0.194	0.044
25	0.580	0.116	0.187	0.050
26	0.525	0.123	0.186	0.060
27	0.508	0.139	0.194	0.075
28	0.497	0.159	0.203	0.093
29	0.491	0.173	0.207	0.109
30	0.485	0.188	0.212	0.128
31	0.479	0.205	0.216	0.150
32	0.473	0.223	0.220	0.174
33	0.468	0.243	0.225	0.204
34	0.471	0.272	0.248	0.226
35	0.474	0.305	0.273	0.251
36	0.477	0.342	0.300	0.279
37	0.480	0.383	0.330	0.309
38	0.483	0.429	0.364	0.343
39	0.520	0.472	0.392	0.387
40	0.561	0.518	0.423	0.435
41	0.606	0.569	0.456	0.491
42	0.654	0.625	0.493	0.552
43	0.706	0.687	0.532	0.622

Age at next birthday	Male		Female	
	Death	TPD	Death	TPD
44	0.791	0.781	0.568	0.723
45	0.885	0.888	0.606	0.842
46	0.990	1.010	0.647	0.979
47	1.108	1.149	0.691	1.139
48	1.241	1.307	0.738	1.324
49	1.343	1.505	0.800	1.494
50	1.453	1.733	0.868	1.686
51	1.578	1.996	0.945	1.903
52	1.714	2.298	1.029	2.147
53	1.862	2.645	1.121	2.423
54	2.017	3.021	1.213	2.685
55	2.184	3.449	1.312	2.975
56	2.365	3.939	1.419	3.296
57	2.561	4.496	1.536	3.653
58	2.773	5.134	1.661	4.047
59	3.092	5.607	1.793	4.343
60	3.448	6.124	1.933	4.661
61	3.828	6.689	2.078	5.001
62	4.252	7.305	2.233	5.366
63	4.722	7.978	2.400	5.757
64	5.172	8.933	2.583	6.301
65	5.665	10.001	2.781	6.898
66	6.205	N/A	2.993	N/A
67	6.796	N/A	3.222	N/A
68	7.443	N/A	3.468	N/A
69	8.286	N/A	3.771	N/A
70	9.223	N/A	4.100	N/A

# Your insurance

Depending on your occupation, you'll need to apply the factor in the table below to the amount on the previous page:

Occupation classification	Death	TPD
Professional collar	0.90	0.85
White collar	1.00	1.00
Light blue collar <sup>1</sup>	1.20	1.37
Blue collar	1.35	1.60
Heavy blue collar	1.98	2.85

<sup>1</sup> If we don't know your occupation, you'll be classified as Light blue collar.

## For example:

Adam, a male who works in an occupation classified as Light blue collar, is turning 38 years old and will get \$370,000 of Death and TPD insurance. He will be charged:

Death insurance:  $\$0.483 \times 1.20 \times \$370 = \$214.45$  per year

TPD insurance:  $\$0.429 \times 1.37 \times \$370 = \$217.46$  per year

Adam's premium for MLC Lifestage insurance will be \$431.91 per annum or \$8.31 per week. This means if Adam had an unforeseen event and was disabled to the extent that he was never able to return to work, he would receive \$370,000. This would help him pay his expenses.

## Your occupation classification

Your occupation classification is determined by your duties, not by your title. Classifications are grouped as follows:

- Professional collar – includes degree-qualified business executives who are well established and earning a minimum of \$100,000 per annum, in addition to the requirements for white collar classification.
- White collar – includes occupations with either no manual duties or very light-skilled duties. There should be no exposure to unusual occupational hazards and an emphasis on mental, rather than physical work.
- Light blue collar – includes occupations involving less than 20% light manual work or direct supervision of manual workers.

## Your occupation classification (continued)

- Blue collar – consists mainly of certified or licenced tradesmen doing skilled specialised manual work.
- Heavy blue collar – consists of employees who do manual, but not hazardous work.

For more information about how we classify occupations, and to see how your premium rate compares, please go to [mlc.com.au](http://mlc.com.au)

If you currently have MLC Basic insurance and you choose not to change to MLC Lifestage insurance, or you're ineligible, your MLC Basic insurance will be automatically increased by 2.5%, and your premium will change. Your premium will depend on your occupation and if we don't know your occupation, you'll be classified as Light blue collar. This insurance will cease at age 65.

## How to change your insurance

We encourage you to consider whether your insurance continues to meet your needs. You can apply to vary or cancel your insurance at any time. To do this, please login to [mlc.com.au](http://mlc.com.au) and respond to the prompts, or complete the MySuper choices form enclosed.

You can apply to increase or cancel your insurance at any time, but if you increase your insurance at a later date, you'll most likely need to provide medical information to support your application.

## If you leave your employer

If we're notified you've left your employer, your account may be moved to Personal Super and your insurance will be fixed at the amount of insurance you have at that time. This means the insurance you have in Personal Super won't be adjusted in the future. The premiums you pay for your insurance will change (increase or decrease) on each birthday and if you change your occupation classification.

## Terms of your insurance

There are no other changes to the terms and conditions relating to your insurance. The terms of your insurance, including your eligibility, are summarised in this guide and in the Insurance guide at [mlc.com.au/pds/mkbs](http://mlc.com.au/pds/mkbs)

# Important information



## What you'll see

After 29 November 2013, you'll still have one account, and how you interact with us won't change. You'll see both your current investment option and MLC MySuper on your statements and online. The Administration fees charged to your account will be split so you can see what's charged to your current investment option and your MLC MySuper balance.

## What you need to do

These changes will happen automatically, however there are a number of choices you can make. These choices can impact on whether your super is likely to meet your retirement and insurance needs. For this reason we encourage you to review your investments and the type and amount of insurance you have, to make sure they are suitable for you.

Your choices	Action required	Date
You can allow these changes to happen automatically	Nil	N/A
You can keep your future contributions and current super balance invested in your current investment option	Login to <b>mlc.com.au</b> and respond to the prompts, or complete the MySuper choices form enclosed	Before 7 November 2013
You can move your current super balance to MLC MySuper before we automatically move it	Login to <b>mlc.com.au</b> and select Investment switch, or call us	After 29 November 2013
For eligible members with MLC Basic insurance or death only insurance, you can keep your current insurance	Login to <b>mlc.com.au</b> and respond to the prompts, or complete the MySuper choices form enclosed	Before 7 November 2013
You can apply to vary or cancel your insurance	Contact your Plan adviser or call us	Anytime

### Need help?

If you choose to move your current super balance to MLC MySuper, a number of characteristics of your account may change. In addition to investment changes, your insurance premium may increase or decrease and the services provided by your Plan adviser may be affected. Also, you'll lose access to any fee waivers and maximum fee levels that we're not permitted to apply in MLC MySuper.

We encourage you to speak to your Plan adviser or call us before making a decision, so you know exactly what this means for you.

### Any questions?

**If you have any questions, please call us on 1800 111 552 between 8 am and 6 pm AEST/AEDT Monday to Friday.**



Issued by: The Trustee, MLC Nominees Pty Limited,  
ABN 93 002 814 959, AFSL 230702

The Universal Super Scheme, ABN 44 928 361 101

Insurance issued by: MLC Limited (The Insurer),  
ABN 90 000 000 402, AFSL 230694

For more information  
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