




## Change Summary

# MLC Flexible Moderate

Below is a summary of key differences between the current and renamed investment option. See the full side-by-side investment profile comparison below this for full details of the differences. This information is current as at 27 March 2023.

Key differences			
MLC Inflation Plus - Moderate Portfolio to be renamed MLC Flexible Moderate from 26 May 2023			
 Investment objective	<p><b>Changes to:</b> Aims to grow by more than inflation +2.75% pa (after fees and tax), subject to limiting the risk of negative returns, over 5 years.</p> <p>See full investment profile comparison below for details of current investment objective.</p>		
 Minimum suggested time to invest	Changes from 5-7 years to 7 years.		
 Investment fees and costs and transaction costs	<p><b>MasterKey Business Super/ Personal Super</b></p> <p>↓ <b>Decreases</b> from 1.20% pa to 1.16% pa.</p>	<p><b>MasterKey Super &amp; Pension Fundamentals</b></p> <p>Super &amp; Pension pre-retirement phase:</p> <p>↓ <b>Decreases</b> from 1.20% pa to 1.16% pa.</p> <p>Retirement phase:</p> <p>↓ <b>Decreases</b> from 1.21% pa to 1.17% pa.</p>	<p><b>MasterKey Term Allocated Pension</b></p> <p>↓ <b>Decreases</b> from 1.21% pa to 1.17% pa.</p>

Full investment profile comparison		
	To 25 May 2023: MLC Inflation Plus - Moderate Portfolio	From 26 May 2023: MLC Flexible Moderate
Investment objective	<p><b>MasterKey Business Super/MasterKey Personal Super</b> Aims to deliver a return of 3% pa above inflation (after fees and tax) subject to limiting the risk of negative returns over 5 year periods.</p> <p><b>MasterKey Super &amp; Pension Fundamentals</b> Aims to deliver a return of:</p> <ul style="list-style-type: none"> <li>• <b>Super</b> 3% pa above inflation (after fees and tax).</li> <li>• <b>Pension (Pre-retirement phase)</b> 3% pa above inflation (after fees and tax), or</li> <li>• <b>Pension (Retirement phase)</b> 3.5% pa above inflation (after fees and tax),</li> </ul> <p>subject to limiting the risk of negative returns over 5 year periods.</p> <p><b>MasterKey Term Allocated Pension</b> Aims to deliver a return of 3.5% pa above inflation (after fees and tax) subject to limiting the risk of negative returns over 5 year periods.</p>	<p>Aims to grow by more than inflation +2.75% pa (after fees and tax), subject to limiting the risk of negative returns, over 5 years.</p> <p>This careful risk management approach means there may be times, such as when interest rates are unusually low, when the portfolio requires an extended time period to achieve its return objective. In most circumstances the portfolio is expected to provide positive returns over 5 years, although there will sometimes be negative returns over shorter periods.</p>

	To 25 May 2023: MLC Inflation Plus - Moderate Portfolio	From 26 May 2023: MLC Flexible Moderate
Investment objective continued	<p><b>All products</b></p> <p>This careful risk management approach means there may be times, such as when interest rates are unusually low, when the portfolio requires an extended time period to achieve its return objective. In most circumstances the portfolio is expected to provide positive returns over 5 year periods, although there will sometimes be negative returns over shorter periods.</p>	
Benchmark	Inflation is measured by the Consumer Price Index, calculated by the Australian Bureau of Statistics.	No change.
How the investment option is managed	<p>The key aspects of the way the portfolio is managed are:</p> <ol style="list-style-type: none"> <li>1. Flexible asset allocation – the asset allocation is actively managed in accordance with our investment experts' changing view of potential opportunities and risks in investment markets.</li> <li>2. Diversification – the portfolio invests across a wide range of assets and strategies. These may include both mainstream (eg shares and bonds) and alternative investments (eg hedge funds) that may not be widely used in other investment funds. Specialist investment managers from around the world are carefully selected to manage the assets and strategies.</li> <li>3. Strong focus on risk management – the portfolio has the flexibility not to invest in an asset class if that would cause too much risk of a negative return over 5 years. This means the portfolio may have no exposure to growth assets in some market conditions.</li> </ol> <p>By managing the portfolio in this way, movements in the portfolio's value (both up and down) should be less significant. The portfolio uses all aspects of the approach to investing, outlined earlier. In addition, the portfolio uses a market-leading Investment Futures Framework to manage risk and identify opportunities.</p> <p>By managing the portfolio in this way, movements in the portfolio's value (both up and down) should be less significant. The portfolio uses all aspects of the approach to investing, outlined earlier. In addition, the portfolio uses a market-leading Investment Futures Framework to manage risk and identify opportunities.</p>	<p>The key aspects of the way the portfolio is managed are:</p> <ol style="list-style-type: none"> <li>1. Flexible asset allocation – the asset allocation is actively managed in accordance with our investment experts' changing view of potential opportunities and risks in investment markets.</li> <li>2. Diversification – the portfolio invests across a wide range of assets and strategies. These may include both mainstream (eg shares and bonds) and alternative investments (eg hedge funds) that may not be widely used in other investment funds. Specialist investment managers from around the world are carefully selected to manage the assets and strategies.</li> <li>3. Strong focus on risk management – the portfolio has the flexibility not to invest in an asset class if that would cause too much risk of a negative return over 5 years. This means the portfolio may have low exposure to growth assets in some market conditions.</li> </ol>
The investment option may be suited to you if...	<ul style="list-style-type: none"> <li>• you're aiming to achieve a return above inflation but, more importantly, are concerned about losing money over a 5 year period.</li> <li>• you understand the return achieved by the portfolio may be significantly higher or lower than its objective.</li> <li>• you want our investment experts to flexibly adjust the portfolio's asset allocation in accordance with their changing view of potential opportunities and risks in investment markets, and</li> <li>• you want to manage investment risk by diversifying across asset classes and strategies.</li> </ul>	No change.
Minimum suggested time to invest	5-7 years.	7 years.



	<b>To 25 May 2023: MLC Inflation Plus - Moderate Portfolio</b>		<b>From 26 May 2023: MLC Flexible Moderate</b>	
<b>Asset allocation</b>	<b>Asset class</b>	<b>Ranges</b>	No change.	
	Cash	0-40%		
	Fixed income - diversified	5-50%		
	Fixed income - credit	0-30%		
	Alternatives and other	0-40%		
	Infrastructure	0-20%		
	Property	0-20%		
	Global shares	5-60%		
	Australian shares	0-35%		
	Private equity	0-15%		
	<b>Defensive assets</b>	<b>20-80%</b>		
	<b>Growth assets</b>	<b>20-80%</b>		
<b>Standard Risk Measure</b>	High (estimate of 4 to 6 negative annual returns in any 20 year period).		No change.	
The investment fees and costs are made up of:	<b>MasterKey Business Super/Personal Super</b>	<b>MasterKey Super &amp; Pension Fundamentals Retirement phase</b>	<b>MasterKey Business Super/Personal Super</b>	<b>MasterKey Super &amp; Pension Fundamentals Retirement phase</b>
	<b>MasterKey Super &amp; Pension Fundamentals Super &amp; Pension pre-retirement phase</b>	<b>MasterKey Term Allocated Pension</b>	<b>MasterKey Super &amp; Pension Fundamentals Super &amp; Pension pre-retirement phase</b>	<b>MasterKey Term Allocated Pension</b>
Performance fee (% pa)	0.27	0.27	0.27	0.27
Plus other investment fees and costs (% pa)	0.87	0.87	0.83	0.83
<b>Equals investment fees and costs (% pa)</b>	<b>1.14</b>	<b>1.14</b>	<b>1.10</b>	<b>1.10</b>
<b>Transaction costs (% pa)</b>	<b>0.06</b>	<b>0.07</b>	<b>0.06</b>	<b>0.07</b>
<b>Buy-sell spreads (%/%)</b>	<b>0.10/0.10</b>	<b>0.10/0.10</b>	<b>0.10/0.10</b>	<b>0.10/0.10</b>

Administration fees and costs apply in addition to the fees and costs shown in this table. Please refer to the relevant **Product Disclosure Statement, Investment Menu, and Fee Brochure** for further information about fees and costs, including how the figures shown above are calculated.

Return to [mlc.com.au/investmentchanges](https://mlc.com.au/investmentchanges) to see the full list of changes.

**Important information**

This communication is provided by NULIS Nominees (Australia) Limited ABN 80 008 515 633 AFSL 236465 (NULIS) as Trustee of the MLC Super Fund ABN 70 732 426 024. NULIS is part of the group of companies comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate. The information in this communication is general in nature and does not take into account your objectives, financial situation or needs. Because of that, before acting on this information, you should consider its appropriateness, having regard to your objectives, financial situation and needs, plus consider the relevant Product Disclosure Statement (PDS). You can obtain the latest copy of the PDS and Target Market Determination by calling us on **132 652** or on the website at [mlc.com.au](https://mlc.com.au). We recommend you obtain financial advice tailored to your own personal circumstances. Subject to super law, the final authority on any issue relating to your account is the Fund's Trust Deed, and any applicable participation agreement and insurance policy, which govern your rights and obligations as a member. You can find more information on the MLC Super Fund, the Trustee and executive remuneration, and other Fund documents at [mlc.com.au/yoursuperfund](https://mlc.com.au/yoursuperfund). The information in this communication is current as at 27 March 2023 and may be subject to change.