






## Comparison guide

# MLC Inflation Plus – Conservative Portfolio moving to MLC Flexible Moderate

Below is a summary of key differences between the MLC Inflation Plus – Conservative Portfolio and MLC Flexible Moderate options. See the 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			
 Investment objective	<p><b>Changes to:</b> Aims to grow by inflation +2.75% pa (after fees and after 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	<p>Increases from 3-5 years to 5 years. This is also reflected in the 'How this investment option is managed' and 'The investment option may be suited to you if' sections. The change from 3 to 5 years is the only change to those two sections.</p>		
 Asset allocation	<p>Changes to asset allocation ranges reflecting move from a Conservative to a Moderate portfolio.</p>		
 Standard Risk Measure	<p><b>From:</b> Medium <b>To:</b> High</p>		
 Investment fees and costs and transaction costs	<p><b>MasterKey Business Super/ Personal Super</b></p> <p>↑ <b>Increases*</b> from 0.96% 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>Increases*</b> from 0.96% pa to 1.16% pa.</p> <p>Retirement phase:</p> <p>↑ <b>Increases*</b> from 0.99% pa to 1.17% pa.</p>	<p><b>MasterKey Term Allocated Pension</b></p> <p>↑ <b>Increases*</b> from 0.99% pa to 1.17% pa.</p>
<p>* Increase reflects change from a Conservative to a Moderate portfolio with greater weighting to growth assets.</p>			

Full investment profile comparison		
	MLC Inflation Plus – Conservative Portfolio	MLC Flexible Moderate (From 26 May 2023)
Investment objective	<p><b>MasterKey Business Super/MasterKey Personal Super</b></p> <p>Aims to deliver a return of 1.70% pa above inflation (after fees and tax) subject to limiting the risk of negative returns over 3 year periods.</p> <p><b>MasterKey Super &amp; Pension Fundamentals</b></p> <p>Aims to deliver a return of:</p> <ul style="list-style-type: none"> <li>• <b>Super</b> 1.7% pa above inflation (after fees and tax).</li> <li>• <b>Pension (Pre-retirement phase)</b> 1.7% pa above inflation (after fees and tax), or</li> <li>• <b>Pension (Retirement Phase)</b> 2% pa above inflation (after fees and tax),</li> </ul> <p>subject to limiting the risk of negative returns over 3 year periods.</p>	<p><b>All products</b></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>

## MLC Inflation Plus Conservative Portfolio moving to MLC Flexible Moderate

	MLC Inflation Plus Conservative Portfolio	MLC Flexible Moderate (From 26 May 2023)
Investment objective continued	<p><b>MasterKey Term Allocated Pension</b></p> <p>Aims to deliver a return of 2% pa above inflation (after fees and tax) subject to limiting the risk of negative returns over 3 year periods.</p> <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 3 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 3 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>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>

## MLC Inflation Plus Conservative Portfolio moving to MLC Flexible Moderate

	MLC Inflation Plus Conservative Portfolio		MLC Flexible Moderate (From 26 May 2023)	
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 <b>3</b> 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>		<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 <b>5</b> 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>	
Minimum suggested time to invest	3 to 5 years.		5 years.	
Asset allocation	<b>Asset class</b>	<b>Ranges</b>	<b>Asset class</b>	<b>Ranges</b>
	Cash	0-50%	Cash	0-40%
	Fixed income - diversified	10-70%	Fixed income - diversified	5-50%
	Fixed income - credit	0-30%	Fixed income - credit	0-30%
	Alternatives and other	0-30%	Alternatives and other	0-40%
	Infrastructure	0-20%	Infrastructure	0-20%
	Property	0-20%	Property	0-20%
	Global shares	0-40%	Global shares	5-60%
	Australian shares	0-30%	Australian shares	0-35%
	Private equity	0-15%	Private equity	0-15%
	<b>Defensive assets</b>	<b>50-90%</b>	<b>Defensive assets</b>	<b>20-80%</b>
	<b>Growth assets</b>	<b>10-50%</b>	<b>Growth assets</b>	<b>20-80%</b>
Standard Risk Measure	Medium (estimate of 2 to 3 negative annual returns in any 20 year period).		High (estimate of 4 to 6 negative annual returns in any 20 year period).	
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)	0.18	0.18	0.27	0.27
Plus other investment fees and costs (% pa)	0.77	0.77	0.83	0.83
<b>Equals investment fees and costs (% pa)</b>	<b>0.95</b>	<b>0.95</b>	<b>1.10</b>	<b>1.10</b>
Transaction costs (% pa)	0.01	0.04	0.06	0.07
Buy-sell spreads (%/%)	0.10/0.10	0.10/0.10	0.10/0.10	0.10/0.10

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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

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