MLC Investment Trust

Product Guide

Preparation Date
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Issued by: The Trustee and Responsible Entity, MLC Investments Limited
ABN 30 002 641 661 AFSL 230705

Contents

Important information

This MLC Investment Trust Product Guide (Product Guide) provides additional information about topics under the prescribed sections of the Product Disclosure Statements (PDSs) listed in the 'Trusts covered by this Product Guide' section of this Product Guide. The information in this Product Guide forms part of those PDSs. This Product Guide and the PDSs contain important information you should consider before making an investment decision in relation to the products listed in the 'Trusts covered by this Product Guide' section of this Product Guide. The information provided in this Product Guide and the PDSs is general information only and does not take into account your personal financial situation or needs. We recommend you obtain financial advice for your own personal circumstances before making any investment decision.

These documents are available from **www.mlcinvestmenttrust.com.au/mlcit/product_disclosure_statements** or you can request a copy free of charge by calling us or your investor directed portfolio service, master trust or wrap operator (collectively referred to as an 'IDPS' in this Product Guide and the PDSs). If you are accessing the MLC Wholesale Inflation Plus – Conservative Portfolio or MLC Wholesale Inflation Plus – Moderate Portfolio through the ASX mFund Settlement Service (mFund), you can also access these PDSs at **mFund.com.au**. To invest directly in the Trusts, you must have received the PDSs (electronically or otherwise) within Australia or New Zealand and meet the eligibility requirements set out in this Product Guide. The content in these documents may change from time to time. You should check you have the most up to date version before making an investment decision. All amounts in these documents are in Australian dollars unless stated otherwise.

MLC Investments Limited, the trustee and responsible entity of the Trusts, is a fully owned subsidiary within the National Australia Bank Limited Group of companies (NAB Group). No company in the NAB Group guarantees the capital value, payment of income or performance of the Trusts. An investment in the Trusts does not represent a deposit with or liability of the NAB Group and is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

References in this document to 'MLC', 'we', 'our' or 'us' should be read as references to MLC Investments Limited in its capacity as trustee and responsible entity.

Warning for New Zealand investors

If you received the offer in New Zealand, to invest in a Trust covered by this Product Guide, you must invest upfront a minimum subscription amount of NZ$750,000 per Trust you want to invest in (net of any currency exchange losses or costs) and have satisfactorily completed the "Minimum Subscription Certification" set out in the application form which was provided with this Product Guide.

Warning

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is important for investors to make an informed decision. The usual rules do not apply to this offer because there is an exclusion for offers where the amount invested upfront by the investor (plus any other investments the investor has already made in the financial products) is NZ$750,000 or more. As a result of this exclusion, you may not receive a complete and balanced set of information. You will also have fewer other legal protections for this investment.

Investments of this kind are not suitable for retail investors.

Ask questions, read all documents carefully, and seek independent financial advice before committing yourself.

Trusts covered by this Product Guide

Trusts	ARSN	PDS Date	APIR Code	ASX mFund Code
MLC Horizon portfolios				
MLC Wholesale Horizon 1 Bond Portfolio	117 295 495	30 September 2017	MLC0669AU	N/A
MLC Wholesale Horizon 2 Income Portfolio	117 295 584	30 September 2017	MLC0670AU	N/A
MLC Wholesale Horizon 3 Conservative Growth Portfolio	096 796 379	30 September 2017	MLC0398AU	N/A
MLC Wholesale Horizon 4 Balanced Portfolio	087 446 375	30 September 2017	MLC0260AU	N/A
MLC Wholesale Horizon 5 Growth Portfolio	087 446 633	30 September 2017	MLC0265AU	N/A
MLC Wholesale Horizon 6 Share Portfolio	096 796 075	30 September 2017	MLC0397AU	N/A
MLC Wholesale Horizon 7 Accelerated Growth Portfolio	102 215 501	30 September 2017	MLC0449AU	N/A
MLC Inflation Plus portfolios[1]				
MLC Wholesale Inflation Plus – Conservative Portfolio	165 016 035	30 September 2017	MLC0921AU	MLC01
MLC Wholesale Inflation Plus – Moderate Portfolio	165 016 151	30 September 2017	MLC0920AU	MLC02
MLC asset class funds				
MLC Wholesale Australian Share Fund	087 447 078	30 September 2017	MLC0262AU	N/A
MLC Wholesale Australian Share Index Fund	150 845 971	30 September 2017	MLC0893AU	N/A
MLC Wholesale Diversified Debt Fund	130 171 078	30 September 2017	MLC0839AU	N/A
MLC Wholesale Global Property Fund	124 947 164	30 September 2017	MLC0786AU	N/A
MLC Wholesale Global Share Fund	087 446 875	30 September 2017	MLC0261AU	N/A
MLC Wholesale Hedged Global Share Fund	124 946 998	30 September 2017	MLC0787AU	N/A
MLC Wholesale IncomeBuilder	087 447 265	30 September 2017	MLC0264AU	N/A
MLC Wholesale Property Securities Fund	087 447 425	30 September 2017	MLC0263AU	N/A

[1] There is a third Inflation Plus portfolio known as MLC Wholesale Inflation Plus – Assertive Portfolio which does not form part of this Product Guide. The PDS for the MLC Wholesale Inflation Plus – Assertive Portfolio is available at **www.mlcinvestmenttrust.com.au/mlcit/product_disclosure_statements**

How the Trusts work

Opening an account

If you invest in the Trusts via an IDPS, please contact your IDPS operator for details of how to invest with your IDPS.

To invest in the Trusts directly you must have received this Product Guide (electronically or otherwise) within Australia and be a resident in Australia.

However, if you received this Product Guide (electronically or otherwise) within New Zealand, you may invest in the Trusts only if you invest upfront a minimum subscription amount of NZ$750,000 per Trust that you want to invest in (net of any currency exchange losses or costs) and have satisfactorily completed the "Minimum Subscription Certification" set out in the application form which was provided with this Product Guide.

If you are a New Zealand investor, you should read the 'Warning for New Zealand investors' at the start of this Product Guide, along with the other important information in the section titled 'Notice to residents of New Zealand'.

In addition some of the Trusts are restricted to an Australian resident 'wholesale client' within the meaning of the Corporations Act 2001 (Cth). If this applies it is indicated in section 2 of each Trust's PDS.

Investors who satisfy the above criteria may invest directly in the Trusts. You should, however, contact us to discuss the application requirements before making your first investment in the Trusts. We will advise what you need to do. Among other things, we may need to request formal identification from you before you can invest. Until all our requirements are satisfied we cannot accept an application.

Overseas investors

This PDS only constitutes an offer if received in Australia or New Zealand.

As at the date of this Product Guide, no action has been taken to register or qualify the units or offer or otherwise permit the public offering of the units outside Australia or New Zealand. If you come into possession of this Product Guide outside Australia or New Zealand you should seek advice on and observe any such restrictions imposed by law. Any failure to comply with such restrictions may violate securities laws in that jurisdiction.

This Product Guide does not constitute an offer or invitation in any jurisdiction in which it would be unlawful to make such an offer or invitation. We reserve the right to make an offer of units to any institutional investor outside Australia or New Zealand where to do so would not be in breach of the securities law requirements of the relevant jurisdiction.

As at the date of this Product Guide, the relevant Trust's units are sold predominately through a public offering outside of the US, which means the relevant Trust is limited in the level of investment it will accept from "US persons" (as defined under Regulation S of the US Securities Act of 1933).

Applications and withdrawals

If accepted, application requests received by us before 3:00 pm (Sydney time) on any Business Day will receive that day's unit price. Application requests received after 3:00 pm will receive the next Business Day's unit price.

Application money received will be held in trust until processed. We will not process your application unless we have received all required information. If we're unable to process your application within 30 days of receipt we will return your money to you. Any interest earned during this time will be kept by us.

If accepted, withdrawal requests received by the Trusts before 3:00 pm (Sydney time) on any Business Day will normally receive that day's unit price. Requests received after 3:00 pm will normally receive the next Business Day's unit price. Once lodged, withdrawal requests may not be cancelled except with our consent.

We may deduct from a withdrawal payment any amount owed under the constitution.

We can only process transaction requests when we receive all required information. We will not be responsible for any loss arising from unauthorised or fraudulent requests.

Transfers

If you invest directly in the Trusts you may be able to transfer all or some of your unitholding in the Trusts to another eligible investor.

Joint investors

Unless otherwise expressly indicated, in the case of joint applications, units will be held as joint tenants and either investor will be able to operate the account and bind the other investor for future transactions, including additional investments and withdrawals.

Identity verification documents

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), we are required to collect an original certified copy of original document(s) (not fax or scanned copies) to correctly verify your identity. We may also need to verify the identity of related parties. Until we receive such document(s) we reserve the right to withhold processing any withdrawal requests you wish to make. If investing through mFund your broker will conduct anti-money laundering and counter-terrorism financing checks.

Business Days

Business Days are generally days on which banks are open for business in Sydney (except Saturday, Sunday and public or bank holidays.

Termination of the Trusts

A Trust may be terminated:

- if MLC believes the Trust can no longer fulfil its purpose
- if the Trust's unitholders pass an extraordinary resolution to terminate the Trust
- by Court order, or
- as otherwise allowed by the Constitution or the law.

Unit pricing

The overall value of your investment in the Trusts will change according to the unit price and the number of units held.

The unit price will reflect the performance of the underlying assets, income earned, fees, expenses and taxes paid and payable. The performance of the underlying assets is influenced by movements in investment markets. For unlisted assets we have policies and guidelines to manage asset valuations including valuation lags.

We usually calculate the unit price as at the end of each Business Day and use robust unit pricing policies to do this. Our unit pricing philosophy is available at **www.mlc.com.au**

You can view the current unit prices at any time at **www.mlcinvestmenttrust.com.au** or if you invest through mFund you can also view the current unit prices at **mFund.com.au** for the MLC Wholesale Inflation Plus – Conservative Portfolio and the MLC Wholesale Inflation Plus – Moderate Portfolio.

If there is a unit pricing error that substantially impacts the Trusts' performance, an adjustment may be made. This will generally involve reprocessing affected transactions using the corrected unit price, adjusting your account or both. The value of your investment could be increased or decreased as a result.

Investing in our other funds

The Trusts may access investment managers via other funds operated by us, via other managers' pooled investments and may also hold direct assets.

Income distributions

If you invest in the Trusts via an IDPS, please contact your IDPS operator for details of how to receive any income distributions from the Trusts.

- To be eligible to receive a distribution you must hold units in the Trusts on the distribution calculation date. You can have income distributions:
- reinvested in the Trusts, or
- paid into your bank account.

We may, in our absolute discretion, accept or reject any such request. If you do not make a selection we will reinvest the income back into the relevant Trusts.

If you elect to have any income distributions reinvested, units will be issued at the unit price applicable at the distribution calculation date. The buy spread does not currently apply to the issue of these units.

Unitholders' liability

The Trusts' underlying assets are owned by the Trustee on behalf of investors. The Trusts' constitutions limit unitholders' liability to their investment in the Trusts.

Risks of managed investment schemes

Diversify to reduce volatility and other risks

Diversification - investing in a range of investments - is a sound way to reduce short-term volatility of a portfolio's returns. That's because different types of investments perform well in different times and circumstances. When some are providing good returns, others may not be.

Portfolios can be diversified across different asset classes, industries and countries as well as across investment managers with different approaches.

The more you diversify, the less impact any one investment can have on your overall returns.

One of the most effective ways of reducing volatility is to diversify across a range of asset classes.

Diversification across asset classes is just one way of managing risk. Our multi-asset portfolios diversify across asset classes and investment managers. Please read more about MLC's investment approach in section 5.

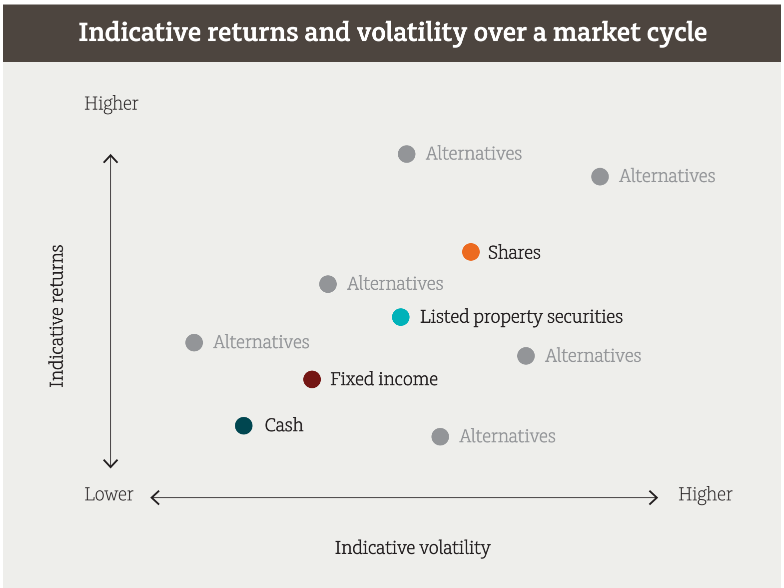
Asset classes

Asset classes are groups of similar types of investments.

Each class has its risks and benefits, and goes through its own market cycle.

A market cycle can take a couple of years or many years as prices rise, peak, fall and stabilise. Through investing for the long term, at least through a whole market cycle, you can improve your chance of benefiting from a period of strong returns and growth to offset periods of weakness.

The illustration below shows indicative returns and volatility for the main asset classes over a whole market cycle. But each market cycle is different, so unfortunately it isn't possible to accurately predict asset class returns or their volatility. Depending on the conditions at the time, actual returns could be significantly different from those shown.



Here are the main asset class risks and benefits.

Cash

Cash is generally a low risk investment.

Things to consider:

- Cash is often included in a portfolio to meet liquidity needs and to stabilise returns.
- The return is typically all income and is referred to as interest or yield.
- Cash is usually the least volatile type of investment. It also tends to have the lowest return over a market cycle.
- The market value tends not to change. However, when you invest in cash, you're effectively lending money to businesses or governments that could default on the loans, resulting in a loss on your investment.
- Many cash funds invest in fixed income securities that have a very short term until maturity.

Fixed income (including term deposits)

When investing in fixed income you're effectively lending money to businesses or governments.

Bonds are a common form of fixed income security.

Things to consider:

- Fixed income securities are usually included in a portfolio for their relatively stable return characteristics.
- Returns typically comprise interest and changes in the market value of the security. Interest rates and values tend to move in opposite directions. Therefore when interest rates rise, market values can fall and when interest rates fall, market values can rise.
- While income from fixed income securities usually stabilises returns, falls in their market value may result in a loss on your investment. Market values may fall due to concern about defaults on loans or an increase in interest rates. When interest rates are low, the risk of rates rising and market values falling, is greatest.
- There are different types of fixed income securities and these will have different returns and volatility.
- Investing in fixed income securities outside of Australia may expose your portfolio to movements in exchange rates.

Listed property securities

Property securities are listed on share markets in Australia and around the world. Listed property securities are also referred to as Real Estate Investment Trusts (REITs).

Things to consider:

- Listed property securities are usually included in a portfolio for their income and growth characteristics.
- Returns typically comprise income (such as distributions from REITs) and changes in REIT values.
- Returns are driven by many factors including the economic environment in various countries.
- The global REIT market is far more diversified than the Australian REIT market.
- Listed property securities returns can be volatile.
- Investing outside Australia may expose your portfolio to movements in exchange rates.

Australian shares

This asset class consists of investments in companies listed on the Australian Securities Exchange (and other regulated exchanges). Shares are also known as equities.

Things to consider:

- Australian shares can be volatile and are usually included in a portfolio for their growth and income characteristics.
- The Australian share market is less diversified than the global market because Australia is currently dominated by a few industries such as Financials and Resources.
- Returns usually comprise dividend income and changes in share prices.
- Dividends may have the benefit of tax credits attached to them (known as franking or imputation credits).
- Returns are driven by many factors including the performance of the Australian economy.

Global shares

Global shares consist of investments in companies listed on securities exchanges around the world.

Things to consider:

- Global shares can be volatile and are usually included in a portfolio for their growth characteristics.
- The number of potential investments is far greater than in Australian shares.
- Returns usually comprise dividend income and changes in share prices.
- Returns are driven by many factors including the economic environment in various countries.
- When you invest globally, you're less exposed to the risks associated with investing in just one economy.
- Investing outside Australia means you're exposed to movements in exchange rates.

Risks of managed investment schemes

Alternatives

These are a very diverse group of assets. Some examples include hedge funds, real return strategies,gold and unlisted infrastructure.

Things to consider:

- Because alternatives are diverse, they may be included in a portfolio for their defensive or growth characteristics.
- Alternative investments are usually included in portfolios to increase diversification and provide returns that aren't strongly linked with the performance of mainstream assets.
- Investment managers include alternative investments in a portfolio because they generally expect the return and diversification benefits of alternative investments to outweigh the higher costs that tend to be associated with them.
- Some alternative strategies are managed to deliver a targeted outcome. For example, real return strategies aim to produce returns that exceed increases in the costs of living (ie inflation).
- For some alternatives, such as hedge funds, derivatives may be used extensively and it can be less obvious what assets you're investing in than with other asset classes.
- Some alternative investments are illiquid, which makes them difficult to buy or sell.
- To access alternative investments you generally need to invest in a managed fund that, in turn, invests in alternatives.
- Because most alternative investments aren't listed on an exchange, determining their value for a fund's unit price can be difficult and may involve a considerable time lag.
- Alternatives invested outside of Australia may expose your portfolio to movements in exchange rates.

Types of assets

Asset classes are generally grouped as defensive, growth or alternatives (which can be both defensive and growth) because of their different characteristics.

Multi-asset portfolios include defensive, growth and alternative assets because they generally perform differently. For example, defensive assets may be in a portfolio to provide returns when share markets are weak. And growth assets may be included because of their potential to produce higher returns than cash in the long term. However, in some market conditions, all types of assets may deliver low or negative returns at the same time.

The main differences between these types of assets are:

	Defensive	Growth	Alternatives
Asset classes included	Cash and fixed income securities.	Shares and listed property securities.	A very diverse group of assets and strategies. Some examples include infrastructure and hedge funds. Because alternatives are diverse, they may be included in defensive or growth assets.
How they are generally used	To generate income and stabilise returns.	To provide long-term capital growth and income.	To provide returns that aren't strongly linked with those of mainstream assets. They may be included for their defensive or growth characteristics.
Risk and return characteristics	Expected to produce lower returns, and be less volatile, than growth assets over the long term.	Expected to produce higher returns, and be more volatile, than defensive assets over the long term.	Expected to produce returns and volatility that aren't strongly linked to mainstream assets such as shares. Risk and return characteristics of different alternative investments can vary significantly.

Investment approaches

Investment managers have different approaches to selecting investments which invariably results in different returns. No single investment approach is guaranteed to outperform all others in all market conditions.

There are generally two broad approaches: passive and active management.

Passive management

Passive, or index managers, choose investments to form a portfolio which will deliver a return that closely tracks a market benchmark (or index). Passive managers tend to have lower costs because they don't require extensive resources to select investments.

Active management

Active managers select investments they believe, based on research, will perform better than a market benchmark over the long term.

They buy or sell investments when their market outlook alters or their investment insights change.

The degree of active management affects returns. Less active managers take small positions away from the market benchmark and more active managers take larger positions. Generally, the larger an investment manager's positions, the more their returns will differ from the benchmark.

Active managers have different investment styles that also affect their returns. Some common investment styles are:

- Bottom-up – focuses on forecasting returns for individual companies, rather than the market as a whole.
- Top-down – focuses on forecasting broad macroeconomic trends and their effect on the market, rather than returns for individual companies.
- Growth – focuses on companies they expect will have strong earnings growth.
- Value – focuses on companies they believe are undervalued (their price doesn't reflect earning potential).
- Income – focuses on generating a regular income stream through selecting companies, trusts and other securities they believe will deliver income, or through using derivatives and other strategies.
- Core – aims to produce competitive returns in all periods.

Risks of managed investment schemes

Investment techniques

Our investment experts and managers may use different investment techniques that can change the value of an investment. Where the Trusts use these investment techniques, we've made a note of it in the PDS. Investment techniques include:

Derivatives

Derivatives are contracts that have a value derived from another source such as an asset, market index or interest rate. There are many types of derivatives including swaps, options and futures. They are a common tool used to manage risk or improve returns.

Some derivatives allow investment managers to earn large returns from small movements in the underlying asset's price. However, they can lose large amounts if the price movement in the underlying asset is unfavourable.

Risks particular to derivatives include the risk that the value of a derivative may not move in line with the underlying asset, the risk that counterparties to the derivative may not be able to meet payment obligations and the risk that a particular derivative may be difficult or costly to trade.

Investment managers, including MLC, have derivatives policies which outline how derivatives are managed. Information on MLC's Derivative Policy is available on request.

Currency management

If an investment manager invests in assets in other countries, their returns in Australian dollars will be affected by movements in exchange rates (as well as changes in the value of the assets).

A manager of international assets may choose to protect Australian investors against movements in foreign currency. This is known as 'hedging'. Alternatively, the manager may choose to keep the assets exposed to foreign currency movements, or 'unhedged'.

Returns from exposure to foreign currency can increase diversification in a portfolio.

Gearing

Gearing can be achieved by using loans (borrowing to invest), or through investing in certain derivatives, such as futures.

Gearing magnifies exposure to potential gains and losses of an investment. As a result, you can expect larger fluctuations (both up and down) in the value of your investment compared to the same investment which is not geared.

Investment managers can take different approaches to gearing. Some change the gearing level to suit different market conditions. Others maintain a target level of gearing.

It's important to understand the potential risks of gearing, as well as its potential benefits. When asset values are rising by more than the costs of gearing, the returns will generally be higher than if the investment wasn't geared. When asset values are falling, gearing can multiply the capital loss. If the fall is dramatic there can be even more implications for geared investments.

For example, where the lender requires the gearing level to be maintained below a predetermined limit, if asset values fall dramatically, the gearing level may rise above the limit, forcing assets to be sold when values may be continuing to fall.

In turn, this could lead to more assets having to be sold and more losses realised. Withdrawals (and applications) may be suspended in such circumstances, preventing you from accessing your investments at a time when values are continuing to fall.

Although this is an extreme example, significant market falls have occurred in the past. Recovering from such falls can take many years and the geared investment's unit price may not return to its previous high.

Other circumstances (such as the lender requiring the loan to be repaid for other reasons) may also prevent a geared investment from being managed as planned, leading to losses.

You need to be prepared for all types of environments and understand their impact on your geared investment.

See 'Borrowing costs' for further details.

Short selling

Short selling is used by an investment manager when it has a view that an asset's price will fall. The manager borrows the asset from a lender, usually a broker, and sells it with the intention of buying it back at a lower price. If all goes to plan, a profit is made. The key risk of short selling is that, if the price of the asset increases, the loss could be significant.

How we invest your money

MLC's approach to investing

For over 30 years our investment experts have been designing portfolios using a multi-manager approach to help investors achieve their goals.

The four key aspects of this market-leading investment approach are:

1. Portfolio design

MLC's multi-asset Trusts focus on what affects investor outcomes the most – asset allocation.

Each asset class has its own risk and return characteristics. We allocate money between asset classes based on the following beliefs:

Risk can't be avoided, but can be managed

Key to the investment approach is a unique Investment Futures Framework (Framework). The Framework guides our forward-looking approach to managing risk.

In an unpredictable and constantly changing world, the Framework helps continually identify the very wide range of potential market scenarios – both good and bad – that could occur.

The Framework also helps our investment experts analyse how these scenarios could affect the risks and returns of the asset classes in the Trusts.

The insights from this analysis are used to work out the combination of asset classes that they believe will best achieve a Trust's objective.

This helps us prepare the Trusts for future market ups and downs.

Risks and returns vary through time

The Framework shows how the potential risks and returns of each asset class could change over the next three to seven years.

With this information we can adjust our Trusts' asset allocations to reduce the risk or improve the return potential of the Trusts.

Diversification matters

Asset classes perform differently in different market conditions.

Investing in many asset classes helps us smooth out the Trusts' overall returns, as we can offset the ups and downs of each asset class.

2. Managing the portfolio

Our Trusts have different investment objectives. That's why our investment experts select a different mix of assets and investment managers for each.

The investment managers may be specialist in-house managers, external managers or a combination of both.

Our investment experts research hundreds of investment managers from around the world and select from the best for our Trusts.

They are then combined in the Trusts so they complement each other.

This multi-manager approach helps to reduce risk and deliver more consistent returns.

You can find out about our current investment managers at **www.mlcinvestmenttrust.com.au**

3. Ongoing review

To make sure our Trusts are working hard for investors, we continuously review and actively manage them.

We may adjust the asset allocation, investment strategies and managers.

This may be because our assessment of the future market environment has altered or because we have found new ways to balance risk and return in our Trusts.

4. Portfolio implementation

We deliver better returns by avoiding unnecessary costs. We do this by carefully managing cash flows, tax and changes in the Trusts.

Each Trust in the MLC Investment Trust uses the aspects of MLC's approach to investing that are relevant to it.

Benchmarks and assessing performance

A Trust should be judged against its investment objective.

Most investment objectives aim to produce returns that are comparable to a benchmark. Benchmarks used as a measure of performance are usually market indices that are publicly available.

Shares are often benchmarked against a share market index and fixed income, against a fixed income market index. Other benchmarks can be based on particular industries (eg mining), company size (eg small caps) or the wider market (eg S&P/ASX 200 or the MSCI World Index).

Benchmarks for multi-asset portfolios may be:

- made up of a combination of market indices weighted according to the asset allocation (commonly known as composite benchmarks), or
- a single measure, such as inflation. A common index of inflation, which is the rise in the cost of living, is the Consumer Price Index (CPI).

When comparing returns to a benchmark you should consider:

- whether the Trust's return is calculated before or after fees are deducted
- the period over which the return should be measured, and
- that a Trust is unlikely to achieve its objective in all market environments.

Ethical investing

Investment managers may take into account labour standards, environmental, social or ethical considerations when making decisions to buy or sell investments.

We expect our active investment managers to consider material effects these factors may have on the returns from their investments; however, we don't require them to. We don't expect our passive investment managers to consider these factors.

Fees and costs

The fees and costs outlined in the PDSs and this Product Guide are for the Trusts only.

If you are investing in the Trusts via an IDPS, you will need to consider the fees and other costs of the IDPS when calculating the total cost of your investment.

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

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

The information in this table can be used to compare fees and costs between different simple managed investment schemes. All fees are shown inclusive of GST and net of Reduced Input Tax Credits (where applicable).

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the managed investment products.		
Establishment fee The fee to open your investment.	Nil	There is no Establishment fee.
Contribution fee The fee on each amount contributed to your investment.	Nil	There is no Contribution fee.
Withdrawal fee The fee on each amount you take out of your investment.	Nil	There is no Withdrawal fee.
Exit fee The fee to close your investment.	Nil	There is no Exit fee.
Management costs[1,2]		
The fees and costs for managing your investment.		
Management fee[3]	Between 0.35% and 2.14% pa of each Trust's net asset value.	The Management fee is calculated daily on the relevant Trust's net asset value and reflected in the daily unit price. It is paid from the assets of the relevant Trust and is not required to be paid by you separately. Wholesale clients (as defined in the Corporations Act 2001 (Cth)) may be able to negotiate the Management fee[1].
Estimated indirect costs[4]	Between 0.00% and 0.21% pa of each relevant Trust's net asset value. This is made up of: • Estimated performance related costs of between 0.00% and 0.05% pa. • Estimated other indirect costs of between 0.00% and 0.16% pa	Indirect costs are costs and expenses incurred by the Trust that are not charged as a Management fee but are expected to reduce the net return of the relevant Trust and are reflected in the daily unit price.
Service fees		
Switching fee The fee for changing investment options.	Not applicable	There is no Switching fee.

[1] See 'Additional explanation of fees and costs' in this section and in the PDSs for further details.

[2] Rounded to two decimal places.

[3] For the purposes of the MLC Wholesale Diversified Debt Fund, MLC Wholesale Global Property Fund and MLC Wholesale Hedged Global Share Fund, a reference to the 'Trust's net asset value' is a reference to the net asset value referable to Class A units in the Trust or Class B units in the Trust (as relevant).

[4] The estimated indirect costs are based on costs incurred for the 12 months to 30 June 2017 and include estimates where information was unavailable at the date this Product Guide was issued.

Additional explanation of fees and costs

Management fee may be negotiated

Wholesale clients who invest directly in the Trusts may be able to negotiate the Management fee by contacting Client Services on **1300 738 355**.

Any discount in fees will be rebated periodically. We suggest that you consult your tax adviser in regards to the tax treatment of any fee rebates.

Borrowing costs

Borrowing costs (or gearing costs) may be incurred in a number of circumstances, including (but not limited to) where money is borrowed to purchase an asset and where securities are borrowed as part of a fund's investment strategy. Borrowing costs are generally paid to third parties such as banks, providers of a margin lending facility and prime brokers and may include upfront costs to establish the arrangement and ongoing costs like interest payments.

These costs are not included in the management costs but are deducted from the assets of the Trust and reduced the unit price at the time they are incurred. Borrowing costs may rise and fall over time, and will depend on the level of borrowing, the interest amount and other amounts paid to lenders.

The estimated borrowing costs for the previous financial year to 30 June 2017 are shown below:

Trust Name	% pa of the relevant Trust's net asset value
MLC Wholesale Horizon 2 Income Portfolio	0.01%
MLC Wholesale Horizon 3 Conservative Growth Portfolio	0.04%
MLC Wholesale Horizon 4 Balanced Portfolio	0.04%
MLC Wholesale Horizon 5 Growth Portfolio	0.04%
MLC Wholesale Horizon 6 Share Portfolio	0.03%
MLC Wholesale Horizon 7 Accelerated Growth Portfolio	1.02% Please refer to 'Borrowing costs' section of the PDS for further details.
MLC Wholesale Inflation Plus - Conservative Portfolio	0.06%
MLC Wholesale Inflation Plus - Moderate Portfolio	0.08%

Reimbursable expenses

We are entitled to be reimbursed from a Trust for all costs and expenses incurred in acting as Trustee or in relation to the administration and management of the relevant Trust. The expenses may include, but are not limited to, PDS preparation and printing costs.

We currently pay these costs and expenses out of the Management fee and do not charge them to you as an additional cost.

Payments to IDPS operators

These are commercial payments made by the Trustee to IDPS operators. These payments may be rebated to you or may be retained by the IDPS operator where allowed by law.

How and when these payments are made vary between the Trustee and IDPS operators from time to time. They are paid by the Trustee out of the Management fee and are not an additional cost to you.

Financial adviser remuneration

We make no payments to financial advisers for these products. However for the MLC Wholesale Inflation Plus - Conservative Portfolio and the MLC Wholesale Inflation Plus - Moderate Portfolio you can instruct us to deduct amounts from your account to pay fees to your financial adviser.

These fees will be in addition to the fees described in the 'Fees and costs' section of this Product Guide and the PDS.

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

Should you wish to pay an adviser service fee to your financial adviser, please refer to the 'Financial adviser remuneration' section of the Initial Application Form. To alter your current adviser service fee arrangements, please refer to the 'Financial adviser remuneration' section of the Change of Details Form, which is available by contacting Client Services on **1300 738 355**. Note that this service is currently unavailable for investors accessing the Trusts through mFund.

Non-monetary benefits

We keep a register detailing certain non-monetary benefits that we receive (eg benefits valued between $100 and $300, genuine education or training and information technology software or support). You can review an extract of the register by contacting Client Services on **1300 738 355**. Please be aware that MLC may charge you for the cost of providing this information to you.

Fees paid to NAB Group companies

We may use the services of NAB Group companies where it makes good business sense to do so and will benefit our unitholders.

Examples of such service providers include lenders, custody and registry operators and investment managers. Amounts paid for these services are always negotiated on an arm's length basis and are included in the fees detailed in the PDSs.

How managed investment schemes are taxed

Overview of the AMIT regime

A new regime for the taxation of managed investment schemes (AMIT regime) has been introduced and this section describes the changes that will occur if we elect for the AMIT regime to apply to a Trust. We anticipate electing to have the AMIT regime apply for the Trusts for the 2017/2018 and later years of income. An election into the AMIT regime will apply for the entire financial year of the Trusts in the financial year for which the election is made. We will notify you if an election is made.

Under the AMIT regime, investors are taxed on income that is "attributed" to them, rather than a proportional share of taxable income of the Trust. We are required to undertake this attribution on a fair and reasonable basis.

It is not necessary to distribute all taxable income in order to ensure that tax is not imposed on a Trust under the AMIT regime. If we elect into the AMIT regime for a Trust, we will have the discretion to accumulate income in the Trust. This means that we would not have to distribute all of the Trust's taxable income, and the accumulated income will instead be reflected in the unit price.

We currently distribute all of the net taxable income for each financial year and intend to continue to distribute all income even if we elect for the AMIT regime to apply to a Trust. We will notify you if this changes.

If we elect into the AMIT regime, the details of the taxable income attributed to you will be set out in an AMIT Member Annual Statement (AMMA Statement), which will contain all necessary tax information in a similar manner to the current tax statements. The tax payable (if any) depends on your individual tax profile and applicable tax rate.

If you disagree with our attribution of taxable income, you can object to the Commissioner of Taxation. If you decide to take this course, it is important that you obtain professional tax and legal advice. The Constitution of the relevant Trust provides for you to give us notice before making an objection, so please do so and we will work with you to try to resolve the issue.

Australian tax file number

MLC is authorised under the Income Tax Assessment Act 1936 (Cth) to ask for your Australian tax file number (TFN) when you open an investment account for income distribution purposes. You don't have to provide your TFN and it's not an offence if you decide not to, but if you don't, 'Pay As You Go Withholding Tax' will be deducted at the highest marginal tax rate (plus Medicare Levy) from any income distributions payable to you.

Other information

Notice to residents of New Zealand

Any offer or sale of any units in the Trusts (the 'Units') described in these materials in New Zealand is available only to, and may only be accepted by, a person who invests upfront a minimum subscription amount of NZ$750,000 per Trust that he or she wants to invest in (net of any currency exchange losses or costs) and has satisfactorily completed the "Minimum Subscription Certification" as part of their application and agrees that:

a. it has not offered, sold or transferred, and will not offer, sell or transfer, directly or indirectly, any Units and it has not granted, issued or transferred, and will not grant, issue or transfer an interest in or options over, directly or indirectly, any Units other than in accordance with an exclusion under Part 1 of Schedule 1 of the FMC Act (N.Z.); and
b. it has not distributed and will not distribute, directly or indirectly, this Product Guide, any offering materials or advertisement in relation to any offer of Units in each case in New Zealand other than to persons who meet the criteria set out in clauses 3(2)(a), 3(2)(b), 3(2)(c), 3(2)(d) or 3(3)(a) of Schedule 1 of the FMC Act (N.Z.).
c. or in other circumstances where no disclosure under Part 3 of the FMC Act (N.Z.) is required and there is no contravention of the FMC Act (N.Z.) and its regulations (or any statutory modification or re-enactment of, or statutory substitution for, the FMC Act (N.Z.) or its regulations).

This Product Guide and the information contained in or accompanying this Product Guide is not, and is under no circumstances to be construed as, an offer of financial products for issue requiring disclosure to an investor under Part 3 of the FMC Act (N.Z.).

This Product Guide and the information contained in or accompanying this Product Guide has not been registered, filed with or approved by any New Zealand regulatory authority or under or in accordance with the FMC Act (N.Z.). This Product Guide and the information contained in or accompanying this Product Guide is not a disclosure document under New Zealand law and does not contain all the information that a disclosure document is required to contain under New Zealand law.

For a copy of the New Zealand Wholesale Investor form, please contact our client service team on **1300 738 355** (0800 404 988 if calling from New Zealand).

Other information

Keeping you informed

If you invest via an IDPS you can obtain information on your investment in the Trusts by contacting your IDPS.

If you invest directly in the Trusts (including where you have applied to the Trust through mFund) (if applicable) we provide the following information to you:

Transaction confirmation	Confirms any investment, switch or withdrawal.
Monthly transaction statement	Provides a summary of transactions and investment details for the month.
Periodic statement[1]	Provides details regarding your account balance, a summary of any transactions on your investment, fees and costs incurred during the period and information about returns on your investment each quarter.
Distribution statement	Provides details of the distributions paid on your account.
Annual taxation statement (or AMMA Statement, if applicable)	Provides details of the share of the income distributed or attributed to you, as applicable, during the financial year to assist you in completing your tax return.
Annual financial report	You can elect to receive, free of charge, a copy of the MLC Investment Trusts annual report as a hard copy or an electronic copy by contacting us. If you do not make an election, you can access a copy of the annual report on our website **www.mlcinvestmenttrust.com.au**
Constitution	This information is available to you without charge on request by contacting Client Services on **1300 738 355**.
Performance history	
Unit Pricing Policy (including discretions register)	
Derivatives Policy	
Privacy Policy	
Product Disclosure Statement updates	You can obtain a paper copy of the PDS and this Product Guide on request by contacting Client Services on **1300 738 355** or by visiting the website **www.mlcinvestmenttrust.com.au/mlcit/product_disclosure_statements**. Alternatively, mFund investors can access the latest PDS and this Product Guide by visiting the website **mFund.com.au**[1]. The PDS and this Product Guide can be updated or replaced from time to time.

[1] Only applies for the MLC Wholesale Inflation Plus - Conservative Portfolio and the MLC Wholesale Inflation Plus - Moderate Portfolio.

Contact details

If you invest via an IDPS you should contact your IDPS for all enquiries.

If you invest directly, the contact details are:

Registry Services

National Australia Bank Asset Servicing - Registry Services

GPO Box 1406
Melbourne VIC 3001 Australia

Telephone: 1300 761 354

Fax: 1300 365 601

Client Services

Level 21
255 George Street
Sydney NSW 2000 Australia

Telephone: 1300 738 355

Fax: (02) 9936 4500

Email: info@mlc.com.au

Responsible Entity

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Website

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mFund website

mFund.com.au