

MLC Real Return Moderate

Product Disclosure Statement

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1. About MLC Investments Limited

- 1 MLC Investments Limited (MLC) is the Responsible Entity for MLC Real Return Moderate (Trust), formerly known as the MLC Wholesale Inflation Plus – Moderate Portfolio. As the Responsible Entity, we're responsible for all aspects of operating the Trust, including administration of the assets and investment policy.
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National Australia Bank Limited provides unit registry services to the Trust via its agreement with OneVue Fund Services Pty Ltd (Registry Services).

MLC is part of the Insignia Financial Group of Companies (comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate) (Insignia Financial Group).

We believe the best way to manage our trusts is to employ the skills of multiple specialist investment managers.

We've appointed MLC Asset Management Services Limited (MLC Asset Management) to advise on and manage the Trust's investments.

Our investment experts at MLC Asset Management, have extensive knowledge and experience in designing and managing trusts using a multi-manager investment approach.

Who you go through life with makes all the difference

MLC has been looking after the investment needs for generations of Australians.

Our experience has taught us investors have different needs, and these change over time.

We've created a diverse range of investment solutions so you can grow your wealth the way you want to.

And, we'll continually enhance our products and services to make the most of changing investment opportunities.

Important information

This Product Disclosure Statement (PDS) summarises significant information about MLC Real Return Moderate ARSN 165 016 151 (Trust).

It also contains a number of references to important information in the MLC Real Return Product Guide (Product Guide) marked with an **I** symbol. The Product Guide is a separate document which forms part of this PDS. This PDS and the Product Guide contain important information you should consider before making an investment decision in relation to the Trust. The information provided in this PDS is general information only and does not take into account your objectives, 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 mlcam.com.au/mlctrusts/pds or you can request a copy free of charge by calling us or your investor directed portfolio service, IDPS-like scheme, master trust or wrap operator (collectively referred to as an 'IDPS' in this PDS). If you are accessing the Trust through the ASX mFund Settlement Service (mFund), you can also access this PDS at mFund.com.au. To invest directly in the Trust, you must have received the PDS (electronically or otherwise) within Australia or New Zealand and meet the eligibility requirements set out in the accompanying Product Guide.

The information in these documents is up to date at the time of preparation and may change from time to time. If a change is considered materially adverse, we will issue a replacement PDS. Information that is not materially adverse to investors can be updated by us and will be published on our website mlcam.com.au/mlctrusts/pds. A paper copy of any updates will be provided free of charge upon request. 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 is part of the Insignia Financial Group. This document has been prepared on behalf of MLC Investments Limited ABN 30 002 641 661 AFSL 230705 as Responsible Entity of the Trust. The capital value, payment of income and performance of the Trust are not guaranteed. An investment in the Trust 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 Responsible Entity.

Investing with us

Our trusts have different investment objectives because we know everyone has different requirements about how their money should be managed.

Our trusts make sophisticated investing straightforward.

Our investment experts use a market-leading investment approach to structure our trusts with the aim of delivering more reliable returns in many potential market environments. And, as their assessment of world markets changes, our trusts are evolved to capture new opportunities and manage new risks.

MLC Asset Management uses specialist investment managers in our trusts. They research hundreds of investment managers from around the world and select the managers they believe are the best for our trusts. Investment managers may be specialist in-house managers, external managers or a combination of both.

Importantly, we stay true to the objectives of our trusts, so you can keep on track to meeting your goals.

Keeping up to date

Recent information on the Trust is available on our Fund Profile Tool at mlcam.com.au/mlctrusts. It's an easy to use, interactive tool that gives you insight into how your money is managed including where your money is invested, the investment managers and how your investments are performing.

2. How the Trust works

The Trust aims to achieve its return above inflation over five years.

Inflation, or the rise in living costs, reduces the purchasing power of your money over time. So to grow your long-term wealth, your investment needs to provide returns above inflation.

The Trust's focus on achieving above-inflation returns and managing the risk of significant negative returns means it's managed differently to most traditional diversified funds.

The Trust invests in a broader range of assets and strategies. Our investment experts also have the flexibility to make large changes to the Trust's asset allocation to capture opportunities for returns and manage risk.

As a result, we expect the Trust will provide a smoother pattern of returns for investors than a traditional diversified fund.

The approach to investing is described in the Product Guide. A market-leading portfolio design process is used, and our investment experts have extensive investment experience.

About the Trust

The Trust operates like most other managed investment schemes. Your money is pooled together with other investors' money to buy investments which are managed on behalf of all investors.

When you invest in a managed investment scheme, such as the Trust, you gain exposure to investments that you may not ordinarily have access to, if you invest on your own.

When your money is paid into the Trust, you are issued with units and when money is paid out, your units are cancelled.

The unit price will reflect, among other things, the performance of the underlying assets, which are in turn influenced by movements in investment markets. For unlisted assets we have policies and guidelines to manage asset valuations including valuation lags.

Our unit pricing philosophy is available at mlc.com.au. For more details on our policies relating to unit pricing please contact us.

There are a number of MLC Real Return trusts issued by MLCI (MLC Real Return Assertive and MLC Wholesale Inflation Plus - Conservative Portfolio) which do not form part of this PDS. The PDSs for these other trusts are available at mlcam.com.au/mlctrusts/pds

The Trust is governed by its constitution and is registered with the Australian Securities and Investments Commission (ASIC). ASIC takes no responsibility for this PDS or the operation of the Trust by MLC.

About mFund

The Trust is available through mFund, a managed fund settlement service operated by the Australian Securities Exchange (ASX). mFund uses the ASX electronic settlement system to automate and track the process of applying for and withdrawing units in managed funds. It allows you to apply for or withdraw units in the Trust via an accredited mFund broker (broker), or your financial adviser who uses a stockbroking service on your behalf.

Your holding of mFund units is linked to your Holder Identification Number (HIN). Your HIN is used for all investments and transactions made through the ASX.

mFund does not provide a market for trading units in the Trust. Units settled through mFund are issued and redeemed by us.

Please note that we will not accept any instructions directly from you if your investment in the Trust is held through mFund.

If you invest in the Trust through mFund, the processes of the ASX and the broker you use will impact the time your application and withdrawal requests are received by Registry Services. Please contact your broker or financial adviser for their cut-off times as they may be different from those outlined in this PDS.

There are also some risks associated with the ASX's systems and brokers. For example, the ASX's systems could fail, there could be errors or irregularities, or your broker could cease offering the settlement service. In addition, the ASX may suspend or revoke the admission of the Trust to mFund.

You should contact your financial adviser or broker for further information.

Investing via an IDPS

The most common way to access the Trust is via an IDPS.

If you invest in the Trust through an IDPS, then you don't hold units in the Trust and you have none of the rights of a unitholder. Instead, the IDPS holds units on your behalf.

Investing through an IDPS may result in different conditions applying from those referred to in this PDS including:

- minimum balance requirements
- fees and other costs
- cooling-off rights
- how to transact on your investment
- timing of processing of transactions and payment of distributions and withdrawals, and
- provision of statements and other information.

You should contact your financial adviser or IDPS operator for further information.

We authorise the use of this PDS as disclosure to persons who wish to access the Trust through an IDPS.

This PDS must be read together with offer documents provided by the IDPS operator.

Applications and withdrawals

We have the discretion to accept or refuse any initial application or additional investment without explanation.

You can request a partial or a full withdrawal to a nominated bank account at any time by sending a completed Withdrawal Form by post or emailing a scanned copy to Registry Services. The Withdrawal Form is available at mlcam.com.au/mlctrusts/pds or on request from us on **1300 738 355**. If your investment is held through mFund you can only request a withdrawal of your investment through mFund.

Generally, withdrawal requests will be actioned by us promptly to enable us to make payments within 10 Business Days. Actioning of withdrawal requests and payment may be delayed, for example, if underlying assets need to be sold. In certain circumstances, such as when there are adverse market conditions, we may suspend withdrawals. We may also process requests in instalments over a period of time and may also suspend processing of requests we have already accepted. In certain circumstances we may refuse a withdrawal request.

Where withdrawals are delayed, suspended or being paid in instalments, the unit prices used for a withdrawal will be those available on the day the withdrawal takes effect, rather than the day of the withdrawal request.

In the unlikely event that the Trust is no longer liquid (as defined in the *Corporations Act 2001* (Cth)), you may only withdraw your funds in accordance with any withdrawal offer that we make.

Income distributions

The income of the Trust will generally be calculated effective the last Sunday of December and 30 June each year. We generally aim to pay income distributions within 7 Business Days of the calculation date.

Distributions are generally calculated based on the Trust's net income at the end of the distribution period divided by the number of units on issue.

There may be periods in which no distributions are made or the Trust may make additional distributions.

Our current practice is to generally distribute all of the net taxable income of the Trust to investors each financial year (including net capital gains and any net gains on currency management). As the Trust is an Attribution Managed Investment Trust (AMIT), we have the discretion to accumulate income (instead of distributing all of the income) and if we do so, the accumulated income will be reflected in the unit price. We intend to continue our current practice to distribute all of the income (including any capital gains) for each year. We will notify you if this changes.

Investing directly in the Trust

To invest directly in the Trust you must have received this PDS (electronically or otherwise) within Australia. You also need to maintain a minimum balance of \$20,000. We may accept lower amounts at our discretion. We may redeem your unitholding if your account balance falls below \$20,000.

You must complete and sign the Trust's application forms and send them to Registry Services with your initial application money, or you can apply for units in the Fund through mFund. You can make additional investments by electronic funds transfer (EFT). If your investment is held through mFund you must make additional investments through mFund.

Once your application is accepted, you hold units in the Trust and have the rights of a unitholder. This applies whether your investment is made using the Initial Application Form, the Additional Investment Form or through mFund.

New Zealand investors may also be eligible to invest in the Trust provided they satisfy the eligibility criteria described in the Product Guide.

! You should read the important information about **How the Trusts work** before making a decision. Go to the Product Guide available at mlcam.com.au/mlctrusts/pds

The material relating to **How the Trusts work** may change between the time when you read this statement and the day when you acquire the product.

3. Benefits of investing in the Trust

More confidence that you'll achieve your financial goals

We've designed the Trust to give investors more confidence that they'll receive a return above inflation over a five year timeframe, through different investment environments.

Most traditional diversified funds aim to match or outperform a market benchmark. However, even an above-benchmark return won't always be the return investors need, especially when markets are weak. Instead, the Trust's focus is maintaining and growing your real wealth.

We aim to achieve a return above inflation by capitalising on investment opportunities and carefully managing risk - particularly avoiding the big losses that can set back an investment.

We focus strongly on managing the Trust's risk of negative returns over five years, mainly through:

- flexible asset allocation – as our investment experts' views on the market evolve, the mix of assets can be changed so the Trust is better positioned to achieve its objective, and
- diversification – the Trust invests in a wide range of assets and strategies. This provides more potential sources of returns.

Although our investment experts carefully manage the Trust, we can't remove all risk. At times, the Trust may not achieve its objective.

A smoother path to your financial goals

Traditional diversified funds usually have tight asset allocation ranges. This prevents the manager making large adjustments to the mix of assets to manage changing market risk. It also means the fund's returns tend to reflect market movements.

In contrast, in managing the Trust our investment experts can move flexibly between asset classes to manage risk. This means the Trust is expected to perform better in weak markets than a traditional diversified fund. As there's a trade-off between risk and return, this may also mean the Trust lags in strong markets.

We anticipate the outcome for investors will be a pattern of returns that's smoother and less influenced by market movements than a traditional diversified fund.

A proven investment strategy

The flexible, outcome-focused approach used to manage these Trusts has been successfully used by our investment experts since 2005.

A market-leading approach to Trust design

The approach used to design and manage the trust recognises we live in a complex, changing world.

Key to this approach is our unique scenarios framework, which guides our investment experts' forward-looking approach to managing the trust.

Our investment experts constantly explore the many ways events could unfold in markets worldwide and the potential impact on the trust.

Through this careful analysis, our experts discover changing opportunities and risks. They can then adjust the trust to capture the potential returns and manage the risks.

This means our trusts are better positioned to deliver more reliable medium to long-term returns to investors.

4. Risks of managed investment schemes

Before you invest, there are some things you need to consider. How much risk you're prepared to accept is determined by various factors, including:

- your investment goals
- the savings you'll need to reach these goals
- your age and how many years you have to invest
- where your other assets are invested
- the return you may expect from your investments, and
- how comfortable you are with investment risk.

Investment risk

All investments come with some risk. Some investments will have more risk than others, as it depends on the investment's strategy and assets.

The value of an investment with a higher level of risk will tend to rise and fall more often and by greater amounts than investments with lower levels of risk, ie it's more volatile.

While it may seem confronting, investment risk is a normal part of investing. Without it you may not get the returns you need to reach your investment goals. This is known as the risk/return trade-off.

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

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

- changes in Australian and overseas laws, and
- a counterparty not meeting its obligations eg when buying securities, the seller may not deliver on the contract by failing to provide the securities.

When choosing your investment, it's important to understand that:

- its value and returns will vary over time
- investments with higher long-term return potential usually have higher levels of short-term risk
- returns aren't guaranteed and you may lose money

- future returns will differ from past returns, and
- laws affecting your investment may change in future.

Long-term returns

The longer you invest, the greater the likelihood of achieving returns as described in the Trust's objective. This is because investment markets can frequently fluctuate significantly over shorter periods of time. Your return will be driven by the many unpredictable factors influencing investments and markets at the time. When investing, it's important to be prepared for a range of different return outcomes.

Investment techniques

Our investment experts and investment managers may use different investment

techniques that can change the value of an investment. Investment techniques used in the Trust include:

- derivatives, and
- currency management.

! You should read the important information about **Risks of managed investment schemes** before making a decision. Go to the Product Guide available at mlcam.com.au/mlctrusts/pds

The material relating to **Risks of managed investment schemes** may change between the time when you read this statement and the day when you acquire the product.

5. How we invest your money

MLC's multi-manager approach makes sophisticated investing easy to access, so you can get your investment plan into action right away.

You should consider the likely return, risk and your investment timeframe when making your decision. The table in this section sets out these key aspects of the Trust for your consideration. The terms used in the table below are explained in the Product Guide in the 'How we invest your money' section.

MLC Real Return Moderate	
Investment objective:	Aims to deliver a return of 3.5% pa above inflation (after management costs), subject to limiting the risk of negative returns over 5 year periods. This careful risk management approach means there may be times, such as when interest rates are unusually low, when the Trust requires an extended time period to achieve its return objective. In most circumstances the Trust is expected to provide positive returns over 5 year periods, although there will sometimes be negative returns over shorter periods.
Benchmark:	Inflation is measured by the Consumer Price Index, calculated by the Australian Bureau of Statistics.
How the Trust is managed:	The key aspects of the way the Trust is managed are: <ul style="list-style-type: none"> • 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. • diversification – the Trust 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. • strong focus on risk management – the Trust has the flexibility to reduce exposure to an asset class if that would cause too much risk of a negative return over 5 years. This means the Trust may have low exposure to growth assets in some market conditions. By managing the Trust in this way, movements in the Trust's value (both up and down) should be less significant. The Trust uses all aspects of the approach to investing outlined in the Product Guide.
The Trust may be suited to you if:	<ul style="list-style-type: none"> • you're aiming to achieve a return above inflation but, more importantly, are concerned about losing money over a 5 year period • you understand the return achieved by the Trust may be significantly higher or lower than its objective • you want our investment experts to flexibly adjust the Trust's asset allocation in accordance with their changing view of potential opportunities and risks in investment markets • you want to manage investment risk by diversifying across asset classes and strategies, and • you understand you may receive fluctuating levels of income.
Minimum suggested time to invest:	5 years

MLC Real Return Moderate

Asset allocation ranges:		Minimum	Maximum
	Cash	0%	40%
	Fixed income	5%	60%
	Alternatives	0%	55%
	Infrastructure	0%	20%
	Property	0%	20%
	Global shares	5%	60%
	Australian shares	0%	35%
	Defensive assets	20%	80%
	Growth assets	20%	80%

The actual asset allocation will move within these ranges. Information on the actual asset allocation and investment managers is available from our Fund Profile Tool at mlcam.com.au/mlctrusts

Risk measure: Estimate of 5 negative annual returns in any 20 year period.

Responsible investment: For information on responsible investment, refer to the 'How we invest your money' section in the Product Guide.

Switching

Direct investors may be able to switch from the Trust to another trust. A switch will be treated as a withdrawal from one trust and an investment in another trust. Buy-sell spreads may apply. Please contact Client Services on **1300 738 355** for details on how to switch. If you invest via an IDPS, please contact your IDPS.

Changes to the Trust

We may make changes to the Trust (and the information in this PDS) at our discretion including, but not limited to, terminating the Trust. Some changes may be made without

prior notice, including but not limited to, closing the Trust to new applications, and changes to the investment strategy, strategic asset allocation and ranges, market indices (and therefore the Benchmark), investment managers and service providers.

Where possible, we will give direct investors prior written notice of any materially adverse change. If you invest via an IDPS, you can contact your IDPS to obtain copies of these notices. Changes that are not materially adverse will be made available under 'Fund updates' at mlcam.com.au/mlctrusts/pds. mFund investors may also refer to the website mFund.com.au

You should check the website for the latest information or you can obtain a paper copy of any updated information free of charge on request.

! You should read the important information about **How we invest your money**, including **Responsible investment** before making a decision. Go to the Product Guide available at mlcam.com.au/mlctrusts/pds

The material relating to **How we invest your money** may change between the time when you read this statement and the day when you acquire the product.

6. Fees and other costs

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 account 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 lower fees. Ask the Trust or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** MoneySmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

The ASIC managed funds fee calculator can also be used to calculate the effect of fees and costs on account balances.

The fees and costs outlined in this PDS are for the Trust only.

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

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

If you consult a financial adviser you may also pay an additional fee that will be set out in the Statement of Advice between you and your financial adviser. If investing through mFund, additional fees may also be payable directly to your broker, or your financial adviser who uses a stockbroking service on your behalf. You should consider the Financial Services Guide provided by your broker (or adviser).

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

The information in this table can be used to compare fees and costs between different simple managed investment schemes. Taxes are set out under the 'How managed investment schemes are taxed' section of this PDS.

All fees are shown inclusive of GST and net of Reduced Input Tax Credits (where applicable).

Fees and costs summary

MLC Real Return Moderate		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs The fees and costs for managing your investment.	Estimated to be 0.92% pa of the Trust's net asset value, comprised of: 1 A management fee of 0.85% pa of the Trust's net asset value 2 Estimated indirect costs of 0.07% pa of the Trust's net asset value	1 The management fee is calculated on the Trust's net asset value. It is not deducted from your account directly but from the assets of the Trust. It is accrued daily and paid monthly, and the accrued amount is incorporated into the daily unit price of the Trust. The management fee may be negotiated by wholesale clients. Refer to the Product Guide for further information. 2 Indirect costs are generally deducted from the assets of the Trust as and when they are incurred.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Estimated to be 0.04% pa of the Trust's net asset value.	Performance fees are amounts that investment managers may charge when their performance exceeds a specified level. Performance fees are deducted from the assets of the Trust and paid periodically. They are reflected in the daily unit price and expected to reduce the net return of the Trust. For further information, refer to 'Performance fees' in the Product Guide.
Transaction costs The costs incurred by the scheme when buying or selling assets	Estimated to be 0.03% pa of the Trust's net asset value.	These costs are paid from the assets of the Trust as and when they are incurred. These costs are an additional cost to you.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Estimated to be 0.10% of the application amount on investments made in the Trust and 0.10% of the withdrawal amount on withdrawal from the Trust.	The buy spread is added to the unit price when you buy units. The sell spread is deducted from the unit price when you sell units. The buy-sell spread is included in the unit price of the Trust and is not charged to you separately.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee The fee to close your investment	Nil	Not applicable
Switching fee The fee for changing investment options	Nil	Not applicable

Example of annual fees and costs for the Trust

This table gives an example of how the ongoing annual fees and costs for this managed investment product can affect your investment over a 1 year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE: MLC Real Return Moderate		Balance of \$50,000 with a contribution of \$5,000 during the year ¹
Contribution fees	0.00%	For every additional \$5,000 you put in, you will be charged \$0 .
Plus Management fees and costs:		And , for every \$50,000 you have in MLC Real Return Moderate, you will be charged or have deducted from your investment, \$460 each

Management fee	0.85%	year.
Indirect costs	0.07%	
Total	0.92%	
Plus Performance fees	0.04%	And , you will be charged or have deducted from your investment \$20 in performance fees each year.
Plus Transaction costs	0.03%	And , you will be charged or have deducted from your investment \$15 in transaction costs.
Equals Cost of MLC Real Return Moderate		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of \$495* . What it costs you will depend on the fees you negotiate.

* Additional fees may apply:

Establishment fee \$0.

And, if you leave the managed investment scheme early, you may also be charged **exit fees** of 0% of your total account balance (\$0 for every \$50,000 you withdraw).

And, for every \$5,000 you contribute to the Trust you will incur costs of \$5 and for every \$5,000 you withdraw from the Trust you will incur costs of \$5 (buy-sell spread).

¹ This example assumes the \$5,000 additional investment occurs at the end of the year and that the value of the Trust does not change for the entire year. Actual fees and costs are based on the value of the Trust which fluctuates daily.

Additional explanation of fees and costs

Management fees and costs

Management fees and costs are made up of the management fee and indirect costs described below.

Management fee

The Responsible Entity receives the management fee, which consists of underlying investment manager fees and the fee charged by the Responsible Entity for managing the assets of the Trust and overseeing the day-to-day operations of the Trust. The amount of the management fee may be negotiated by wholesale clients. For further information, refer to 'Management fee' in the Product Guide.

Indirect costs

Indirect costs are reflected in the daily unit price and any reporting on the performance of the Trust. Indirect cost amounts included in this document are based on actual costs incurred for the financial year to 30 June 2023 and involve estimates where information was unavailable at the date this PDS was issued. For further information, refer to 'Indirect costs' in the Product Guide.

Performance fees

Performance fees are payable to investment managers when their performance exceeds a specified level. For further information, refer to 'Performance fees' in the Product Guide.

Transaction costs

Transaction costs are the costs incurred when assets in the Trust or in underlying investments are bought or sold and includes costs such as brokerage, stamp duty and settlement costs. For further information, refer to 'Transaction costs' in the Product Guide.

Buy-sell spread

You incur the buy-sell spread when you buy or sell units in the Trust. The buy-sell spread is not a fee and no part of the buy-sell spread is paid to us or to any investment managers.

The buy-sell spread is retained in the Trust to cover the estimated transaction costs incurred as a result of investor applications and redemptions. For further information, refer to 'Buy-sell spread' in the Product Guide.

Changes to fees and costs

We may vary fees or introduce new fees up to the maximums described in the constitution, without your consent.

Under the constitution the maximum fees payable to the Responsible Entity are:

- an investment fee of 3% pa of the class current value (as defined under the constitution), plus
- an administration fee of 2% pa of the class current value (as defined under the constitution) (currently not charged), plus
- a contribution fee of 6% of the class current unit value (as defined under the constitution) (currently not charged).

We are entitled to recover expenses directly from the Trust. Currently we pay them out of the management fee. If this changes we will notify you. For more information see 'Reimbursable expenses' in the Product Guide.

If you invest directly in the Trust we will give you 30 days' notice of any increase in fees. No prior notice will be given in respect of changes to indirect costs, transaction costs or buy-sell spreads. For updated details go to mlcam.com.au/mlctrusts

! You should read the important information about **Fees and other costs** before making a decision. Go to the Product Guide available at mlcam.com.au/mlctrusts/pds

The material relating to **Fees and other costs** may change between the time when you read this statement and the day when you acquire the product.

7. How managed investment schemes are taxed

Investing in a managed investment scheme is likely to have tax consequences. Because this PDS and the Product Guide are not tax guides and tax laws are complex and change from time to time, we strongly recommend that you obtain professional tax advice in relation to your own personal circumstances. This applies whether you are an Australian resident or a non-resident for tax purposes.

Australian taxation information

The general comments below only relate to the tax consequences arising to Australian residents. The Trust itself should not be liable for tax on its net earnings. Managed investment schemes generally do not pay tax on behalf of resident investors. Rather investors should include their proportion of the Trust's taxable income as income in their tax returns. Investors are assessed for tax on any income and capital gains generated by the Trust. Any net losses are retained by the Trust and potentially used to offset future matching gains.

The unit price of units issued before a distribution will include income accumulated in the Trust. The income that has been accumulating will generally be distributed. You may potentially have taxation liabilities on that income. Depending on an investor's circumstances, a revenue or capital gain or loss may arise when units in the Trust are sold, switched or redeemed.

! You should read the important information about **How managed investment schemes are taxed** before making a decision. Go to the Product Guide available at mlcam.com.au/mlctrusts/pds

The material relating to **How managed investment schemes are taxed** may change between the time when you read this statement and the day when you acquire the product.

8. How to apply

Investing directly

To invest directly, you must complete and sign the application forms for the Trust and send them to Registry Services with your application money and identification documentation as applicable. Contact us to obtain the application forms.

You can also invest directly in the Trust through mFund by placing a buy order for units in the Trust through your broker (or financial adviser who uses a stockbroking service on your behalf). You should contact your financial adviser or broker for further information.

Investing via an IDPS

To invest in the Trust via an IDPS, you will need to contact your IDPS operator and complete the relevant IDPS application form and any other documentation required by the IDPS operator. You will also need to contact your IDPS operator in relation to making additional contributions to your investment.

You should contact your IDPS about any complaint you have. Your IDPS will work with us to assist you in resolving any complaints relating to your investment in the Trust. The remaining information in this section only applies to direct investors in the Trust (including mFund investors). If you invest via an IDPS, and require further information you should contact your IDPS operator.

Cooling-off right

Unless you are a 'wholesale client' under the *Corporations Act 2001* (Cth), you can terminate your initial investment in the Trust by writing to Registry Services during the cooling off period. This is a 14 day period starting on the earlier of when you receive confirmation of your investment or the end of the fifth business day after your units were issued to you. The amount repaid will be adjusted for market movements, taxes, buy/sell spreads, and fees and other costs so may be less than the amount you paid. Cooling off rights don't apply if you transact on your account before or during the cooling off period.

Your privacy

We are committed to protecting your privacy. Any personal information we collect about you will be handled in accordance with our Privacy Policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your

privacy. To obtain a copy of our Privacy Policy, please contact Client Services on **1300 738 355** or visit mlcam.com.au/privacy

For further information, refer to 'Your privacy' in the Product Guide.

Anti-Money Laundering

We are required to comply with the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act) and as such we are required to collect information from you or anyone acting on your behalf, and your related parties, to comply with our obligations. If investing through mFund your broker will conduct the required AML/CTF checks on our behalf. For further information, refer to 'Anti-Money Laundering' in the Product Guide.

Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

We are required to collect information about your tax residency status, including whether you are a US citizen or resident for US tax purposes, and other relevant information to determine your reporting status under the FATCA and the CRS rules. If you identify yourself as a foreign resident for tax purposes, your account information may be reported to the relevant tax authorities. If investing through mFund your broker will conduct the required counter-terrorism financing checks and will also ask some basic questions about your foreign tax residency status, including whether you are a US person and other information required for FATCA and CRS.

Resolving complaints

If you are an indirect investor who holds an interest directly through an IDPS and you wish to make a complaint, you should contact your IDPS.

If you are a direct investor and you have a complaint, we can usually resolve it quickly over the phone on **1300 738 355**. If you'd prefer to put your complaint in writing, you can email us at client.services@mlcam.com.au or send a letter to **PO Box 200, North Sydney NSW 2059**. We'll conduct a review and provide you with a response in writing. You have the option of lodging a complaint with the Australian Financial Complaints Authority (AFCA) directly, rather than lodging a complaint with us. You can also lodge a complaint with AFCA if you're not satisfied with our response or if your complaint has not been resolved within 30 days. AFCA provides an independent financial services complaint resolution process that's free to consumers. You can contact AFCA in the following ways:

Website: afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)
In writing to: AFCA
GPO Box 3
Melbourne VIC 3001

For more information on our complaints management policy visit mlcam.com.au/terms-and-conditions

9. Other information

! You should read the important information about **Email terms and conditions, Investor Online and Adviser Online, Notice to residents of New Zealand and Keeping you informed** before making a decision. Go to the Product Guide available at mlcam.com.au/mlctrusts/pds

The material relating to **Email terms and conditions, Investor Online and Adviser Online, Notice to residents of New Zealand and Keeping you informed** may change between the time when you read this statement and the day when you acquire the product.

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

MLC Real Return Moderate
GPO Box 804
Melbourne VIC 3001 Australia
Email: mlc_transactions@unitregistry.com.au

Client Services

PO Box 200
North Sydney NSW 2059 Australia
Telephone: 1300 738 355
Email: client.services@mlcam.com.au

Responsible Entity

MLC Investments Limited
PO Box 200
North Sydney NSW 2059 Australia

Website

mlcam.com.au/mlctrusts

mFund website

mFund.com.au