MLC Investment Trusts
Product Guide

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Issued by: The Responsible Entity, MLC Investments Limited
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Important information

This MLC Investment Trusts 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 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/MLCWholesale/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 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 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/MLCWholesale/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 IOOF group of companies (comprising IOOF Holdings Ltd ABN 49 100 103 722 and its related bodies corporate) (IOOF Group). This document has been prepared on behalf of MLC Investments Limited ABN 30 002 641 661 AFSL 230705 as Responsible Entity of the Trusts. The capital value, payment of income and performance of the Trusts are not guaranteed. An investment in the Trusts 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.

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 information given 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	1 October 2021	MLC0669AU	N/A
MLC Wholesale Horizon 2 Income Portfolio	117 295 584	1 October 2021	MLC0670AU	N/A
MLC Wholesale Horizon 3 Conservative Growth Portfolio	096 796 379	1 October 2021	MLC0398AU	N/A
MLC Wholesale Horizon 4 Balanced Portfolio	087 446 375	1 October 2021	MLC0260AU	N/A
MLC Wholesale Horizon 5 Growth Portfolio	087 446 633	1 October 2021	MLC0265AU	N/A
MLC Wholesale Horizon 6 Share Portfolio	096 796 075	1 October 2021	MLC0397AU	N/A
MLC Wholesale Horizon 7 Accelerated Growth Portfolio	102 215 501	1 October 2021	MLC0449AU	N/A
MLC Inflation Plus portfolios[1]				
MLC Wholesale Inflation Plus – Conservative Portfolio	165 016 035	1 October 2021	MLC0921AU	MLC01
MLC Wholesale Inflation Plus – Moderate Portfolio	165 016 151	1 October 2021	MLC0920AU	MLC02
MLC Index Plus portfolios				
MLC Wholesale Index Plus Conservative Growth Portfolio	618 813 077	1 October 2021	MLC7849AU	N/A
MLC Wholesale Index Plus Balanced Portfolio	618 813 059	1 October 2021	MLC7387AU	N/A
MLC Wholesale Index Plus Growth Portfolio	618 813 282	1 October 2021	MLC9748AU	N/A
MLC asset class funds				
MLC Wholesale Australian Share Fund	087 447 078	1 October 2021	MLC0262AU	N/A
MLC Wholesale Australian Share Index Fund	150 845 971	1 October 2021	MLC0893AU	N/A
MLC Wholesale Diversified Debt Fund	130 171 078	1 October 2021	MLC0839AU	N/A
MLC Wholesale Global Property Fund	124 947 164	1 October 2021	MLC0786AU	N/A
MLC Wholesale Global Share Fund	087 446 875	1 October 2021	MLC0261AU	N/A
MLC Wholesale IncomeBuilder	087 447 265	1 October 2021	MLC0264AU	N/A
MLC Wholesale Property Securities Fund	087 447 425	1 October 2021	MLC0263AU	N/A

[1] There is a third MLC Inflation Plus portfolio known as MLC Wholesale Inflation Plus – Assertive Portfolio which does not form part of this Product Guide. The Product Disclosure Statement for the MLC Wholesale Inflation Plus – Assertive Portfolio is available at **mlcam.com.au/MLCWholesale/pds**

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 predominantly 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) (AML/CTF Act), we are required to collect original certified copies of original document(s) (not scanned copies) which must be valid at the time you send them to us to verify your identity and that of related parties (including if you are a non-individual entity, identity of any persons who are deemed to own or control (directly or indirectly) you (beneficial owner)).

In addition, under the AML/CTF Act, we may be required to ask you for additional identity verification documents or information about you, a related party or a beneficial owner either when we are processing your application or at some stage after we issue the units.

Until we receive this documentation - or if we have concerns that a transaction requested by you, or anyone authorised to act on your behalf, might breach any obligations we have under legislation or cause us to commit or participate in an offence, under any law - we reserve the right to:

- block, suspend or refuse to process transactions
- freeze accounts or access to funds, or
- close your account without further notice.

These actions may be taken if we have reasonable grounds to suspect that there is a breach of any of our regulatory obligations, including where there may be a risk of damage to our reputation.

We also reserve the right to report details of accounts or transactions to the relevant authorities.

Where transactions are delayed, blocked, frozen or refused in the above circumstances, we're not liable for any loss you suffer, including consequential loss. We will incur no liability to you or a related party if we do so. 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 relevant Trust's 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 **mlc.com.au**

You can view the current unit prices for the MLC Trusts at **mlcam.com.au/MLCWholesale** 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 distribution 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 Responsible Entity 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 the 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, securities 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 the investment approach in 'How we invest your money'.

Types of assets

Asset classes are commonly grouped as defensive or growth, based on their different characteristics.

Defensive assets, such as cash and fixed income, may help provide positive returns in a portfolio when share markets are weak. On the other hand growth assets, such as shares and property, may be included in a portfolio because of their potential to produce higher returns than cash in the long term.

Multi-asset portfolios are usually invested across both defensive and growth assets because their risk and return characteristics tend to be diverse. However in some market conditions, all types of assets may move in the same direction, delivering low or negative returns at the same time.

The main differences between defensive and growth assets are:

	Defensive	Growth
How they are generally used	To generate income and stabilise returns.	To provide long-term capital growth and income.
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.

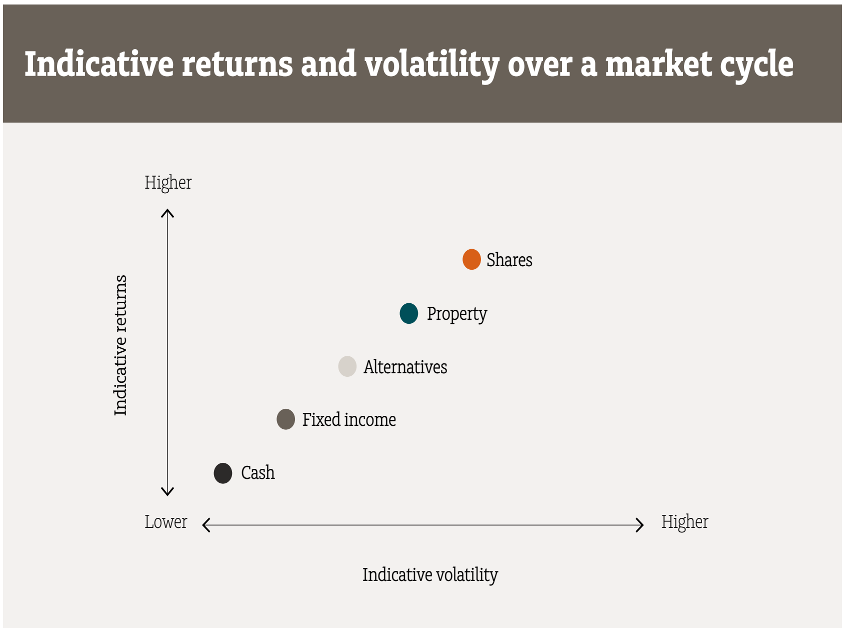
Asset classes

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 following illustration shows indicative returns and volatility for the main asset classes over a whole market cycle. However, 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.



Source: MLC Asset Management Services Limited

Risks of managed investment schemes

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 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 value of an investment in high quality cash securities tends not to change. However, in extreme market environments cash interest rates or yields could become negative, resulting in a gradual decline in the value of your investment over time.
- 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. Fixed income is also known as fixed interest.

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 fixed income security. 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 increases in interest rates.
- Values of fixed income securities tend to move in opposite directions to interest rates. So when interest rates rise, fixed income securities' values tend to fall and when interest rates fall, values can rise. When interest rates and interest income are low or negative, even small rises in interest rates may lead to falling market values and losses.
- Duration is a common measure of an investment's sensitivity to changes in interest rates. To illustrate, if interest rates rise sharply by 1%, and a fixed income fund has a duration of three years, the fund would likely lose approximately 3% of its value. The longer the duration of a fixed income investment, the more its value will be impacted by rising or falling interest rates, and the greater its interest rate risk.
- Market values of fixed income securities may rise or fall due to changes in perceptions of the business or government issuing the securities being able to meet their interest and repayment obligations. This is known as default risk or credit risk. Higher credit risk securities generally have higher potential returns (yields) to compensate investors for their higher risk.
- There are different types of fixed income securities and these will have different returns and volatility.
- Investing in fixed income securities outside Australia may expose your portfolio to movements in exchange rates.

Property

Access to property may be through trusts listed on a securities exchange (known as listed property securities, Real Estate Investment Trusts, or REITs), unlisted trusts, or direct ownership of unlisted property. Investments may include retail, commercial, industrial and residential properties in Australia and around the world.

Things to consider:

- Property is usually included in a portfolio for its income, growth and defensive characteristics.
- Returns typically comprise income (such as rental or REIT income) and changes in value.
- Returns are driven by many factors including the economic environment in various countries.
- Returns from property can be volatile. Because listed property securities are listed on an exchange, their prices constantly reflect the market's changing view of REIT values. Unlisted property values are more difficult to determine and usually involve a considerable time lag. As a result of these differences in valuation frequency, listed property securities' returns may be more volatile than unlisted property.
- Investments in listed property securities generally provide investors greater diversification across countries, sectors, properties, and property-related companies than investments that aren't listed. And the global listed property securities market is even more diversified than the Australian market.
- Unlisted property is illiquid which makes it more difficult for an investment manager to buy or sell.
- 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.

Alternatives

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

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 often associated with them.
- Some alternative strategies are managed to deliver a targeted outcome. For example, real return strategies aim to produce returns exceeding 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 which assets you're investing in compared to 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 Australia may expose your portfolio to movements in exchange rates.

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 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.

Investment techniques

Our investment experts and investment managers may use different investment techniques that can change the value of an investment. Some of the main investment techniques are explained below. Where the Trusts use these investment techniques, we've made a note of it in the PDS.

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 our Derivatives Policy is available at **mlc.com.au/derivativesforinvestments**

Currency management

If an investment manager invests in assets in other countries, its 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.

Information on 'Borrowing costs' is available in the 'Fees and costs' section of this Product Guide.

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

Approach to investing

For over 35 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

Our multi-asset Trusts focus on what affects investor outcomes the most – asset allocation.

Each asset class has its own return and risk characteristics. Money is allocated 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 a forward-looking approach to capitalising on investment opportunities and 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 returns and risks 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 prepare our Trusts for future market ups and downs.

- **Returns and risks vary through time**

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

With this information, our Trusts' asset allocations are adjusted to improve their return potential or reduce their risk.

- **Diversification matters**

Asset classes perform differently in different market conditions.

Investing in many asset classes helps smooth out the overall Trusts' returns, as asset class ups and downs can offset one another.

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 the managers they believe are the best for our Trusts.

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

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

You can find out about the investment managers from our Fund Profile Tool at **mlcam.com.au/MLCWholesale**

3. Ongoing review

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

This includes adjusting the asset allocation, investment strategies and managers.

This may be because our investment experts' assessment of the future market environment has altered or because they've found new ways to balance risk and return in our Trusts.

4. Portfolio implementation

We deliver better returns by avoiding unnecessary costs. Our investment experts help us do this by carefully managing cash flows, tax and changes in our Trusts.

> Each Trust in the MLC Investment Trusts uses the aspects of this approach to investing that are relevant to it.

Responsible investing

Environmental, social, governance (ESG), and ethical factors impact the sustainability of companies and governments and therefore influence the returns from investing. Incorporating ESG and ethical considerations into investment decisions is known as responsible investing.

Examples of ESG and ethical factors are:

- **E**nvironmental – climate change, waste and pollution, resource depletion.
- **S**ocial and labour standards – working conditions, employee relations and diversity, health and safety.
- **G**overnance – executive pay, bribery and corruption, tax strategy.
- Ethical considerations – other factors that could be detrimental to the broader community.

We don't, as Responsible Entity, take into account labour standards, environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments.

Investment management decisions for the Trusts are made by our investment experts at MLC Asset Management, and the investment managers they select.

MLC Asset Management expects active investment managers to consider material effects any factors may have on investment returns, including ESG and ethical factors. MLC Asset Management and the investment managers also engage with companies, providing an opportunity to enhance and protect the long-term value of investments.

We don't intend for the Trusts to invest in tobacco manufacturing companies. There may, from time to time, be a small level of unintended tobacco-related exposure.

The Trusts aren't promoted as socially responsible or ethical investments.

How we invest your money

Explanation of terms

The information below explains terms used in section 5 'How we invest your money' of the PDS.

Terms used in Trust profiles	Explanation
Investment objective:	Describes what the Trust aims to achieve over a certain timeframe. Most trusts aim to produce returns that are comparable to a benchmark. The investment objective outlines whether returns used to judge a Trust's success should have fees included. Investment objectives may consider fees in the following ways: • 'After fees' – when calculating performance against the investment objective, the management fee and indirect costs have already been deducted from the return. However, other costs outlined in the PDS, have not been deducted. • 'Before fees' – when calculating performance against the investment objective, indirect costs have been deducted from the return, but management fees and costs have not been deducted. More information on fees and how they are deducted is available in section 6 'Fees and costs' of the PDS.
Benchmark:	Benchmarks 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/ASX200 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 • the period over which the return should be measured, and • that a Trust is unlikely to achieve its objective in all market environments.
How the Trust is managed:	Describes the investment strategy and approach to managing the Trust.
The Trust may be suited to you if:	Suggests the type of investor who may be interested in investing in this particular Trust. Each investor's own personal objectives and circumstances will also affect their decision.
Minimum suggested time to invest:	Investing for the minimum suggested time or longer improves your chances of achieving a positive return. However, investing for the minimum time doesn't guarantee a positive return outcome because every market cycle is different. Your personal circumstances should determine how long you hold an investment.
Asset allocation:	Asset allocations are displayed in different ways, reflecting how the Trust is managed: • **Strategic asset allocations** (also known as benchmark or long-term asset allocations) provide an indication of the proportion of the Trust invested in each asset class. • **Ranges** indicate the minimum and maximum that may be allocated to an asset class. Actual asset allocations aren't shown in the PDS as they constantly change due to movements in asset values, and activities such as buying and selling of assets by investment managers. As a result, actual asset allocations can move above and below the strategic asset allocation. While usually remaining within any ranges provided, actual asset allocations may temporarily move outside the ranges due to movements in asset values. Recent actual asset allocations are available at **mlcam.com.au/MLCWholesale** Strategic asset allocations and ranges may change from time-to-time. We'll notify you of any material updates.

Terms used in Trust profiles	Explanation
Risk measure:	We include the estimated number of negative annual returns over any 20 year period to help you understand investment risk of the Trusts. Because it's an estimate, the actual number of negative annual returns that occur in a 20 year period may be different. This estimation isn't a complete assessment of investment risk, for instance it doesn't: • detail the size a negative return could be or the potential for a positive return to be less than an investor requires to meet their objectives • capture the risk of the Trust not meeting its investment objective, or • take into account the impact of fees, which would increase the chance of a negative return. Investors should still ensure they are comfortable with the risks and potential losses associated with their chosen investment.

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. Taxes are set out under the 'How managed investment schemes are taxed' section of this document. 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 0.29% and 1.73% pa of each relevant Trust's net asset value.	The management fee is calculated daily on the relevant Trust's net asset value and is reflected in the daily unit price. It is paid, generally on a monthly basis, from the assets of the relevant Trust. 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 0.24% pa of each relevant Trust's net asset value. This is made up of: • Estimated performance related costs of between 0.00% and 0.11% pa • Estimated other indirect costs of between 0.00% and 0.13% pa	Indirect costs are costs and expenses incurred by the relevant Trust that are not charged as a management fee. Indirect costs are deducted from the assets of the Trust (paid periodically), are reflected in the daily unit price and expected to reduce the net return of the relevant Trust.
Service fees		
Switching fee The fee for changing investment options.	Not applicable	There is no switching fee.

1 An allowance for transactional costs may apply to investments into and withdrawals from the Trust. Please see 'Transactional costs' in the 'Additional explanation of fees and costs' in the PDSs for further details.

2 Rounded to two decimal places.

3 For the purposes of the MLC Wholesale Diversified Debt Fund and MLC Wholesale Global Property 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 2021 and include estimates where information was unavailable at the date this Product Guide was issued.

Additional explanation of fees and costs

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 Trust'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 reduce 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 2021 are shown below:

Trust Name	Borrowing Costs pa of the relevant Trust's net asset value
MLC Wholesale Horizon 2 Income Portfolio	0.02%
MLC Wholesale Horizon 3 Conservative Growth Portfolio	0.02%
MLC Wholesale Horizon 4 Balanced Portfolio	0.02%
MLC Wholesale Horizon 5 Growth Portfolio	0.01%
MLC Wholesale Horizon 6 Share Portfolio	0.01%
MLC Wholesale Horizon 7 Accelerated Growth Portfolio	0.50% Please refer to the 'Borrowing costs' section of the PDS for further details.
MLC Wholesale Inflation Plus - Conservative Portfolio	0.05%
MLC Wholesale Inflation Plus - Moderate Portfolio	0.02%

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.

Reimbursable expenses

We are entitled to be reimbursed from a Trust for all costs and expenses incurred in acting as Responsible Entity 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 Responsible Entity 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 Responsible Entity and IDPS operators from time to time. They are paid by the Responsible Entity out of the management fee and are not an additional cost to you.

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 related companies

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

Amounts paid for these services are always negotiated on an arm's length basis and are, in the Responsible Entity's opinion, reasonable remuneration.

Appointments of these companies are made in accordance with the requirements of the IOOF Group's Conflicts of Interest Policy.

The Responsible Entity regularly monitors the ongoing compliance of such appointments with the Group's Conflicts of Interest Policy.

How managed investment schemes are taxed

The AMIT regime

Each of the Trusts is an Attribution Managed Investment Trust (AMIT).

This means:

- The Trusts will be deemed to be a 'fixed trust' for taxation purposes.
- The allocation of taxable income of each Trust to its investors is based on "attribution" on a "fair and reasonable basis", rather than a present entitlement to the "income of the Trust" for each financial year and the relevant Trust is not liable to tax provided all its taxable income is attributed to investors.
- A Trust may make year-on-year adjustments to reflect under-or-over distributions of the Trust's income.
- Investors may increase or decrease the cost base of their units where taxable income attributed is either greater than or less than (respectively) broadly the cash distribution and tax offsets for an income year, to help alleviate the potential for double taxation.

Under the AMIT regime:

- Australian residents will include their share of a Trust's taxable income in their income tax return, and
- non-residents may have withholding tax deducted from distributions they receive from the relevant Trust.

Each Trust may accumulate income which is reflected in the unit price. Taxable income is attributed to investors, even if a Trust doesn't distribute its income.

However, we intend to continue our current practice of distributing all of the Trust's taxable income (including any capital gains) to our investors each financial year. We will notify you if this changes.

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. 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 each 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

Email terms and conditions

If emails are used in operating your account, you should understand that there is potentially a greater risk that a person could fraudulently send us an email and, by pretending to be you, withdraw money from your account.

These terms and conditions apply when we (or Registry Services) receive email instructions or communications about your account. These terms are in addition to any other requirements relating to you giving us instructions or completing any particular authority. We can change these terms by giving you 14 days' written notice.

By investing in the Trust, you agree that MLC and Registry Services are not responsible for any losses you may suffer as a result of any fraudulent communications received by email, except to the extent those losses arise directly from their or their agents' negligence, wilful default or fraud. You agree to be liable and indemnify MLC and Registry Services for any losses suffered by any of them as a result of any fraudulent communications received by email to the extent those losses arise from your negligence, wilful default or fraud.

MLC and Registry Services will only act on completed communications from you. MLC and Registry Services will not be liable for any loss which results from not receiving your email, or from a delay in receiving your email.

Investor Online and Adviser Online

Investor Online, accessible via **mlcam.com.au/mlc**, gives you access to up to date information on your investments at any time. You automatically get access to Investor Online if you are an investor in the Trust. If you elect to give your financial adviser permission to access information about your investment on the Initial Application Form, your financial adviser will also have access to your investment information via Adviser Online.

Once you have an investment in the Trust, your Investor Online account will be established and Registry Services will send you the details you need to complete the online registration process for your account.

Use of Investor Online and Adviser Online is provided by Registry Services and is subject to specific terms and conditions, as disclosed on these sites.

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).

Keeping you informed

If you invest directly into the Trusts (including where you have applied to the Trust through mFund), we will provide you with the information set out in the table below. If you wish to obtain information on your account or update your details, please contact our Client Services team. See 'Contact details' at the end of this Product Guide.

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

Information provided to direct investors	
Transaction confirmation	Confirms any investment, switch or withdrawal. This will be available on Investor Online via **mlcam.com.au/mlc**
Periodic statement	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. This will be available on Investor Online via **mlcam.com.au/mlc**. Periodic statements only apply to Trusts offered directly to retail investors which currently are the MLC Wholesale Inflation Plus - Conservative Portfolio and the MLC Wholesale Inflation Plus - Moderate Portfolio.
Distribution statement	Provides details of the distributions paid on your account. This will be available on Investor Online via **mlcam.com.au/mlc**
Annual taxation statement	You will be provided with an annual taxation statement, referred to as an AMIT Member Annual Statement (AMMA Statement), to assist you in completing your tax return. The AMMA Statement will show the taxable and non-taxable components of the income attributed to you (which includes any distributions received or reinvested). This will be available on Investor Online via **mlcam.com.au/mlc**
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 **mlcam.com.au/MLCWholesale**
Constitution	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 **mlcam.com.au/MLCWholesale/pds**. Alternatively, mFund investors can access the latest PDS and this Product Guide by visiting the website **mFund.com.au** This only applies to the MLC Wholesale Inflation Plus - Conservative Portfolio and the MLC Wholesale Inflation Plus - Moderate Portfolio. The PDS and this Product Guide can be updated or replaced from time to time.

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
C/- OneVue Fund Services Pty Ltd
GPO Box 804
Melbourne VIC 3001 Australia

Client Services

Ground Floor
105-153 Miller Street
North Sydney NSW 2060 Australia

Telephone: 1300 738 355

Email: client.services@mlcam.com.au

Responsible Entity

MLC Investments Limited
105-153 Miller Street
North Sydney NSW 2060 Australia

Website

mlcam.com.au/MLCWholesale

mFund website

mFund.com.au