



MySuper Implications for members of the Harmers Superannuation Plan



General Advice Warning

This information was prepared by Horizon Wealth Management. It is of a general nature and does not take into account your personal investment objectives, financial situation or particular needs.

You should assess whether this general advice is appropriate to your individual objectives, financial situation and needs. You can make this assessment yourself or seek the help of a professional financial advisor or taxation professional.





Agenda

1. Explanation of MySuper
2. Costs of MySuper / Choice post 29 November 2013

MySuper

WHAT IS IT?

MySuper changes how default super works.

WHAT DOES IT DO?

It provides members with simple and cost effective default superannuation.

HOW DOES IT WORK?

Through standardised product features that enable members and employers to compare products more easily.

MySuper solutions

- Eligible MySuper products must either have a single diversified strategy or a lifecycle approach.
- MLC MySuper uses a single diversified approach.
- All members have access to the same options and facilities.
- Only certain permitted fees and they must be consistently applied.
- All superannuation funds must provide Death and TPD insurance to members on an opt-out basis.
- The government has deemed MySuper to Pay no commissions.

Who are the Winners and Losers in the MySuper World?

Winners

- Members in the Default Fund

Losers

- Advisers
- Employers

A simple and easy MySuper design

Existing members retain the same account and the way they deal with MLC won't change

MINIMISE
CHANGE

HOW?

By not creating a new product – instead embedding a new investment option in MasterKey Business Super

MySuper

Minimal impact - no need for members to change their account number or move from one fund to another

NO
FUSS

DEFAULT
OPTION

For existing members* and new members. Existing balances and arrangements can be grandfathered until 2017

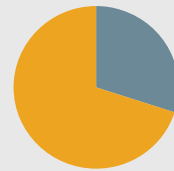
A single diversified MySuper investment option

Investment professionals recognise that **single diversified products can produce better retirement outcomes.**

THE STATISTICS

Current lifecycle products are simplistic, one-size fits all offerings that can promote apathy.

OUR SOLUTION



A single diversified 70/30 portfolio for greater comparability

and also out performs a simple lifecycle offering in **37 out of 40** scenarios.

By offering a single diversified investment strategy, our aim is to help **maximise the retirement outcomes** for members and drive engagement through informed choice



MLC doesn't rely on "age banding" which can crystallise losses or gains. Instead it **supports the value of advice** and empowers clients to become more engaged with their super.

Did you know?

The right investment option depends on a number of factors - not just your age

At age 60

Clients have probably got around 25 years to live



MLC's approach is to encourage advice, and depending on your circumstances a better strategy for this time period is likely to be **70:30**

Not 30:70 as would be the case with a standard lifecycle option

Your choices



Option 1:	Option 2:	Option 3:
Let MLC do the work for you	You determine your attitude to risk & let MLC manage your super accordingly	Build your own portfolio
MLC MasterKey Business Super: MySuper Default Fund	MLC MasterKey Business Super: MLC Diversified Funds / MLC Multi-Sector Funds	From any of the previous options and: MLC Single-Manager Fund Options

MLC Multi-Manager and Multi-Index options

Diversified Fund options:

MLC Horizon 1 – Bond Portfolio

MLC Horizon 2 – Capital Stable Portfolio

MLC Horizon 3 – Conservative Growth Portfolio

MLC Horizon 4 – Balanced Portfolio

MLC Horizon 5 – Growth Portfolio

MLC Horizon 6 – Share Portfolio

MLC Horizon 7 – Accelerated Growth Portfolio

MLC Index Plus – Balanced Portfolio

MLC Index Plus – Conservative Growth Portfolio

MLC Index Plus – Growth Portfolio

MLC Asset Class / Sector options:

MLC Australian Share Fund

MLC Australian Share Growth Style Fund

MLC Australian Share Value Style Fund

MLC Diversified Debt Fund

MLC Global Property Fund

MLC Global Share Fund

MLC Global Share Value Style Fund

MLC Global Share Growth Style Fund

MLC Hedged Global Share Fund

MLC Income Builder

MLC Inflation Plus – Assertive Portfolio

MLC Cash Fund

MLC Property Securities Fund

MLC Single Manager Funds:

Various (22)



Introducing JANA



In reviewing existing investment options within NAB Wealth, MLC's best MySuper investment solution was their Pre-mixed Moderate offer already used in Plum; which had the right asset mix, performance history and reputation.

MLC MySuper investment solution will be managed by JANA. They are one of Australia's leading and most successful investment consultants – trusted to invest and advise on over \$220bn in global investments

The success and growth of JANA has been driven by the quality of their research, innovation and thought leadership

Investment Approach



SPECIALISED RESEARCH



A UNIQUE COLLABORATIVE
STRUCTURE



EXCELLENCE IN GLOBAL RESEARCH
AND MANAGER SELECTION



INNOVATION AND
COMMITMENT

To protect existing benefits, all current insurance arrangements for existing members will remain in place with:

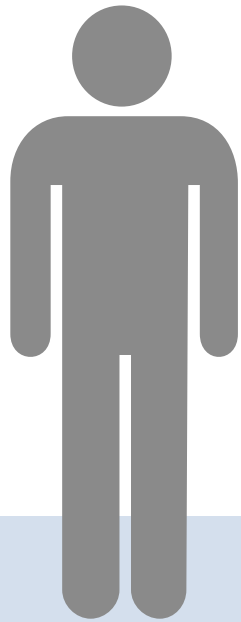
Existing benefit designs

Terms and conditions

Premium rate basis

Servicing arrangements

MLC believes advice is the best way to improve client engagement



KPMG Research shows that individuals with a financial adviser

Saved
on average

This equated to
\$91,000

more in retirement for the average 30 year old.

\$1,590

more per annum*.

*After the cost of the initial plan

Our goal...

To provide advice for members when it suits them.

HORIZON
WEALTH MANAGEMENT

Is MLC MySuper right for me?



- 1 **Recognise the personal responsibility to adequately plan for retirement?**
- 2 **Consider the appropriateness of a 70:30 asset allocation based on your current needs.**
- 3 **Seek advice at key junctures in your life**

Asset Allocation variations

- Most members in default fund to move from 85/15 - Horizon 5 (Growth/Defensive) to 70/30 (Growth/Defensive)
 - if no Choice is made

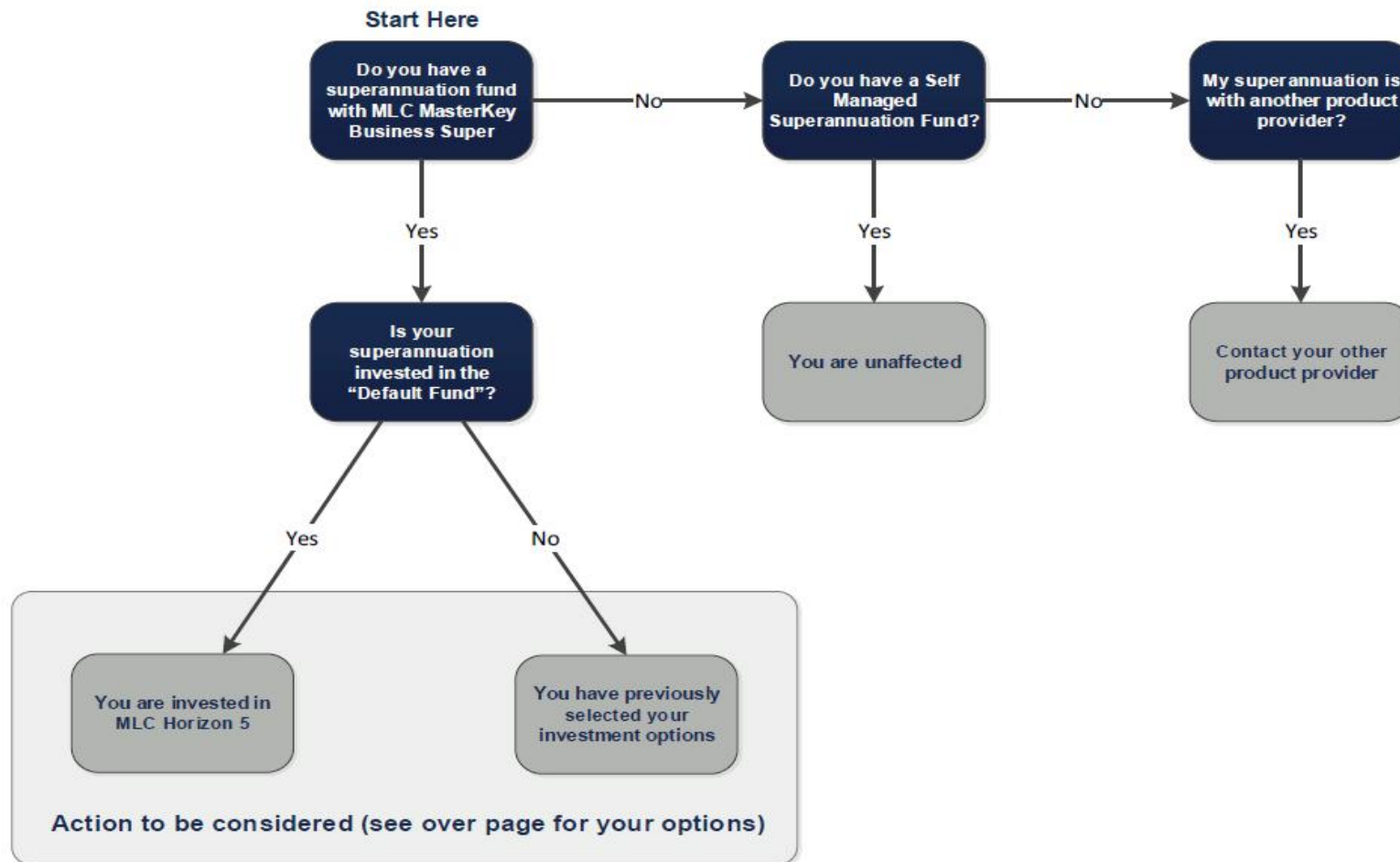
Fees for existing default funds versus MySuper/Choice post 29 November 2013

	PRE 29 NOVEMBER 2013	POST 28 NOVEMBER 2013	
	MLC HORIZON 5 (PREVIOUS DEFAULT)	MLC MYSUPER (NEW DEFAULT)	(CHOICE) MLC HORIZON 5
Total retail MER	1.56%	1.01%	1.56%
Member Fee	\$78 per annum	\$78 per annum	\$78 per annum

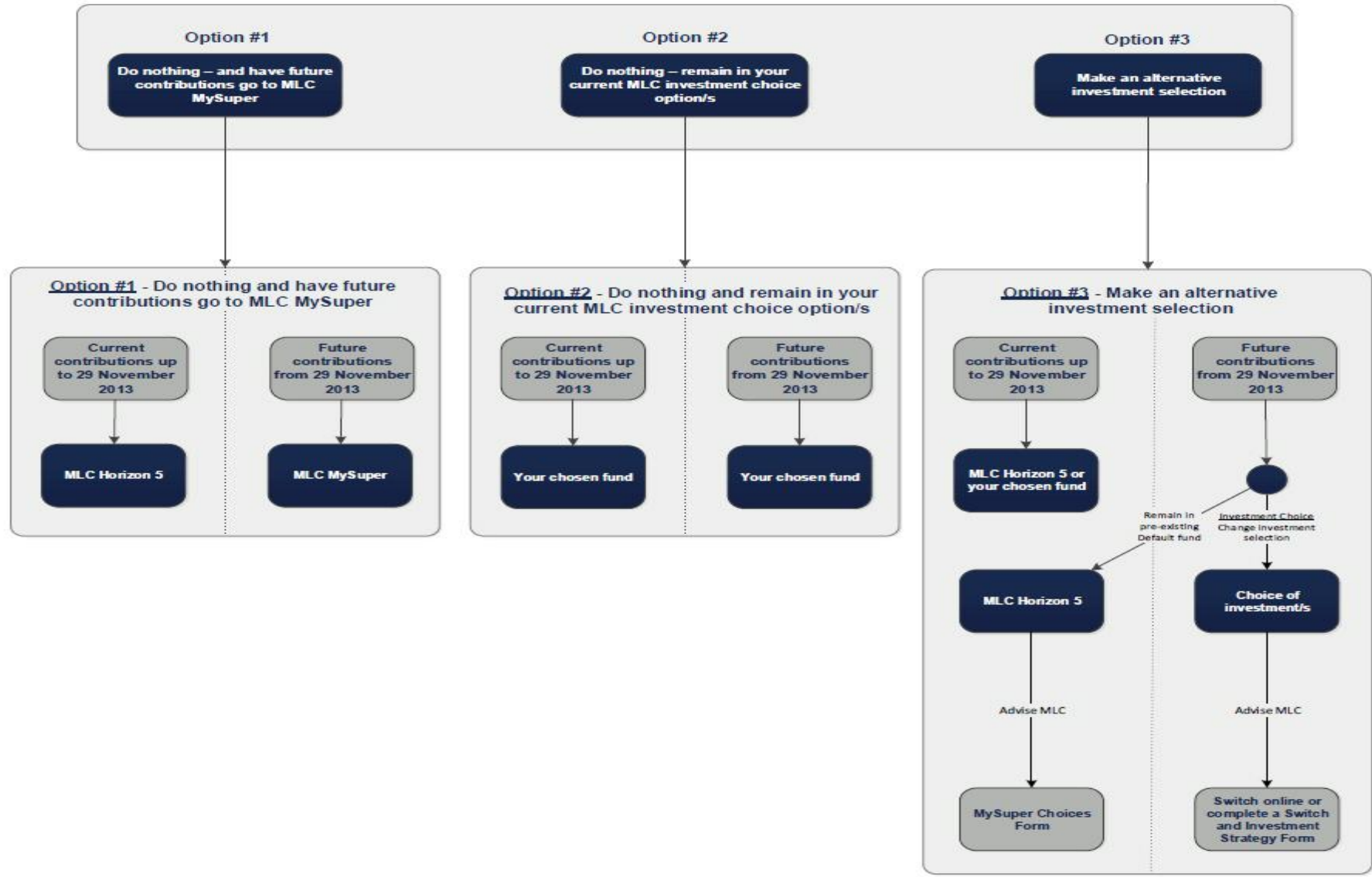


Considerations pre 7 November 2013 in respect
of your future contributions

How does MySuper affect me as a member of the Harmers Workplace Lawyers Superannuation Plan ?



What are my options regarding my future employer contributions?



Questions?