

# MLC Investment Trust

## Financial Report

For the year ended  
30 June 2018



**MLC Investment Trust**

**Financial Report**

**For the year ended 30 June 2018**

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The MLC Investment Trust consists of 22 separate schemes:

**Horizon 4 Balanced Portfolio**

ARSN 087 446 375

**Horizon 3 Conservative Growth Portfolio**

ARSN 096 796 379

**Wholesale Income Builder**

ARSN 087 447 265

**MLC Wholesale Inflation Plus - Moderate Portfolio**

ARSN 165 016 151

**Horizon 5 Growth Portfolio**

ARSN 087 446 633

**Horizon 2 Income Portfolio**

ARSN 117 295 584

**MLC Wholesale Inflation Plus - Conservative Portfolio**

ARSN 165 016 035

**Horizon 6 Share Portfolio**

ARSN 096 796 075

**Wholesale Property Securities Fund**

ARSN 087 447 425

**Wholesale Global Share Fund**

ARSN 087 446 875

**MLC Wholesale Australian Share Fund**

ARSN 087 447 078

**MLC Investment Trust MLC Platinum Global Fund**

ARSN 092 475 904

**Horizon 1 Bond Portfolio**

ARSN 117 295 495

**MLC Wholesale Australian Share Index Fund**

ARSN 150 845 971

**Horizon 7 Accelerated Growth Portfolio**

ARSN 102 215 501

**MLC Wholesale Index Plus Conservative Growth Portfolio**

ARSN 618 813 077

**MLC Wholesale Index Plus Balanced Portfolio**

ARSN 618 813 059

**MLC Wholesale Index Plus Growth Portfolio**

ARSN 618 813 282

**MLC Wholesale Inflation Plus - Assertive Portfolio**

ARSN 117 295 315

**MLC Wholesale Diversified Debt Fund**

ARSN 130 171 078

**MLC Global Property Fund**

ARSN 124 947 164

**MLC Hedged Global Share Fund**

ARSN 124 946 998

## Directors' report

The Directors of MLC Investments Limited, the Responsible Entity of the following schemes (the 'Schemes'):

Horizon 4 Balanced Portfolio (Horizon 4 Balanced Portfolio)	Horizon 3 Conservative Growth Portfolio (Horizon 3 Conservative Growth Portfolio)
Wholesale Income Builder (Income Builder)	MLC Wholesale Inflation Plus - Moderate Portfolio (Inflation Plus - Moderate Portfolio)
Horizon 5 Growth Portfolio (Horizon 5 Growth Portfolio)	Horizon 2 Income Portfolio (Horizon 2 Income Portfolio)
MLC Wholesale Inflation Plus - Conservative Portfolio (Inflation Plus - Conservative Portfolio)	Horizon 6 Share Portfolio (Horizon 6 Share Portfolio)
Wholesale Property Securities Fund (Property Securities Fund)	Wholesale Global Share Fund (Global Share Fund)
MLC Wholesale Australian Share Fund (Australian Share Fund)	MLC Investment Trust MLC Platinum Global Fund (Platinum Global Fund)
Horizon 1 Bond Portfolio (Horizon 1 Bond Portfolio)	MLC Wholesale Australian Share Index Fund (Australian Share Index Fund)
Horizon 7 Accelerated Growth Portfolio (Horizon 7 Accelerated Growth Portfolio)	MLC Wholesale Index Plus Conservative Growth Portfolio (Index Plus - Conservative Growth Portfolio)
MLC Wholesale Index Plus Balanced Portfolio (Index Plus - Balanced Portfolio)	MLC Wholesale Index Plus Growth Portfolio (Index Plus - Growth Portfolio)
MLC Wholesale Inflation Plus - Assertive Portfolio (Inflation Plus - Assertive Portfolio)	MLC Wholesale Diversified Debt Fund (Diversified Debt Fund)
MLC Global Property Fund (Global Property Fund)	MLC Hedged Global Share Fund (Hedged Global Share Fund)

present their report together with the financial report of the Schemes for the year ended 30 June 2018 and the independent audit report thereon.

The Schemes are disclosed in the MLC Investment Trusts' Product Disclosure Statement and therefore they are presented together in this financial report and related notes in accordance with Corporations Instrument 2015/839.

## Directors of the Responsible Entity

The names of the persons who were Directors of MLC Investments Limited during or since the year ended 30 June 2018 are as follows:

<b>Name</b>	<b>Appointment/Resignation Date</b>
J G Duffield	Appointed 24 August 2011
P Gupta	Appointed 1 September 2012
C M Keating	Appointed 5 December 2016
G J Mulcahy	Appointed 7 July 2014
K A Watt	Appointed 5 December 2016

The registered office of MLC Investments Limited is located at Ground Floor, MLC Building, 105-153 Miller St, North Sydney NSW 2060.

## Principal activities

The Schemes are unlisted registered managed investment schemes domiciled in Australia.

The Schemes invest and transact in unlisted managed investment schemes and equities in accordance with the provisions of the Constitutions of the Schemes.

The Schemes did not have any employees during the year (2017: Nil).

There have been no significant changes to the activities of the Schemes during the year.

The Schemes are for profit entities for the purposes of preparing financial statements.

## Results and review of operations

The results of the operations of the Schemes are disclosed in the Statements of Profit or Loss and Other Comprehensive Income. These results are affected by the performance of the markets to which the individual schemes have exposure.

For details in relation to the Schemes' investment exposure and strategy, information can be obtained from the investment fund profiles located on the MLC website at [mlc.com.au](http://mlc.com.au) or alternatively in the Product Disclosure Statements.

## Distributions

The distributions for the year ended 30 June 2018 were as follows:

	\$'000	c/unit
Horizon 4 Balanced Portfolio	31,075	2.19
Horizon 3 Conservative Growth Portfolio	34,332	4.36
Income Builder	31,238	9.89
Inflation Plus - Moderate Portfolio	17,180	2.98
Horizon 5 Growth Portfolio	7,753	2.09
Horizon 2 Income Portfolio	14,741	3.64
Inflation Plus - Conservative Portfolio	6,431	2.08
Horizon 6 Share Portfolio	4,202	2.00
Property Securities Fund	5,308	2.73
Global Share Fund	22,461	19.82
Australian Share Fund	13,928	10.03
Platinum Global Fund	16,544	26.27
Horizon 1 Bond Portfolio	1,423	2.16
Australian Share Index Fund	6,115	10.78
Horizon 7 Accelerated Growth Portfolio	648	1.57
Index Plus - Conservative Growth Portfolio Class A	1,214	3.07
Index Plus - Balanced Portfolio Class A	2,177	3.62
Index Plus - Growth Portfolio Class A	789	3.98
Inflation Plus Assertive Portfolio Class A	6,752	1.49
Inflation Plus Assertive Portfolio Class B	7	0.17
Diversified Debt Fund Class A	56	2.67
Diversified Debt Fund Class B	6,617	3.92
Global Property Fund Class A	34	0.04
Global Property Fund Class B	2	0.05
Hedged Global Share Fund Class A	-	-
Hedged Global Share Fund Class B	-	-

## Units on issue

Units on issue as at year end and movements during the year are shown in Statements of Changes in Unitholders Funds.

The total assets of the Schemes are set out in the Statements of Financial Position. The basis for valuation of the Schemes' assets is disclosed in Note 1 to the financial statements.

## State of affairs

On the 5 May 2016, the Attribution Managed Invest Trust ('AMIT') regime, applying to Managed Investment Trusts was enacted under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. With its introduction, the Responsible Entity has amended the Schemes' Constitutions to allow the Schemes to operate as AMITs. By 29 June 2018, the Responsible Entity sent notice to unitholders on the Schemes' intention to elect into the AMIT regime for the financial year ended 30 June 2018 (and for subsequent financial years). As of 30 June, the Schemes meet the other conditions to adopt the AMIT tax regime and consequently, in accordance with the requirements of AASB 132 - Financial Instruments: Presentation relating to puttable instruments, for the Schemes where the units are single class only, the net assets available to unitholders have been re-classified from a financial liability to equity on 30 June 2018. However, for multi-class schemes that have units which are equally subordinate but do not have identical features, in accordance with the requirements of AASB 132 - Financial Instruments: Presentation relating to puttable instruments, the units in the Schemes remain as financial liabilities on 30 June 2018.

The Index Plus - Conservative Growth Portfolio, Index Plus - Balanced Portfolio, and Index Plus - Growth Portfolio commenced their operations on 11 May 2017.

In the opinion of the Responsible Entity, there were no other significant changes in the state of affairs of the Schemes that occurred during the year end unless otherwise disclosed.

## Likely developments

The Schemes will continue to pursue their policy of competitive returns through a selection process that identifies investment managers in each asset class.

Further information about likely developments in the operations of the Schemes and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Schemes.

## Auditor's independence

The Directors received a declaration of independence from the auditor of the Schemes, a copy of which is attached to the Directors' report on page 6.

## Events subsequent to the balance date

There has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to significantly affect the operations of the Schemes, the results of those operations, or the state of affairs of the Schemes, in future financial years.

## Interests of the Responsible Entity

Units held by MLC Investments Limited and its related parties in the Schemes during the financial year ended 30 June 2018 are detailed in Note 8(h) and Note 8(i) to the financial statements.

Fees paid to the Responsible Entity during the financial year ended 30 June 2018 are detailed in Note 8(e) to the financial statements.

#### **Environmental Regulation**

The operations of the Schemes are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

#### **Indemnities and insurance premiums for Officers or Auditors**

##### *Indemnification*

The Schemes have not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer of the Responsible Entity or an auditor of the Schemes during the year.

##### *Insurance premiums*

During the year, the ultimate parent company of the Responsible Entity, National Australia Bank Limited, has paid, or agreed to pay, premiums in respect of its officers for liability, legal expenses, insurance contracts, and premiums in respect of such insurance contracts, for the financial year ended 30 June 2018. Such insurance contracts insure against certain liability (subject to specified exclusions) for persons who are or have been the officers of the Responsible Entity.

Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the contracts.

#### **Rounding**

The Schemes meet the criteria set out in Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission, and in accordance with that Corporations Instrument, amounts in the financial report and the Directors' report have been rounded off to the nearest thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the Directors of MLC Investments Limited:

Director: CLAIRE KEATING

Signature: 

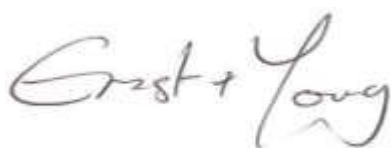
Dated at Sydney this 20th day of September 2018

## Auditor's Independence Declaration to the Directors of MLC Investments Limited, as Responsible Entity for MLC Investments Trust

As lead auditor for the audit of MLC Investments Trust consisting of the Schemes listed below for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Wholesale Horizon 7 Accelerated Growth Portfolio	MLC Investment Trust MLC Platinum Global Fund
Wholesale Horizon 4 Balanced Portfolio	Wholesale Property Securities Fund
Wholesale Horizon 1 Bond Portfolio	MLC Wholesale Australian Share Index Fund
Wholesale IncomeBuilder™	MLC Wholesale Australian Share Fund
Wholesale Horizon 3 Conservative Growth Portfolio	MLC Wholesale Diversified Debt Fund (Multi Class)
Wholesale Horizon 6 Share Portfolio	MLC Wholesale Inflation Plus - Conservative Portfolio
Wholesale Global Property Fund (Multi Class)	MLC Wholesale Inflation Plus - Moderate Portfolio
Wholesale Horizon 5 Growth Portfolio	MLC Wholesale Inflation Plus - Assertive Portfolio (Multi Class)
Wholesale Hedged Global Share Fund (Multi Class)	MLC Wholesale Index Plus Balanced Portfolio Multiclass
Wholesale Horizon 2 Income Portfolio	MLC Wholesale Index Plus Con Growth Portfolio Multiclass
Wholesale Global Share Fund	MLC Wholesale Index Plus Growth Portfolio Multiclass



Ernst & Young



Darren Handley-Greaves  
Partner  
Sydney  
20 September 2018

MLC Investment Trust  
Statements of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2018

		Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Investment income</b>									
Dividend and distribution income	3, 8(h)	35,661	45,845	39,460	19,621	27,302	36,343	20,437	17,203
Interest income		59	42	21	20	26	28	32	27
Changes in the fair value of financial assets and liabilities designated at fair value through profit or loss		93,912	97,090	8,391	38,755	(15,942)	24,085	6,166	9,944
Other revenue		10,593	11,321	7,979	7,685	6,483	6,407	-	-
<b>Total investment income</b>		<b>140,225</b>	<b>154,298</b>	<b>55,851</b>	<b>66,081</b>	<b>17,869</b>	<b>66,863</b>	<b>26,635</b>	<b>27,174</b>
<b>Expenses</b>									
Responsible Entity's fees	8(e)	-	-	-	-	-	-	2,519	1,971
Performance fees		10	-	-	-	-	-	-	-
Other expenses		8	1	2	1	3	-	3	-
<b>Total operating expenses</b>		<b>18</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>2,522</b>	<b>1,971</b>
<b>Net operating profit/(loss)</b>		<b>140,207</b>	<b>154,297</b>	<b>55,849</b>	<b>66,080</b>	<b>17,866</b>	<b>66,863</b>	<b>24,113</b>	<b>25,203</b>
<b>Financing costs</b>									
Distributions	4	31,075	55,840	34,332	27,365	31,238	41,222	17,180	14,683
<b>Net profit/(loss)</b>		<b>109,132</b>	<b>98,457</b>	<b>21,517</b>	<b>38,715</b>	<b>(13,372)</b>	<b>25,641</b>	<b>6,933</b>	<b>10,520</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Changes in net assets attributable to unitholders</b>		<b>109,132</b>	<b>98,457</b>	<b>21,517</b>	<b>38,715</b>	<b>(13,372)</b>	<b>25,641</b>	<b>6,933</b>	<b>10,520</b>

		Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Horizon 6 Share Portfolio	
	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Investment income</b>									
Dividend and distribution income	3, 8(h)	3,701	11,105	16,432	14,807	8,562	8,367	11,649	7,325
Interest income		18	16	16	16	13	22	10	7
Changes in the fair value of financial assets and liabilities designated at fair value through profit or loss		34,525	34,434	(2,115)	5,401	3,476	6,191	14,147	20,994
Other revenue		4,020	3,757	-	-	-	-	1,948	1,752
<b>Total investment income</b>		<b>42,264</b>	<b>49,312</b>	<b>14,333</b>	<b>20,224</b>	<b>12,051</b>	<b>14,580</b>	<b>27,754</b>	<b>30,078</b>
<b>Expenses</b>									
Responsible Entity's fees	8(e)	-	-	1,526	1,395	1,344	1,235	-	-
Other expenses		4	7	3	-	2	1	1	1
<b>Total operating expenses</b>		<b>4</b>	<b>7</b>	<b>1,529</b>	<b>1,395</b>	<b>1,346</b>	<b>1,236</b>	<b>1</b>	<b>1</b>
<b>Net operating profit/(loss)</b>		<b>42,260</b>	<b>49,305</b>	<b>12,804</b>	<b>18,829</b>	<b>10,705</b>	<b>13,344</b>	<b>27,753</b>	<b>30,077</b>
<b>Financing costs</b>									
Distributions	4	7,753	14,883	14,741	13,468	6,431	6,993	4,202	8,921
<b>Net profit/(loss)</b>		<b>34,507</b>	<b>34,422</b>	<b>(1,937)</b>	<b>5,361</b>	<b>4,274</b>	<b>6,351</b>	<b>23,551</b>	<b>21,156</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Changes in net assets attributable to unitholders</b>		<b>34,507</b>	<b>34,422</b>	<b>(1,937)</b>	<b>5,361</b>	<b>4,274</b>	<b>6,351</b>	<b>23,551</b>	<b>21,156</b>

The above Statements of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2018

		Property Securities Fund		Global Share Fund		Australian Share Fund		Platinum Global Fund	
	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Investment income</b>									
Dividend and distribution income	3, 8(h)	5,724	7,409	29,931	7,933	14,743	18,006	9,400	4,595
Interest income		5	5	6	5	7	5	4	3
Changes in the fair value of financial assets and liabilities designated at fair value through profit or loss		9,676	(15,608)	(11,782)	13,964	5,749	2,075	2,093	11,795
Other revenue		-	-	-	-	-	-	614	622
<b>Total investment income</b>		<b>15,405</b>	<b>(8,194)</b>	<b>18,155</b>	<b>21,902</b>	<b>20,499</b>	<b>20,086</b>	<b>12,111</b>	<b>17,015</b>
<b>Expenses</b>									
Responsible Entity's fees	8(e)	426	480	533	525	689	695	-	-
Performance fees		-	-	-	-	1	-	-	-
Other expenses		1	-	1	2	1	-	-	-
<b>Total operating expenses</b>		<b>427</b>	<b>480</b>	<b>534</b>	<b>527</b>	<b>691</b>	<b>695</b>	<b>-</b>	<b>-</b>
<b>Net operating profit/(loss)</b>		<b>14,978</b>	<b>(8,674)</b>	<b>17,621</b>	<b>21,375</b>	<b>19,808</b>	<b>19,391</b>	<b>12,111</b>	<b>17,015</b>
<b>Financing costs</b>									
Distributions	4	5,308	6,941	22,461	4,502	13,928	16,125	16,544	4,707
<b>Net (loss)/profit</b>		<b>9,670</b>	<b>(15,615)</b>	<b>(4,840)</b>	<b>16,873</b>	<b>5,880</b>	<b>3,266</b>	<b>(4,433)</b>	<b>12,308</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Changes in net assets attributable to unitholders</b>		<b>9,670</b>	<b>(15,615)</b>	<b>(4,840)</b>	<b>16,873</b>	<b>5,880</b>	<b>3,266</b>	<b>(4,433)</b>	<b>12,308</b>

		Horizon 1 Bond Portfolio		Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Index Plus - Conservative Growth Portfolio	
	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	For the period from 11/5/2017 to 30/6/2018 \$'000	2017 \$'000
<b>Investment income</b>									
Dividend and distribution income	3, 8(h)	1,606	2,380	6,202	5,148	1,213	2,118	1,235	-
Interest income		4	5	6	4	8	5	3	-
Changes in the fair value of financial assets and liabilities designated at fair value through profit or loss		(167)	(119)	2,995	3,445	7,196	6,350	534	-
Other revenue		-	-	-	-	-	-	-	-
<b>Total investment income</b>		<b>1,443</b>	<b>2,266</b>	<b>9,203</b>	<b>8,597</b>	<b>8,417</b>	<b>8,473</b>	<b>1,772</b>	<b>-</b>
<b>Expenses</b>									
Responsible Entity's fees	8(e)	207	243	182	165	407	312	49	-
Performance fees		-	-	-	-	-	-	-	-
Other expenses		1	1	-	1	-	-	-	-
<b>Total operating expenses</b>		<b>208</b>	<b>244</b>	<b>182</b>	<b>166</b>	<b>407</b>	<b>312</b>	<b>49</b>	<b>-</b>
<b>Net operating profit/(loss)</b>		<b>1,235</b>	<b>2,022</b>	<b>9,021</b>	<b>8,431</b>	<b>8,010</b>	<b>8,161</b>	<b>1,723</b>	<b>-</b>
<b>Financing costs</b>									
Distributions	4	1,423	2,456	6,115	4,944	648	1,801	1,214	-
<b>Net profit/(loss)</b>		<b>(188)</b>	<b>(434)</b>	<b>2,906</b>	<b>3,487</b>	<b>7,362</b>	<b>6,360</b>	<b>509</b>	<b>-</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Changes in net assets attributable to unitholders</b>		<b>(188)</b>	<b>(434)</b>	<b>2,906</b>	<b>3,487</b>	<b>7,362</b>	<b>6,360</b>	<b>509</b>	<b>-</b>

The above Statements of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2018

		Index Plus - Balanced Portfolio		Index Plus - Growth Portfolio		Inflation Plus - Assertive Portfolio		Diversified Debt Fund	
		For the period from 11/5/2017 to 30/6/2018	2017	For the period from 11/5/2017 to 30/6/2018	2017	2018	2017	2018	2017
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>									
Dividend and distribution income	3, 8(h)	2,279	-	829	-	11,839	24,222	7,307	8,860
Interest income		4	-	1	-	15	19	11	16
Changes in the fair value of financial assets and liabilities designated at fair value through profit or loss		910	-	277	-	16,375	3,474	(2,907)	(5,445)
Other revenue		-	-	-	-	-	-	-	-
<b>Total investment income</b>		<b>3,193</b>	<b>-</b>	<b>1,107</b>	<b>-</b>	<b>28,229</b>	<b>27,715</b>	<b>4,411</b>	<b>3,431</b>
<b>Expenses</b>									
Responsible Entity's fees	8(e)	80	-	38	-	2,708	2,315	619	682
Performance fees		-	-	-	-	-	-	-	-
Other expenses		-	-	-	-	2	1	4	-
<b>Total operating expenses</b>		<b>80</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>2,710</b>	<b>2,316</b>	<b>623</b>	<b>682</b>
<b>Net operating profit/(loss)</b>		<b>3,113</b>	<b>-</b>	<b>1,069</b>	<b>-</b>	<b>25,519</b>	<b>25,399</b>	<b>3,788</b>	<b>2,749</b>
<b>Financing costs</b>									
Distributions	4	2,177	-	789	-	6,759	20,293	6,673	8,177
<b>Net profit/(loss)</b>		<b>936</b>	<b>-</b>	<b>280</b>	<b>-</b>	<b>18,760</b>	<b>5,106</b>	<b>(2,885)</b>	<b>(5,428)</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Changes in net assets attributable to unitholders</b>		<b>936</b>	<b>-</b>	<b>280</b>	<b>-</b>	<b>18,760</b>	<b>5,106</b>	<b>(2,885)</b>	<b>(5,428)</b>

		Global Property Fund		Hedged Global Share Fund	
		2018	2017	2018	2017
	Notes	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>					
Dividend and distribution income	3, 8(h)	3,246	2	-	564
Interest income		3	5	4	3
Changes in the fair value of financial assets and liabilities designated at fair value through profit or loss		1,765	4,510	3,722	6,004
Other revenue		-	-	-	-
<b>Total investment income</b>		<b>5,014</b>	<b>4,517</b>	<b>3,726</b>	<b>6,571</b>
<b>Expenses</b>					
Responsible Entity's fees	8(e)	309	291	168	162
Other expenses		1	-	1	-
<b>Total operating expenses</b>		<b>310</b>	<b>291</b>	<b>169</b>	<b>162</b>
<b>Net operating profit/(loss)</b>		<b>4,704</b>	<b>4,226</b>	<b>3,557</b>	<b>6,409</b>
<b>Financing costs</b>					
Distributions	4	36	-	-	564
<b>Net profit/(loss)</b>		<b>4,668</b>	<b>4,226</b>	<b>3,557</b>	<b>5,845</b>
Other comprehensive income		-	-	-	-
<b>Changes in net assets attributable to unitholders</b>		<b>4,668</b>	<b>4,226</b>	<b>3,557</b>	<b>5,845</b>

The above Statements of Profit or Loss and Other Comprehensive Income are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Financial Position  
As at 30 June 2018

		Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Assets</b>									
Cash and cash equivalents	11(b)	19,110	34,298	27,942	17,511	16,951	28,041	18,226	17,888
Receivables	6	4,036	1,914	2,045	1,365	1,570	1,114	3	3
Financial assets designated at fair value through profit or loss	5	1,727,389	1,630,677	897,960	887,487	523,964	530,288	620,942	528,044
<b>Total assets</b>		<b>1,750,535</b>	<b>1,666,889</b>	<b>927,947</b>	<b>906,363</b>	<b>542,485</b>	<b>559,443</b>	<b>639,171</b>	<b>545,935</b>
<b>Liabilities</b>									
Accounts payable and accrued expenses	7	5	-	2	2	1	1	170	110
Distributions payable		15,794	44,761	26,649	21,315	14,978	26,100	15,447	14,683
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>15,799</b>	<b>44,761</b>	<b>26,651</b>	<b>21,317</b>	<b>14,979</b>	<b>26,101</b>	<b>15,617</b>	<b>14,793</b>
<b>Net assets attributable to unitholders - Liability</b>		<b>-</b>	<b>1,622,128</b>	<b>-</b>	<b>885,046</b>	<b>-</b>	<b>533,342</b>	<b>-</b>	<b>531,142</b>
<b>Net assets attributable to unitholders - Equity</b>		<b>1,734,736</b>	<b>-</b>	<b>901,296</b>	<b>-</b>	<b>527,506</b>	<b>-</b>	<b>623,554</b>	<b>-</b>
		Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Horizon 6 Share Portfolio	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Assets</b>									
Cash and cash equivalents	11(b)	4,610	12,489	17,014	9,044	4,477	7,371	4,811	8,685
Receivables	6	1,026	654	643	1	1	2	636	312
Financial assets designated at fair value through profit or loss	5	453,223	412,933	411,240	396,774	324,863	334,780	255,471	216,573
<b>Total assets</b>		<b>458,859</b>	<b>426,076</b>	<b>428,897</b>	<b>405,819</b>	<b>329,341</b>	<b>342,153</b>	<b>260,918</b>	<b>225,570</b>
<b>Liabilities</b>									
Accounts payable and accrued expenses	7	11	8	99	67	82	68	1	1
Distributions payable		4,128	12,095	10,218	9,739	4,544	6,993	4,202	8,921
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>4,139</b>	<b>12,103</b>	<b>10,317</b>	<b>9,806</b>	<b>4,626</b>	<b>7,061</b>	<b>4,203</b>	<b>8,922</b>
<b>Net assets attributable to unitholders - Liability</b>		<b>-</b>	<b>413,973</b>	<b>-</b>	<b>396,013</b>	<b>-</b>	<b>335,092</b>	<b>-</b>	<b>216,648</b>
<b>Net assets attributable to unitholders - Equity</b>		<b>454,720</b>	<b>-</b>	<b>418,580</b>	<b>-</b>	<b>324,715</b>	<b>-</b>	<b>256,715</b>	<b>-</b>

The above Statements of Financial Position are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Financial Position  
As at 30 June 2018

		Property Securities Fund		Global Share Fund		Australian Share Fund		Platinum Global Fund	
	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Assets</b>									
Cash and cash equivalents	11(b)	<b>1,313</b>	3,946	<b>19,755</b>	4,029	<b>5,540</b>	6,367	<b>12,865</b>	3,903
Receivables	6	-	-	<b>1</b>	-	<b>1</b>	-	<b>148</b>	104
Financial assets designated at fair value through profit or loss	5	<b>125,524</b>	136,693	<b>113,978</b>	120,459	<b>143,974</b>	139,910	<b>72,888</b>	87,367
<b>Total assets</b>		<b>126,837</b>	140,639	<b>133,734</b>	124,488	<b>149,515</b>	146,277	<b>85,901</b>	91,374
<b>Liabilities</b>									
Accounts payable and accrued expenses	7	<b>22</b>	17	<b>36</b>	10	<b>50</b>	36	-	-
Distributions payable		<b>1,631</b>	4,638	<b>22,459</b>	4,500	<b>10,862</b>	13,286	<b>16,544</b>	4,707
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>1,653</b>	4,655	<b>22,495</b>	4,510	<b>10,912</b>	13,322	<b>16,544</b>	4,707
<b>Net assets attributable to unitholders - Liability</b>		-	135,984	-	119,978	-	132,955	-	86,667
<b>Net assets attributable to unitholders - Equity</b>		<b>125,184</b>	-	<b>111,239</b>	-	<b>138,603</b>	-	<b>69,357</b>	-
		Horizon 1 Bond Portfolio		Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Index Plus - Conservative Growth Portfolio	
	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Assets</b>									
Cash and cash equivalents	11(b)	<b>1,006</b>	1,566	<b>4,134</b>	2,975	<b>1,561</b>	2,226	<b>997</b>	-
Receivables	6	-	-	<b>1</b>	1	<b>1</b>	-	<b>477</b>	-
Financial assets designated at fair value through profit or loss	5	<b>61,804</b>	76,971	<b>78,092</b>	71,055	<b>63,802</b>	44,752	<b>46,208</b>	-
<b>Total assets</b>		<b>62,810</b>	78,537	<b>82,227</b>	74,031	<b>65,364</b>	46,978	<b>47,682</b>	-
<b>Liabilities</b>									
Accounts payable and accrued expenses	7	<b>12</b>	11	<b>13</b>	9	<b>30</b>	15	<b>4</b>	-
Distributions payable		<b>695</b>	1,637	<b>4,176</b>	3,028	<b>648</b>	1,801	<b>1,010</b>	-
<b>Total liabilities excluding net assets attributable to unitholders</b>		<b>707</b>	1,648	<b>4,189</b>	3,037	<b>678</b>	1,816	<b>1,014</b>	-
<b>Net assets attributable to unitholders - Liability</b>		-	76,889	-	70,994	-	45,162	-	-
<b>Net assets attributable to unitholders - Equity</b>		<b>62,103</b>	-	<b>78,038</b>	-	<b>64,686</b>	-	<b>46,668</b>	-

The above Statements of Financial Position are to be read in conjunction with the accompanying notes.

**MLC Investment Trust**  
**Statements of Financial Position**  
**As at 30 June 2018**

		Index Plus - Balanced Portfolio		Index Plus - Growth Portfolio		Inflation Plus - Assertive Portfolio		Diversified Debt Fund	
	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Assets</b>									
Cash and cash equivalents	11(b)	1,789	-	437	-	8,127	21,845	2,463	5,429
Receivables	6	1,116	-	25	-	1	3	2	3
Financial assets designated at fair value through profit or loss	5	71,128	-	22,443	-	430,066	387,977	143,786	189,898
<b>Total assets</b>		74,033	-	22,905	-	438,194	409,825	146,251	195,330
<b>Liabilities</b>									
Accounts payable and accrued expenses	7	7	-	2	-	178	123	33	29
Distributions payable		1,901	-	655	-	6,759	20,293	2,190	4,565
<b>Total liabilities excluding net assets attributable to unitholders</b>		1,908	-	657	-	6,937	20,416	2,223	4,594
<b>Net assets attributable to unitholders - Liability</b>		-	-	-	-	431,257	389,409	144,028	190,736
<b>Net assets attributable to unitholders - Equity</b>		72,125	-	22,248	-	-	-	-	-
		Global Property Fund		Hedged Global Share Fund					
	Notes	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000				
<b>Assets</b>									
Cash and cash equivalents	11(b)	401	394	294	870				
Receivables	6	1	-	-	-				
Financial assets designated at fair value through profit or loss	5	66,182	71,530	31,427	30,718				
<b>Total assets</b>		66,584	71,924	31,721	31,588				
<b>Liabilities</b>									
Accounts payable and accrued expenses	7	19	13	10	7				
Distributions payable		36	-	-	564				
<b>Total liabilities excluding net assets attributable to unitholders</b>		55	13	10	571				
<b>Net assets attributable to unitholders - Liability</b>		66,529	71,911	31,711	31,017				
<b>Net assets attributable to unitholders - Equity</b>		-	-	-	-				

The above Statements of Financial Position are to be read in conjunction with the accompanying notes.

**MLC Investment Trust**  
**Statements of Changes in Unitholders Funds**  
**For the year ended 30 June 2018**

	<b>Horizon 4 Balanced Portfolio</b>		<b>Horizon 3 Conservative Growth Portfolio</b>		<b>Income Builder</b>		<b>Inflation Plus - Moderate Portfolio</b>	
	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000
<b>Net assets attributable to unitholders</b>								
<b>Total Liability at 30 June 2016</b>	1,094,571	1,047,438	613,392	584,607	490,634	298,384	380,398	367,594
Applications	676,758	624,271	368,185	343,628	99,323	55,686	223,033	209,177
Redemptions	(247,658)	(223,144)	(135,246)	(123,911)	(82,256)	(45,926)	(82,809)	(77,361)
Change in net assets attributable to unitholders	98,457	-	38,715	-	25,641	-	10,520	-
<b>Total Liability at 30 June 2017</b>	1,622,128	1,448,565	885,046	804,324	533,342	308,144	531,142	499,410
<b>Total Liability at 30 June 2017</b>	<b>1,622,128</b>	<b>1,448,565</b>	<b>885,046</b>	<b>804,324</b>	<b>533,342</b>	<b>308,144</b>	<b>531,142</b>	<b>499,410</b>
Applications	407,854	351,394	248,503	220,041	99,654	57,137	189,275	174,583
Redemptions	(404,378)	(350,986)	(253,770)	(226,501)	(92,118)	(53,237)	(103,796)	(95,443)
Change in net assets attributable to unitholders	109,132	-	21,517	-	(13,372)	-	6,933	-
<b>Total Equity at 30 June 2018 *</b>	<b>1,734,736</b>	<b>1,448,973</b>	<b>901,296</b>	<b>797,864</b>	<b>527,506</b>	<b>312,044</b>	<b>623,554</b>	<b>578,550</b>

	<b>Horizon 5 Growth Portfolio</b>		<b>Horizon 2 Income Portfolio</b>		<b>Inflation Plus - Conservative Portfolio</b>		<b>Horizon 6 Share Portfolio</b>	
	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000
<b>Net assets attributable to unitholders</b>								
<b>Total Liability at 30 June 2016</b>	358,573	348,814	337,424	329,061	294,267	283,810	171,032	172,269
Applications	138,024	126,241	130,512	124,707	110,383	104,073	59,973	56,447
Redemptions	(117,046)	(105,190)	(77,284)	(73,324)	(75,910)	(71,475)	(35,513)	(32,642)
Change in net assets attributable to unitholders	34,422	-	5,361	-	6,352	-	21,156	-
<b>Total Liability at 30 June 2017</b>	413,973	369,865	396,013	380,444	335,092	316,408	216,648	196,074
<b>Total Liability at 30 June 2017</b>	<b>413,973</b>	<b>369,865</b>	<b>396,013</b>	<b>380,444</b>	<b>335,092</b>	<b>316,408</b>	<b>216,648</b>	<b>196,074</b>
Applications	106,014	90,481	109,547	104,325	72,484	67,691	45,975	39,313
Redemptions	(99,774)	(85,091)	(85,043)	(80,888)	(87,135)	(81,155)	(29,459)	(25,273)
Change in net assets attributable to unitholders	34,507	-	(1,937)	-	4,274	-	23,551	-
<b>Total Equity at 30 June 2018 *</b>	<b>454,720</b>	<b>375,255</b>	<b>418,580</b>	<b>403,881</b>	<b>324,715</b>	<b>302,944</b>	<b>256,715</b>	<b>210,114</b>

	<b>Property Securities Fund</b>		<b>Global Share Fund</b>		<b>Australian Share Fund</b>		<b>Platinum Global Fund</b>	
	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000
<b>Net assets attributable to unitholders</b>								
<b>Total Liability at 30 June 2016</b>	145,890	205,823	114,994	127,880	94,404	100,102	90,411	86,802
Applications	36,425	51,061	26,728	28,523	59,195	61,207	38	37
Redemptions	(30,716)	(45,136)	(38,617)	(39,474)	(23,910)	(23,348)	(16,090)	(14,085)
Change in net assets attributable to unitholders	(15,615)	-	16,873	-	3,266	-	12,308	-
<b>Total Liability at 30 June 2017</b>	135,984	211,748	119,978	116,929	132,955	137,961	86,667	72,754
<b>Total Liability at 30 June 2017</b>	<b>135,984</b>	<b>211,748</b>	<b>119,978</b>	<b>116,929</b>	<b>132,955</b>	<b>137,961</b>	<b>86,667</b>	<b>72,754</b>
Applications	12,408	18,808	17,174	15,596	21,191	21,428	348	284
Redemptions	(32,878)	(49,487)	(21,073)	(19,202)	(21,423)	(21,372)	(13,225)	(10,059)
Change in net assets attributable to unitholders	9,670	-	(4,840)	-	5,880	-	(4,433)	-
<b>Total Equity at 30 June 2018 *</b>	<b>125,184</b>	<b>181,069</b>	<b>111,239</b>	<b>113,323</b>	<b>138,603</b>	<b>138,017</b>	<b>69,357</b>	<b>62,979</b>

\* Reclassified due to AMIT Tax regime implementation see Note 1

The above Statements of Changes in Unitholders Funds are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Changes in Unitholders Funds  
For the year ended 30 June 2018

	Horizon 1 Bond Portfolio		Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Index Plus - Conservative Growth Portfolio Class A	
	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000
<b>Net assets attributable to unitholders</b>								
<b>Total Liability at 30 June 2016</b>	84,495	82,769	57,284	46,378	34,555	29,523	-	-
Applications	20,596	20,023	24,761	18,694	12,776	10,014	-	-
Redemptions	(27,768)	(26,995)	(14,538)	(10,903)	(8,529)	(6,486)	-	-
Change in net assets attributable to unitholders	(434)	-	3,487	-	6,360	-	-	-
<b>Total Liability at 30 June 2017</b>	<u>76,889</u>	<u>75,797</u>	<u>70,994</u>	<u>54,169</u>	<u>45,162</u>	<u>33,051</u>	<u>-</u>	<u>-</u>
<b>Total Liability at 30 June 2017</b>	<b>76,889</b>	<b>75,797</b>	<b>70,994</b>	<b>54,169</b>	<b>45,162</b>	<b>33,051</b>	<b>-</b>	<b>-</b>
Applications	9,097	8,938	16,023	11,795	18,894	12,765	48,363	47,203
Redemptions	(23,695)	(23,266)	(11,885)	(8,757)	(6,732)	(4,557)	(2,204)	(2,116)
Change in net assets attributable to unitholders	(188)	-	2,906	-	7,362	-	509	-
<b>Total Equity at 30 June 2018*</b>	<u>62,103</u>	<u>61,469</u>	<u>78,038</u>	<u>57,207</u>	<u>64,686</u>	<u>41,259</u>	<u>46,668</u>	<u>45,087</u>

	Index Plus - Balanced Portfolio Class A		Index Plus - Growth Portfolio Class A		Inflation Plus - Assertive Portfolio Class A		Inflation Plus - Assertive Portfolio Class B	
	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000
<b>Net assets attributable to unitholders</b>								
<b>Total Liability at 30 June 2016</b>	-	-	-	-	318,499	360,124	3,723	4,161
Applications	-	-	-	-	128,498	139,905	783	851
Redemptions	-	-	-	-	(66,339)	(72,226)	(861)	(917)
Change in net assets attributable to unitholders	-	-	-	-	5,055	-	51	-
<b>Total Liability at 30 June 2017</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,713</u>	<u>427,803</u>	<u>3,696</u>	<u>4,095</u>
<b>Total Liability at 30 June 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>385,713</b>	<b>427,803</b>	<b>3,696</b>	<b>4,095</b>
Applications	72,609	70,247	22,921	22,237	104,016	112,084	630	670
Redemptions	(1,420)	(1,359)	(953)	(897)	(80,846)	(86,747)	(712)	(754)
Change in net assets attributable to unitholders	936	-	280	-	18,531	-	229	-
<b>Total Equity/Liability at 30 June 2018</b>	<u>72,125</u>	<u>68,888</u>	<u>22,248</u>	<u>21,340</u>	<u>427,414</u>	<u>453,140</u>	<u>3,843</u>	<u>4,011</u>

	Diversified Debt Fund Class A		Diversified Debt Fund Class B		Global Property Fund Class A		Global Property Fund Class B	
	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000	\$'000	No. of units '000
<b>Net assets attributable to unitholders</b>	195,659	187,965	3,183	3,070	74,307	113,529	3,666	4,882
<b>Total Liability at 30 June 2016</b>	44,192	42,707	245	237	9,457	14,074	380	501
Applications	(46,244)	(44,710)	(871)	(851)	(19,420)	(28,865)	(705)	(927)
Redemptions	(5,357)	-	(71)	-	4,017	-	209	-
Change in net assets attributable to unitholders	188,250	185,962	2,486	2,456	68,361	98,738	3,550	4,456
<b>Total Liability at 30 June 2017</b>	<u>188,250</u>	<u>185,962</u>	<u>2,486</u>	<u>2,456</u>	<u>68,361</u>	<u>98,738</u>	<u>3,550</u>	<u>4,456</u>
<b>Total Liability at 30 June 2017</b>	<b>188,250</b>	<b>185,962</b>	<b>2,486</b>	<b>2,456</b>	<b>68,361</b>	<b>98,738</b>	<b>3,550</b>	<b>4,456</b>
Applications	27,093	26,815	142	141	6,467	9,156	99	124
Redemptions	(70,446)	(69,966)	(612)	(610)	(16,108)	(22,539)	(508)	(645)
Change in net assets attributable to unitholders	(2,843)	-	(42)	-	4,583	-	85	-
<b>Total Liability at 30 June 2018</b>	<u>142,054</u>	<u>142,811</u>	<u>1,974</u>	<u>1,987</u>	<u>63,303</u>	<u>85,355</u>	<u>3,226</u>	<u>3,935</u>

\* Reclassified due to AMIT Tax regime implementation see Note 1

The above Statements of Changes in Unitholders Funds are to be read in conjunction with the accompanying notes.

	Hedged Global Share Fund Class A		Hedged Global Share Fund Class B	
	\$'000	No. of units '000	\$'000	No. of units '000
<b>Net assets attributable to unitholders</b>				
<b>Total Liability at 30 June 2016</b>	25,903	33,060	1,067	1,417
Applications	3,661	4,257	502	631
Redemptions	(5,825)	(6,477)	(136)	(162)
Change in net assets attributable to unitholders	5,512	-	333	-
<b>Total Liability at 30 June 2017</b>	<u>29,251</u>	<u>30,840</u>	<u>1,766</u>	<u>1,886</u>
<b>Total Liability at 30 June 2017</b>	<b>29,251</b>	<b>30,840</b>	<b>1,766</b>	<b>1,886</b>
Applications	<b>5,980</b>	<b>5,849</b>	<b>46</b>	<b>49</b>
Redemptions	<b>(8,558)</b>	<b>(8,290)</b>	<b>(331)</b>	<b>(355)</b>
Change in net assets attributable to unitholders	<u>3,501</u>	<u>-</u>	<u>56</u>	<u>-</u>
<b>Total Liability at 30 June 2018</b>	<u><b>30,174</b></u>	<u><b>28,399</b></u>	<u><b>1,537</b></u>	<u><b>1,580</b></u>

The above Statements of Changes in Unitholders Funds are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Cash Flows  
For the year ended 30 June 2018

	Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>								
Dividend and distribution income received	-	-	-	-	-	-	-	-
Interest received	58	43	21	20	26	27	32	29
Other income received	9,919	10,245	7,300	6,802	6,026	5,788	-	-
Responsible Entity's fees paid	-	-	-	-	-	-	(2,461)	(1,930)
Performance fees paid	(10)	-	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-	-	-
Other expenses paid	(3)	(1)	(3)	-	(2)	-	(2)	-
<b>Net cash provided by/(used in) operating activities</b>	<b>9,964</b>	<b>10,287</b>	<b>7,318</b>	<b>6,822</b>	<b>6,050</b>	<b>5,815</b>	<b>(2,431)</b>	<b>(1,901)</b>
11(a)								
<b>Cash flows from investing activities</b>								
Proceeds from sale of investments	212,430	78,434	165,254	43,080	54,201	48,990	43,203	18,800
Purchases of investments	(181,015)	(471,087)	(127,875)	(259,427)	(36,516)	(33,630)	(109,498)	(145,630)
<b>Net cash provided by/(used in) investing activities</b>	<b>31,415</b>	<b>(392,653)</b>	<b>37,379</b>	<b>(216,347)</b>	<b>17,685</b>	<b>15,360</b>	<b>(66,295)</b>	<b>(126,830)</b>
<b>Cash flows from financing activities</b>								
Applications received	388,716	662,992	243,324	366,073	99,119	98,959	189,189	222,967
Redemptions paid	(404,378)	(247,658)	(253,770)	(135,246)	(92,118)	(82,255)	(103,796)	(82,812)
Distributions paid	(40,905)	(64,350)	(23,820)	(36,442)	(41,826)	(34,032)	(16,329)	(12,579)
<b>Net cash (used in)/provided by financing activities</b>	<b>(56,567)</b>	<b>350,984</b>	<b>(34,266)</b>	<b>194,385</b>	<b>(34,825)</b>	<b>(17,328)</b>	<b>69,064</b>	<b>127,576</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(15,188)</b>	<b>(31,382)</b>	<b>10,431</b>	<b>(15,140)</b>	<b>(11,090)</b>	<b>3,847</b>	<b>338</b>	<b>(1,155)</b>
Cash and cash equivalents at the beginning of the financial year	34,298	65,680	17,511	32,651	28,041	24,194	17,888	19,043
<b>Cash and cash equivalents at end of financial year</b>	<b>19,110</b>	<b>34,298</b>	<b>27,942</b>	<b>17,511</b>	<b>16,951</b>	<b>28,041</b>	<b>18,226</b>	<b>17,888</b>
11(b)								

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Cash Flows  
For the year ended 30 June 2018

		Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Horizon 6 Share Portfolio	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>									
Interest received									
		19	16	16	16	14	22	10	8
Other income received									
		3,647	3,394	-	-	-	-	1,766	1,586
Responsible Entity's fees paid									
		-	-	(1,494)	(1,363)	(1,331)	(1,212)	-	-
Other expenses paid									
		(1)	-	(2)	-	(1)	-	(1)	-
<b>Net cash provided by/(used in) operating activities</b>									
11(a)		3,665	3,410	(1,480)	(1,347)	(1,318)	(1,190)	1,775	1,594
<b>Cash flows from investing activities</b>									
Proceeds from sale of investments									
		44,849	65,220	82,703	71,982	46,292	18,240	7,925	20,660
Purchases of investments									
		(46,914)	(68,220)	(83,494)	(111,903)	(24,338)	(46,640)	(21,169)	(37,064)
<b>Net cash provided by/(used in) investing activities</b>									
		(2,065)	(3,000)	(791)	(39,921)	21,954	(28,400)	(13,244)	(16,404)
<b>Cash flows from financing activities</b>									
Applications received									
		102,780	129,840	107,468	128,744	72,405	110,324	44,479	58,571
Redemptions paid									
		(99,774)	(117,046)	(85,043)	(77,283)	(87,135)	(75,908)	(29,459)	(35,511)
Distributions paid									
		(12,485)	(22,090)	(12,184)	(20,058)	(8,800)	(7,235)	(7,425)	(15,326)
<b>Net cash provided by/(used in) financing activities</b>									
		(9,479)	(9,296)	10,241	31,403	(23,530)	27,181	7,595	7,734
<b>Net increase/(decrease) in cash and cash equivalents</b>									
		(7,879)	(8,886)	7,970	(9,865)	(2,894)	(2,409)	(3,874)	(7,076)
Cash and cash equivalents at the beginning of the financial year									
		12,489	21,375	9,044	18,909	7,371	9,780	8,685	15,761
<b>Cash and cash equivalents at end of financial year</b>									
11(b)		4,610	12,489	17,014	9,044	4,477	7,371	4,811	8,685

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

**MLC Investment Trust**  
**Statements of Cash Flows**  
**For the year ended 30 June 2018**

	<b>Property Securities Fund</b>		<b>Global Share Fund</b>		<b>Australian Share Fund</b>		<b>Platinum Global Fund</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>								
Interest received	5	5	5	5	6	5	3	4
Other income received	-	-	-	-	-	-	571	571
Responsible Entity's fees paid	(422)	(475)	(508)	(533)	(676)	(682)	-	-
Other expenses paid	-	-	(1)	-	-	-	-	(1)
<b>Net cash provided by/(used in) operating activities</b>	<b>(417)</b>	<b>(470)</b>	<b>(504)</b>	<b>(528)</b>	<b>(671)</b>	<b>(677)</b>	<b>574</b>	<b>574</b>
11(a)								
<b>Cash flows from investing activities</b>								
Proceeds from sale of investments	26,568	22,030	30,151	29,387	19,298	23,461	25,972	19,020
Purchases of investments	-	(20,884)	(5,521)	(11,533)	(2,870)	(49,377)	-	-
<b>Net cash provided by/(used in) investing activities</b>	<b>26,568</b>	<b>1,146</b>	<b>24,630</b>	<b>17,854</b>	<b>16,428</b>	<b>(25,916)</b>	<b>25,972</b>	<b>19,020</b>
<b>Cash flows from financing activities</b>								
Applications received	10,617	35,654	16,370	24,826	11,867	57,566	97	-
Redemptions paid	(32,878)	(30,716)	(21,073)	(38,619)	(21,423)	(23,910)	(13,225)	(16,090)
Distributions paid	(6,523)	(4,436)	(3,697)	(18,546)	(7,028)	(1,211)	(4,456)	(6,515)
<b>Net cash (used in)/provided by financing activities</b>	<b>(28,784)</b>	<b>502</b>	<b>(8,400)</b>	<b>(32,339)</b>	<b>(16,584)</b>	<b>32,445</b>	<b>(17,584)</b>	<b>(22,605)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,633)</b>	<b>1,178</b>	<b>15,726</b>	<b>(15,013)</b>	<b>(827)</b>	<b>5,852</b>	<b>8,962</b>	<b>(3,011)</b>
Cash and cash equivalents at the beginning of the financial year	3,946	2,768	4,029	19,042	6,367	515	3,903	6,914
<b>Cash and cash equivalents at end of financial year</b>	<b>1,313</b>	<b>3,946</b>	<b>19,755</b>	<b>4,029</b>	<b>5,540</b>	<b>6,367</b>	<b>12,865</b>	<b>3,903</b>
11(b)								

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Cash Flows  
For the year ended 30 June 2018

	Horizon 1 Bond Portfolio		Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Index Plus - Conservative Growth Portfolio	
	2018	2017	2018	2017	2018	2017	For the period from 11/5/2017 to 30/6/2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>								
Dividend and distribution income received	-	-	-	-	-	-	22	-
Interest received	4	5	6	3	8	5	2	-
Other income received	-	-	-	-	-	-	-	-
Responsible Entity's fees paid	(206)	(242)	(178)	(160)	(393)	(306)	(45)	-
Other expenses paid	-	-	-	-	-	-	-	-
<b>Net cash provided by/(used in) operating activities</b>	<b>(202)</b>	<b>(237)</b>	<b>(172)</b>	<b>(157)</b>	<b>(385)</b>	<b>(301)</b>	<b>(21)</b>	<b>-</b>
11(a)								
<b>Cash flows from investing activities</b>								
Proceeds from sale of investments	18,128	24,228	8,652	12,320	800	4,860	3,803	-
Purchases of investments	(1,523)	(14,998)	(6,490)	(17,837)	(11,440)	(7,210)	(48,740)	-
<b>Net cash provided by/(used in) investing activities</b>	<b>16,605</b>	<b>9,230</b>	<b>2,162</b>	<b>(5,517)</b>	<b>(10,640)</b>	<b>(2,350)</b>	<b>(44,937)</b>	<b>-</b>
<b>Cash flows from financing activities</b>								
Applications received	8,905	20,531	15,338	24,431	18,850	12,608	48,278	-
Redemptions paid	(23,695)	(27,767)	(11,885)	(14,538)	(6,732)	(8,529)	(2,204)	-
Distributions paid	(2,173)	(1,962)	(4,284)	(2,370)	(1,758)	(4,006)	(119)	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(16,963)</b>	<b>(9,198)</b>	<b>(831)</b>	<b>7,523</b>	<b>10,360</b>	<b>73</b>	<b>45,955</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(560)</b>	<b>(205)</b>	<b>1,159</b>	<b>1,849</b>	<b>(665)</b>	<b>(2,578)</b>	<b>997</b>	<b>-</b>
Cash and cash equivalents at the beginning of the financial year	1,566	1,771	2,975	1,126	2,226	4,804	-	-
<b>Cash and cash equivalents at end of financial year</b>	<b>1,006</b>	<b>1,566</b>	<b>4,134</b>	<b>2,975</b>	<b>1,561</b>	<b>2,226</b>	<b>997</b>	<b>-</b>
11(b)								

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

MLC Investment Trust  
Statements of Cash Flows  
For the year ended 30 June 2018

	Index Plus - Balanced Portfolio		Index Plus - Growth Portfolio		Inflation Plus - Assertive Portfolio		Diversified Debt Fund	
	For the period from 11/5/2017 to 30/6/2018	2017	For the period from 11/5/2017 to 30/6/2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>								
Dividend and distribution income received	40	-	20	-	-	-	-	-
Interest received	3	-	1	-	17	19	12	17
Other income received	-	-	-	-	-	-	-	-
Responsible Entity's fees paid	(73)	-	(36)	-	(2,654)	(2,264)	(618)	(674)
Performance fees paid	-	-	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-	-	-
Other expenses paid	-	-	-	-	(1)	-	(1)	-
<b>Net cash provided by/(used in) operating activities</b>	<b>(30)</b>	<b>-</b>	<b>(15)</b>	<b>-</b>	<b>(2,638)</b>	<b>(2,245)</b>	<b>(607)</b>	<b>(657)</b>
11(a)								
<b>Cash flows from investing activities</b>								
Proceeds from sale of investments	2,997	-	904	-	34,791	31,030	56,138	15,769
Purchases of investments	(72,091)	-	(22,286)	-	(48,665)	(75,010)	(5,626)	(4,040)
<b>Net cash provided by/(used in) investing activities</b>	<b>(69,094)</b>	<b>-</b>	<b>(21,382)</b>	<b>-</b>	<b>(13,874)</b>	<b>(43,980)</b>	<b>50,512</b>	<b>11,729</b>
<b>Cash flows from financing activities</b>								
Applications received	72,519	-	22,827	-	103,728	128,517	27,235	44,437
Redemptions paid	(1,420)	-	(953)	-	(81,558)	(67,201)	(71,058)	(47,114)
Distributions paid	(186)	-	(40)	-	(19,376)	(28,763)	(9,048)	(8,508)
<b>Net cash provided by/(used in) financing activities</b>	<b>70,913</b>	<b>-</b>	<b>21,834</b>	<b>-</b>	<b>2,794</b>	<b>32,553</b>	<b>(52,871)</b>	<b>(11,185)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,789</b>	<b>-</b>	<b>437</b>	<b>-</b>	<b>(13,718)</b>	<b>(13,672)</b>	<b>(2,966)</b>	<b>(113)</b>
Cash and cash equivalents at the beginning of the financial year	-	-	-	-	21,845	35,517	5,429	5,542
Effects of exchange rate changes on cash	-	-	-	-	-	-	-	-
<b>Cash and cash equivalents at end of financial year</b>	<b>1,789</b>	<b>-</b>	<b>437</b>	<b>-</b>	<b>8,127</b>	<b>21,845</b>	<b>2,463</b>	<b>5,429</b>
11(b)								

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

		Global Property Fund		Hedged Global Share Fund	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>					
Interest received		3	6	3	3
Other income received		-	-	-	-
Responsible Entity's fees paid		(304)	(285)	(166)	(161)
Other expenses paid		-	-	(1)	-
<b>Net cash provided by/(used in) operating activities</b>	11(a)	<u>(301)</u>	<u>(279)</u>	<u>(164)</u>	<u>(158)</u>
<b>Cash flows from investing activities</b>					
Proceeds from sale of investments		10,740	11,979	7,041	3,720
Purchases of investments		<u>(380)</u>	<u>(1,410)</u>	<u>(4,026)</u>	<u>(1,240)</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>10,360</u>	<u>10,569</u>	<u>3,015</u>	<u>2,480</u>
<b>Cash flows from financing activities</b>					
Applications received		6,564	9,837	5,950	4,163
Redemptions paid		(16,616)	(20,125)	(8,889)	(5,961)
Distributions paid		-	(6,906)	(488)	(1,771)
<b>Net cash provided by/(used in) financing activities</b>		<u>(10,052)</u>	<u>(17,194)</u>	<u>(3,427)</u>	<u>(3,569)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		7	(6,904)	(576)	(1,247)
Cash and cash equivalents at the beginning of the financial year		<u>394</u>	<u>7,298</u>	<u>870</u>	<u>2,117</u>
Effects of exchange rate changes on cash		-	-	-	-
<b>Cash and cash equivalents at end of financial year</b>	11(b)	<u>401</u>	<u>394</u>	<u>294</u>	<u>870</u>

The above Statements of Cash Flows are to be read in conjunction with the accompanying notes.

## **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial report of the Schemes for the financial year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 20 September 2018.

On the 5 May 2016, the Attribution Managed Invest Trust ('AMIT') regime, applying to Managed Investment Trusts was enacted under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. With its introduction, the Responsible Entity has amended the Schemes' Constitutions to allow the Schemes to operate as AMITs. By 29 June 2018, the Responsible Entity sent notice to unitholders on the Schemes' intention to elect into the AMIT regime for the financial year ended 30 June 2018 (and for subsequent financial years). As of 30 June, the Schemes meet the other conditions to adopt the AMIT tax regime and consequently, in accordance with the requirements of AASB 132 - Financial Instruments: Presentation relating to puttable instruments, for the Schemes where the units are single class only, the net assets available to unitholders have been re-classified from a financial liability to equity on 30 June 2018. However, for multi-class schemes that have units which are equally subordinate but do not have identical features, in accordance with the requirements of AASB 132 - Financial Instruments: Presentation relating to puttable instruments, the units in the Schemes remain as financial liabilities on 30 June 2018.

### **(a) Statement of compliance**

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board ('AASB') and International Financial Reporting Standards ('IFRS'), as issued by the International Accounting Standards Board ('IASB').

### **(b) Basis of preparation**

The Schemes' financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on the basis of historical costs, except for financial assets and financial liabilities designated at fair value through profit and loss, that have been measured at fair value through profit and loss.

The Statements of Financial Position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are designated current assets and liabilities as they are expected to be recovered or settled within twelve months. Financial assets and liabilities designated at fair value through profit and loss and net assets attributable to unitholders are expected to be settled upon contractual requirements.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The financial statements are presented in Australian Dollars, and all values are rounded to the nearest \$'000 except where otherwise indicated.

### **(c) Basis of consolidation**

The Schemes are investment entities and, as such, do not consolidate any entities subject to their control. The Schemes may hold a controlling interest in any of their underlying investments and therefore are required to provide additional disclosures as set out in Note 9.

### **(d) Unit prices**

The unit prices for the units of the Schemes are calculated as at the close of business on each business day.

### **(e) Terms and conditions on units**

Each unit issued confers upon the unitholders of each Scheme an equal interest in the Scheme, and is of equal value. A unit does not confer any interest in any particular asset or investment of each Scheme. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- (i) have their units redeemed;
- (ii) accumulate income, which is reflected in the unit price;
- (iii) attend and vote at meetings of unitholders; and
- (iv) participate in the termination and winding up of the Scheme.

The rights, obligations and restrictions attached to any unit of a Scheme are identical in all respects.

### **(f) Financial assets and liabilities designated at fair value through profit or loss**

The Schemes have classified all of their investments as designated at fair value through profit or loss. Securities designated at fair value through profit or loss are initially recognised at fair value.

Investments are valued at their fair value as at reporting date. Gains and losses arising from changes in the fair value of the financial assets and liabilities designated at fair value through profit or loss are included in the Statements of Profit or Loss and Other Comprehensive Income in the year in which they arise.

### **(g) Fair value measurement**

Assets and liabilities measured at fair value in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement in its entirety as detailed below:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

### **(h) Significant accounting judgements, estimates or assumptions**

The Schemes may make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements.

#### *Estimates and assumptions*

Estimates are continually evaluated and based on historical experience, available information and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Fair value of financial assets and liabilities designated at fair value through profit or loss*

Fair value is the price that would be received from disposing an asset or paid to transfer a liability in an orderly transaction between market participants at the transaction date.

The Schemes measure investments in financial assets and liabilities designated at fair value through profit or loss. Management applies judgement in selecting valuation techniques where there is no market price available for an instrument. Further details on the determination of fair values of financial instruments is set out in Note 10(e).

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) Significant accounting judgements, estimates or assumptions (continued)**

*Judgements*

(i) The Schemes meet the definition criteria of an investment entity under AASB 10 and therefore are required to measure their interests in controlled entities at fair value through profit or loss. The criteria which define an investment entity are as follows:

- (a) An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- (b) An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- (c) An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

(ii) The Schemes have assessed whether their investments in unlisted registered managed investment schemes should be classified as structured entities. A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. The Schemes have considered the voting rights and other similar rights and concluded on whether these rights are the dominant factor in determining control. The Schemes have concluded that their investments in unlisted registered managed investment schemes meet the definition of structured entities as the voting rights of these unlisted registered managed investment schemes are not substantive in nature.

**(i) Cash and cash equivalents**

Cash and cash equivalents in the Statements of Financial Position comprise of cash at bank, and short term deposits at call.

**(j) Receivables**

Receivables may include amounts for dividends, interest, distributions, outstanding settlements and other income and are measured initially at fair value plus transaction costs. Amounts are generally received within 30 days of being recorded as a receivable.

**(k) Accounts payable and accrued expenses**

Payables include outstanding settlements and accrued expenses owing by the Schemes which are unpaid as at balance date. They are measured initially at fair value plus transaction costs.

**(l) Foreign currency transactions**

Transactions during the year denominated in foreign currency have been translated at the exchange rate prevailing at the transaction date. Overseas investments and monetary items held, together with any accrued income, are translated at the exchange rate prevailing at the year end.

Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in the Statements of Profit or Loss and Other Comprehensive Income as part of the 'Changes in the fair value of financial assets and liabilities at fair value through profit or loss'.

**(m) Income and expenses**

Revenue is brought to account on an accrual basis except where otherwise stated.

Dividend and distribution income from listed securities and unlisted registered managed schemes are recognised on the date the shares or trust units are quoted ex dividend/distribution. Income on fixed interest securities and money market securities is recognised on an ex interest accrual basis.

Interest income on discount securities is brought to account on a straight line basis and is derived from interest earned and amortised premium or discount to face value on investments.

Changes in the fair value of investments are recognised as income and are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or cost (if the investment was acquired during the year).

Expenses are brought to account on an accrual basis.

The Responsible Entity is entitled to receive a fee, calculated in accordance with the Schemes' Constitutions, for the provision of management services to the Schemes. The Responsible Entity is entitled to be reimbursed, under the Schemes' Constitutions, for certain expenses incurred in administering the Schemes. The amount reimbursed has been calculated in accordance with the Schemes' Constitutions.

Other expenses also include government duties and bank interest expense. Auditors' remuneration has not been charged against the Schemes' income as this cost is borne by the Responsible Entity.

**(n) Taxation**

The Schemes have elected to have the new taxation regime (AMIT) for the taxation of managed investment schemes apply for the 2018 tax year and later years of income. The Schemes are not subject to income tax as the taxable income (including assessable realised net capital gains) is fully attributed to the unitholders each year. Unitholders are taxed on the income attributed to them.

The unit price is based upon fair values of underlying assets and thus may include a share of unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed.

Net realised capital losses are not distributed to unitholders, but are retained to be offset against any future realised capital gains. Where realised assessable capital gains exceed realised capital losses, the excess is distributed to unitholders as assessable income for taxation purposes.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(o) Distributions to unitholders**

The income of the Schemes is accumulated and reinvested or paid to unitholders on the last Sunday of September, December and March and the last day of June, except for the Horizon 6 Share Portfolio, Global Share Fund, Platinum Global Fund, Horizon 7 Accelerated Growth Portfolio, Inflation Plus - Assertive Portfolio, Global Property Fund, and Hedged Global Share Fund which distribute on last day of June only. The income of the Schemes may also be accumulated and paid to unitholders on other dates as determined by the Responsible Entity.

Distributable income does not include unrealised gains and losses arising on movements in the fair value of investments; as such, unrealised gains and losses are transferred to net assets attributable to unitholders and are not assessable or distributable until realised.

The Schemes distributions are expressed as cents per unit for the distribution period.

**(p) Goods and services tax**

Responsible Entity fees and other expenses are recognised net of the amount of goods and services tax ('GST') recoverable from the Australian Taxation Office ('ATO') as a reduced input tax credit ('RITC').

Creditors and accruals are stated with the amount of GST included.

The net amount of GST recoverable from the ATO is included in payables in the Statements of Financial Position.

**(q) Derecognition of financial instruments**

The derecognition of financial instruments takes place when the Schemes no longer control the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

**(r) Capital management**

The Responsible Entity manages its net assets attributable to unitholders as capital. As at 30 June 2017, the net assets attributable to unitholders were classified as a liability. As of 30 June 2018, the Schemes meet the conditions required to adopt the AMIT tax regime and consequently the Schemes where the units are single class only, these units have been re-classified from a financial liability to equity, whereas the Schemes where units are multi-class remain as a financial liability on 30 June 2018 in accordance with the requirements of AASB 132 - Financial Instruments: Presentation relating to puttable instruments.

The amount of net assets attributable to unitholders can change significantly on a daily basis as the Schemes are subject to daily applications and redemptions at the discretion of unitholders.

The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Schemes.

In order to maintain or adjust the capital structure, the Responsible Entity may return capital to unitholders. The Schemes do not have any externally imposed capital requirements.

**(s) Net assets attributable to unitholders**

Units are redeemable at the unitholders' option and do not require mandatory cash distributions as a result of entering the AMIT regime. Further as of 30 June 2018, and future years, where unitholder's funds have been reclassified from liabilities to equity, the Schemes' distributions are no longer classified as a finance cost in the statement of comprehensive income, but rather as amounts paid in the statement of Changes in Unitholders Funds. The Schemes which are multi-class and have units classified as a liability in accordance with the requirements of AASB 132 - Financial Instruments: Presentation relating to puttable instruments continue to show their distributions as a finance cost in the statement of comprehensive income.

The units can be put back to the Schemes at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the financial year, if unitholders exercised their right to put the units back to the Schemes.

**(t) Application of accounting standards**

**Australian Accounting Standards issued but not yet effective**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Schemes for the year ended 30 June 2018. The impact of these standards and interpretations has been assessed, to the extent applicable to the Schemes and are discussed below.

***AASB 9 Financial Instruments***

This standard makes changes to the way financial assets and liabilities are classified for the purpose of determining their measurement basis. AASB 9 applies to annual reporting periods beginning on or after 1 January 2018 and will therefore apply to the Schemes from 1 July 2018. The Schemes do not intend to early adopt AASB 9 as permitted by the standard. The application of the standard is not expected to change the measurement basis of any of the Schemes' current financial instruments.

***AASB 15 Revenue from Contracts with Customers***

This standard requires an entity to measure revenue from contracts with customers at the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services. AASB 15 applies to annual reporting periods beginning on or after 1 January 2018 and will therefore apply to the Schemes from 1 July 2018. The Schemes do not intend to early adopt AASB 15 as permitted by the standard. The application of the standard is still being assessed, but it is expected that it will have no significant changes to the Schemes' current financial instruments.

## NOTE 2 - AUDITOR'S REMUNERATION

The Schemes have regular audits on the financial reports. The Responsible Entity pays the cost of the audit fees being \$7,000 (2017: \$7,000) per Scheme for audit and review of the financial reports, and \$2,374 (2017: \$2,374) per Scheme for Compliance plan audits.

## NOTE 3 - DIVIDEND AND DISTRIBUTION

The schemes receive distribution income from their related party underlying investments in unlisted managed investment schemes, which are detailed in Note 8 (h), except for the below.

	Index Plus - Conservative Growth Portfolio		Index Plus - Balanced Portfolio		Index Plus - Growth Portfolio	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Dividend/Scheme distribution income:</b>						
Listed equities and unit trusts	22	-	39	-	20	-
Unlisted managed investment schemes	1,213	-	2,240	-	809	-
	<u>1,235</u>	<u>-</u>	<u>2,279</u>	<u>-</u>	<u>829</u>	<u>-</u>

## NOTE 4 - DISTRIBUTIONS

Distributions paid/payable during the year by the Schemes were as follows:

	Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2018</b>								
September	6,326	0.46	3,220	0.44	4,009	1.25	-	-
December	5,834	0.42	2,600	0.34	7,712	2.41	1,733	0.31
March	3,121	0.22	1,863	0.24	4,539	1.43	-	-
June payable	<u>15,794</u>	<u>1.09</u>	<u>26,649</u>	<u>3.34</u>	<u>14,978</u>	<u>4.80</u>	<u>15,447</u>	<u>2.67</u>
	<u>31,075</u>	<u>2.19</u>	<u>34,332</u>	<u>4.36</u>	<u>31,238</u>	<u>9.89</u>	<u>17,180</u>	<u>2.98</u>
<b>2017</b>								
September	3,898	0.28	2,170	0.28	4,330	1.43	-	-
December	3,730	0.27	1,850	0.24	5,813	1.91	-	-
March	3,451	0.24	2,030	0.26	4,979	1.62	-	-
June	<u>44,761</u>	<u>3.09</u>	<u>21,315</u>	<u>2.65</u>	<u>26,100</u>	<u>8.47</u>	<u>14,683</u>	<u>2.94</u>
	<u>55,840</u>	<u>3.88</u>	<u>27,365</u>	<u>3.43</u>	<u>41,222</u>	<u>13.43</u>	<u>14,683</u>	<u>2.94</u>

	Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Horizon 6 Share Portfolio	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2018</b>								
September	1,116	0.30	1,961	0.49	-	-	-	-
December	1,561	0.43	1,617	0.39	1,887	0.58	-	-
March	948	0.26	945	0.23	-	-	-	-
June payable	<u>4,128</u>	<u>1.10</u>	<u>10,218</u>	<u>2.53</u>	<u>4,544</u>	<u>1.50</u>	<u>4,202</u>	<u>2.00</u>
	<u>7,753</u>	<u>2.09</u>	<u>14,741</u>	<u>3.64</u>	<u>6,431</u>	<u>2.08</u>	<u>4,202</u>	<u>2.00</u>
<b>2017</b>								
September	837	0.23	1,505	0.40	-	-	-	-
December	947	0.26	1,164	0.31	-	-	-	-
March	1,004	0.26	1,060	0.28	-	-	-	-
June	<u>12,095</u>	<u>3.27</u>	<u>9,739</u>	<u>2.56</u>	<u>6,993</u>	<u>2.21</u>	<u>8,921</u>	<u>4.55</u>
	<u>14,883</u>	<u>4.02</u>	<u>13,468</u>	<u>3.55</u>	<u>6,993</u>	<u>2.21</u>	<u>8,921</u>	<u>4.55</u>

	Property Securities Fund		Global Share Fund		Australian Share Fund		Platinum Global Fund	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2018</b>								
September	1,168	0.56	-	-	852	0.59	-	-
December	902	0.45	-	-	1,318	0.93	-	-
March	1,608	0.82	-	-	896	0.64	-	-
June payable	<u>1,630</u>	<u>0.90</u>	<u>22,461</u>	<u>19.82</u>	<u>10,862</u>	<u>7.87</u>	<u>16,544</u>	<u>26.27</u>
	<u>5,308</u>	<u>2.73</u>	<u>22,461</u>	<u>19.82</u>	<u>13,928</u>	<u>10.03</u>	<u>16,544</u>	<u>26.27</u>
<b>2017</b>								
September	1,066	0.47	-	-	861	0.58	-	-
December	241	0.11	-	-	1,158	0.79	-	-
March	997	0.46	-	-	820	0.57	-	-
June	<u>4,637</u>	<u>2.19</u>	<u>4,502</u>	<u>3.85</u>	<u>13,286</u>	<u>9.63</u>	<u>4,707</u>	<u>6.47</u>
	<u>6,941</u>	<u>3.23</u>	<u>4,502</u>	<u>3.85</u>	<u>16,125</u>	<u>11.57</u>	<u>4,707</u>	<u>6.47</u>

NOTE 4 - DISTRIBUTIONS (continued)

	Horizon 1 Bond Portfolio		Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Index Plus - Conservative Growth Portfolio Class A	
	\$'000	c/unit			\$'000	c/unit	\$'000	c/unit
<b>2018</b>								
September	422	0.58	496	0.89	-	-	32	0.22
December	185	0.27	924	1.66	-	-	135	0.51
March	121	0.18	519	0.93	-	-	37	0.10
June payable	695	1.13	4,176	7.30	648	1.57	1,010	2.24
	<u>1,423</u>	<u>2.16</u>	<u>6,115</u>	<u>10.78</u>	<u>648</u>	<u>1.57</u>	<u>1,214</u>	<u>3.07</u>
<b>2017</b>								
September	399	0.46	508	0.96	-	-	-	-
December	237	0.30	679	1.25	-	-	-	-
March	182	0.23	729	1.39	-	-	-	-
June	1,638	2.16	3,028	5.59	1,801	5.45	-	-
	<u>2,456</u>	<u>3.15</u>	<u>4,944</u>	<u>9.19</u>	<u>1,801</u>	<u>5.45</u>	<u>-</u>	<u>-</u>
	Index Plus - Balanced Portfolio Class A		Index Plus - Growth Portfolio Class A		Inflation Plus - Assertive Portfolio Class A		Inflation Plus - Assertive Portfolio Class B	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2018</b>								
September	28	0.14	8	0.07	-	-	-	-
December	227	0.68	121	0.81	-	-	-	-
March	21	0.04	5	0.03	-	-	-	-
June payable	1,901	2.76	655	3.07	6,752	1.49	7	0.17
	<u>2,177</u>	<u>3.62</u>	<u>789</u>	<u>3.98</u>	<u>6,752</u>	<u>1.49</u>	<u>7</u>	<u>0.17</u>
<b>2017</b>								
September	-	-	-	-	-	-	-	-
December	-	-	-	-	-	-	-	-
March	-	-	-	-	-	-	-	-
June	-	-	-	-	20,150	4.71	143	3.49
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,150</u>	<u>4.71</u>	<u>143</u>	<u>3.49</u>
	Diversified Debt Fund Class A		Diversified Debt Fund Class B		Global Property Fund Class A		Global Property Fund Class B	
	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit	\$'000	c/unit
<b>2018</b>								
September	28	1.32	3,098	1.64	-	-	-	-
December	2	0.08	800	0.44	-	-	-	-
March	7	0.31	548	0.32	-	-	-	-
June payable	19	0.96	2,171	1.52	34	0.04	2	0.05
	<u>56</u>	<u>2.67</u>	<u>6,617</u>	<u>3.92</u>	<u>34</u>	<u>0.04</u>	<u>2</u>	<u>0.05</u>
<b>2017</b>								
September	2,181	1.16	26	0.85	-	-	-	-
December	717	0.38	5	0.17	-	-	-	-
March	680	0.36	3	0.09	-	-	-	-
June	4,519	2.43	46	1.88	-	-	-	-
	<u>8,097</u>	<u>4.33</u>	<u>80</u>	<u>2.99</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Hedged Global Share Fund Class A		Hedged Global Share Fund Class B					
	\$'000	c/unit	\$'000	c/unit				
<b>2018</b>								
September	-	-	-	-				
December	-	-	-	-				
March	-	-	-	-				
June payable	-	-	-	-				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>				
<b>2017</b>								
September	-	-	-	-				
December	-	-	-	-				
March	-	-	-	-				
June	534	1.73	30	1.61				
	<u>534</u>	<u>1.73</u>	<u>30</u>	<u>1.61</u>				

NOTE 5 - FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>1,727,389</u>	<u>1,630,677</u>	<u>897,960</u>	<u>887,487</u>	<u>523,964</u>	<u>530,288</u>	<u>620,942</u>	<u>528,044</u>
<b>Total financial assets designated at fair value through profit or loss</b>	<b><u>1,727,389</u></b>	<b><u>1,630,677</u></b>	<b><u>897,960</u></b>	<b><u>887,487</u></b>	<b><u>523,964</u></b>	<b><u>530,288</u></b>	<b><u>620,942</u></b>	<b><u>528,044</u></b>
	Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Horizon 6 Share Portfolio	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>453,223</u>	<u>412,933</u>	<u>411,240</u>	<u>396,774</u>	<u>324,863</u>	<u>334,780</u>	<u>255,471</u>	<u>216,573</u>
<b>Total financial assets designated at fair value through profit or loss</b>	<b><u>453,223</u></b>	<b><u>412,933</u></b>	<b><u>411,240</u></b>	<b><u>396,774</u></b>	<b><u>324,863</u></b>	<b><u>334,780</u></b>	<b><u>255,471</u></b>	<b><u>216,573</u></b>
	Property Securities Fund		Global Share Fund		Australian Share Fund		Platinum Global Fund	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>125,524</u>	<u>136,693</u>	<u>113,978</u>	<u>120,459</u>	<u>143,974</u>	<u>139,910</u>	<u>72,888</u>	<u>87,367</u>
<b>Total financial assets designated at fair value through profit or loss</b>	<b><u>125,524</u></b>	<b><u>136,693</u></b>	<b><u>113,978</u></b>	<b><u>120,459</u></b>	<b><u>143,974</u></b>	<b><u>139,910</u></b>	<b><u>72,888</u></b>	<b><u>87,367</u></b>
	Horizon 1 Bond Portfolio		Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Index Plus - Conservative Growth Portfolio	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Unlisted equities</b>								
Shares and units not listed on a stock exchange	-	-	-	-	-	-	1,287	-
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>61,804</u>	<u>76,971</u>	<u>78,092</u>	<u>71,055</u>	<u>63,802</u>	<u>44,752</u>	<u>44,921</u>	-
<b>Total financial assets designated at fair value through profit or loss</b>	<b><u>61,804</u></b>	<b><u>76,971</u></b>	<b><u>78,092</u></b>	<b><u>71,055</u></b>	<b><u>63,802</u></b>	<b><u>44,752</u></b>	<b><u>46,208</u></b>	<b><u>-</u></b>
	Index Plus - Balanced Portfolio		Index Plus - Growth Portfolio		Inflation Plus - Assertive Portfolio		Diversified Debt Fund	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Unlisted equities</b>								
Shares and units not listed on a stock exchange	2,642	-	868	-	-	-	-	-
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>68,486</u>	-	<u>21,575</u>	-	<u>430,066</u>	<u>387,977</u>	<u>143,786</u>	<u>189,898</u>
<b>Total financial assets designated at fair value through profit or loss</b>	<b><u>71,128</u></b>	<b><u>-</u></b>	<b><u>22,443</u></b>	<b><u>-</u></b>	<b><u>430,066</u></b>	<b><u>387,977</u></b>	<b><u>143,786</u></b>	<b><u>189,898</u></b>
	Global Property Fund		Hedged Global Share Fund					
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000				
<b>Unlisted managed investment schemes</b>								
Units held in unlisted managed investment schemes	<u>66,182</u>	<u>71,530</u>	<u>31,427</u>	<u>30,718</u>				
<b>Total financial assets designated at fair value through profit or loss</b>	<b><u>66,182</u></b>	<b><u>71,530</u></b>	<b><u>31,427</u></b>	<b><u>30,718</u></b>				

Units held in unlisted related party managed investment schemes are detailed in Note 8(h).

NOTE 6 - RECEIVABLES

	Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Amounts owing from Responsible Entity	2,584	1,910	2,042	1,363	1,568	1,111	-	-
Distribution receivables	1,447	-	-	-	-	-	-	-
Other receivables	5	4	3	2	2	3	3	3
	<u>4,036</u>	<u>1,914</u>	<u>2,045</u>	<u>1,365</u>	<u>1,570</u>	<u>1,114</u>	<u>3</u>	<u>3</u>
	Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Horizon 6 Share Portfolio	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Amounts owing from Responsible Entity	1,025	652	-	-	-	-	494	311
Distribution receivables	-	-	642	-	-	-	141	-
Other receivables	1	2	1	1	1	2	1	1
	<u>1,026</u>	<u>654</u>	<u>643</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>636</u>	<u>312</u>
	Property Securities Fund		Global Share Fund		Australian Share Fund		Platinum Global Fund	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Outstanding settlements	-	-	-	-	-	-	-	-
Amounts owing from Responsible Entity	-	-	-	-	-	-	147	104
Distribution receivables	-	-	-	-	-	-	-	-
Other receivables	-	-	1	-	1	-	1	-
	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>148</u>	<u>104</u>
	Horizon 1 Bond Portfolio		Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Index Plus - Conservative Growth Portfolio	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Amounts owing from Responsible Entity	-	-	-	-	-	-	-	-
Distribution receivables	-	-	-	-	-	-	477	-
Other receivables	-	-	1	1	1	-	-	-
	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>477</u>	<u>-</u>
	Index Plus - Balanced Portfolio		Index Plus - Growth Portfolio		Inflation Plus - Assertive Portfolio		Diversified Debt Fund	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Amounts owing from Responsible Entity	-	-	-	-	-	-	-	-
Distribution receivables	1,116	-	25	-	-	-	-	-
Other receivables	-	-	-	-	1	3	2	3
	<u>1,116</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>1</u>	<u>3</u>	<u>2</u>	<u>3</u>
	Global Property Fund		Hedged Global Share Fund					
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000				
Amounts owing from Responsible Entity	-	-	-	-				
Distribution receivables	-	-	-	-				
Other receivables	1	-	-	-				
	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>				

**NOTE 7 - ACCOUNTS PAYABLE & ACCRUED EXPENSES**

	<b>Horizon 4 Balanced Portfolio</b>		<b>Horizon 3 Conservative Growth Portfolio</b>		<b>Income Builder</b>		<b>Inflation Plus - Moderate Portfolio</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Amounts owing to Responsible Entity	-	-	-	-	-	-	166	108
Other payables	5	-	2	2	1	1	4	2
	<b>5</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>170</b>	<b>110</b>
	<b>Horizon 5 Growth Portfolio</b>		<b>Horizon 2 Income Portfolio</b>		<b>Inflation Plus - Conservative Portfolio</b>		<b>Horizon 6 Share Portfolio</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Amounts owing to Responsible Entity	-	-	98	66	80	67	-	-
Other payables	11	8	1	1	2	1	1	1
	<b>11</b>	<b>8</b>	<b>99</b>	<b>67</b>	<b>82</b>	<b>68</b>	<b>1</b>	<b>1</b>
	<b>Property Securities Fund</b>		<b>Global Share Fund</b>		<b>Australian Share Fund</b>		<b>Platinum Global Fund</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Amounts owing to Responsible Entity	21	17	33	8	50	36	-	-
Other payables	1	-	3	2	-	-	-	-
	<b>22</b>	<b>17</b>	<b>36</b>	<b>10</b>	<b>50</b>	<b>36</b>	<b>-</b>	<b>-</b>
	<b>Horizon 1 Bond Portfolio</b>		<b>Australian Share Index Fund</b>		<b>Horizon 7 Accelerated Growth Portfolio</b>		<b>Index Plus - Conservative Growth Portfolio</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Amounts owing to Responsible Entity	10	9	13	8	30	15	4	-
Other payables	2	2	-	1	-	-	-	-
	<b>12</b>	<b>11</b>	<b>13</b>	<b>9</b>	<b>30</b>	<b>15</b>	<b>4</b>	<b>-</b>
	<b>Index Plus - Balanced Portfolio</b>		<b>Index Plus - Growth Portfolio</b>		<b>Inflation Plus - Assertive Portfolio</b>		<b>Diversified Debt Fund</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Amounts owing to Responsible Entity	7	-	2	-	176	122	30	29
Other payables	-	-	-	-	2	1	3	-
	<b>7</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>178</b>	<b>123</b>	<b>33</b>	<b>29</b>
	<b>Global Property Fund</b>		<b>Hedged Global Share Fund</b>					
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>				
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>				
Amounts owing to Responsible Entity	18	12	9	7				
Other payables	1	1	1	-				
	<b>19</b>	<b>13</b>	<b>10</b>	<b>7</b>				

## **NOTE 8 - RELATED PARTIES**

### **(a) Responsible Entity**

The Responsible Entity of each of the Schemes is MLC Investments Limited ABN 30 002 641 661, whose immediate holding company is National Wealth Management Services Limited ABN 97 071 514 264 and the ultimate parent company is National Australia Bank Limited ABN 12 004 044 937.

The Responsible Entity is incorporated and domiciled in Australia.

### **(b) Key management personnel**

#### **Directors**

The names of the persons who were Directors of MLC Investments Limited at any time during the financial year were as follows:

<b>Name</b>	<b>Appointment / Resignation Date</b>
J G Duffield	Appointed 24 August 2011
P Gupta	Appointed 1 September 2012
C M Keating	Appointed 5 December 2016
G J Mulcahy	Appointed 7 July 2014
K A Watt	Appointed 5 December 2016

In addition to the Directors noted above, the Responsible Entity provides Key Management Personnel services to the Schemes.

Key management personnel are paid by a related party of the Responsible Entity. Payments made from the Schemes to the Responsible Entity do not include any amounts directly attributable to key management personnel remuneration.

### **(c) Other related party transactions with the Schemes**

From time to time the Directors of MLC Investments Limited, or their Director related entities, may invest into or withdraw from the Schemes. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors.

### **(d) Amounts payable to/(receivable from) the Responsible Entity**

The net amounts payable to/(receivable from) MLC Investments Limited by the Schemes at balance date are shown in the table below.

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Horizon 4 Balanced Portfolio	<b>(2,584,462)</b>	(1,910,215)
Horizon 3 Conservative Growth Portfolio	<b>(2,042,235)</b>	(1,362,965)
Income Builder	<b>(1,568,438)</b>	(1,111,457)
Inflation Plus - Moderate Portfolio	<b>166,195</b>	107,885
Horizon 5 Growth Portfolio	<b>(1,025,064)</b>	(652,281)
Horizon 2 Income Portfolio	<b>97,951</b>	66,234
Inflation Plus - Conservative Portfolio	<b>79,730</b>	67,022
Horizon 6 Share Portfolio	<b>(494,306)</b>	(311,330)
Property Securities Fund	<b>20,796</b>	16,649
Global Share Fund	<b>33,109</b>	8,088
Australian Share Fund	<b>49,201</b>	36,003
Platinum Global Fund	<b>(147,168)</b>	(103,988)
Horizon 1 Bond Portfolio	<b>9,853</b>	9,313
Australian Share Index Fund	<b>12,581</b>	8,421
Horizon 7 Accelerated Growth Portfolio	<b>29,870</b>	15,481
Index Plus - Conservative Growth Portfolio	<b>3,572</b>	-
Index Plus - Balanced Portfolio	<b>7,417</b>	-
Index Plus - Growth Portfolio	<b>1,881</b>	-
Inflation Plus Assertive Portfolio	<b>175,739</b>	122,032
Diversified Debt Fund	<b>29,681</b>	28,606
Global Property Fund	<b>17,796</b>	12,515
Hedged Global Share Fund	<b>9,355</b>	7,405

### **(e) Responsible Entity's fees**

The Responsible Entity's fees have been calculated in accordance with the Schemes' Constitutions. Total fees paid and payable (net of rebates where applicable) are as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Horizon 4 Balanced Portfolio*	<b>(10,593,060)</b>	(11,321,351)
Horizon 3 Conservative Growth Portfolio*	<b>(7,979,411)</b>	(7,684,972)
Income Builder*	<b>(6,482,567)</b>	(6,407,444)
Inflation Plus - Moderate Portfolio	<b>2,519,261</b>	1,970,941
Horizon 5 Growth Portfolio*	<b>(4,019,562)</b>	(3,756,503)
Horizon 2 Income Portfolio	<b>1,525,685</b>	1,394,510
Inflation Plus - Conservative Portfolio	<b>1,343,644</b>	1,235,049
Horizon 6 Share Portfolio*	<b>(1,948,185)</b>	(1,752,026)
Property Securities Fund	<b>426,356</b>	480,187
Global Share Fund*	<b>532,766</b>	525,071
Australian Share Fund	<b>689,141</b>	694,938
Platinum Global Fund*	<b>(613,990)</b>	(621,655)
Horizon 1 Bond Portfolio	<b>206,941</b>	243,382

**NOTE 8 - RELATED PARTIES (continued)**

**(e) Responsible Entity's fees (continued)**

	2018	2017
	\$	\$
Australian Share Index Fund	181,817	164,553
Horizon 7 Accelerated Growth Portfolio	407,049	312,404
Index Plus - Conservative Growth Portfolio	48,522	-
Index Plus - Balanced Portfolio	80,211	-
Index Plus - Growth Portfolio	37,932	-
Inflation Plus Assertive Portfolio	2,708,061	2,315,194
Diversified Debt Fund	619,133	681,926
Global Property Fund	308,934	291,220
Hedged Global Share Fund	167,507	162,377

\* The Schemes received a rebate from the Responsible Entity to reduce the effect of management fee paid.

**(f) Expense reimbursement**

The Responsible Entity is entitled, under the Schemes' Constitutions, to be reimbursed for certain expenses incurred in administering the Schemes. The basis on which the expenses are reimbursable is defined in the Constitutions. There were no expense reimbursements during the year (2017: Nil).

**(g) Interests in unconsolidated structured entities**

The Schemes' maximum exposure to loss from their investments in unlisted managed investment schemes, which have been assessed to be structured entities, is restricted to their fair value which are disclosed in Note 8(h). The Schemes have not sponsored or provided support, financial or otherwise to the unlisted managed investment schemes they hold.

**(h) Related party investments**

The Schemes may purchase and sell units in other unlisted managed investment schemes managed by MLC Investments Limited or its related parties in the ordinary course of business at application and redemption prices calculated in accordance with the Constitutions.

The details of units in managed investment schemes operated by the Responsible Entity held by the Schemes are set out below. Cash and cash equivalents in the Statements of Financial Position for all the Schemes are held with the National Australia Bank Limited.

The principal activities of all the below named Schemes are to invest and transact in unlisted managed investment schemes and equities in accordance with the provisions of the Schemes' Constitutions. Investment activities may include the use of hedging instruments to reduce the volatility of investment returns.

The Schemes are unlisted registered managed investment schemes and along with their related parties are domiciled in Australia.

MLC Investments Limited and its related parties	Number of unit/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends received \$
<b>Horizon 4 Balanced Portfolio</b>				
<b>2018</b>				
WM Pool - Australian Equities Trust No.2	322,594	0.37	23,524,361	2,501,736
MLC (NCIT) Global Share Trust With Currency Hedged	-	-	-	-
Antares Enhanced Cash Trust	17,483,008	0.23	17,904,681	430,176
WM Sector - Australian Equities Trust	484,470	1.11	57,466,088	2,042,732
WM Sector - Diversified Debt (All) Trust	503,480	1.38	50,200,186	1,521,433
WM Pool - Equities Trust No. 47	282,169	1.27	29,262,370	6,627,790
WM Pool - Equities Trust No. 59	167,360	1.42	17,738,651	537,740
WM Pool - Equities Trust No. 73	89,607	1.58	9,085,235	164,630
WM Pool - Fixed Interest Trust No. 5	55,098	0.19	6,092,596	214,391
WM Pool - Fixed Interest Trust No. 24	155,360	1.09	15,909,984	187,572
WM Pool - Global Properties Trust	112,754	0.94	13,338,002	643,691
WM Sector - Global Equities (Hedged) Trust	168,777	1.99	19,762,915	51
WM Sector - Global Equities (Unhedged) Trust	287,394	0.50	33,196,686	7,330,412
WM Pool - Inflation Linked Securities Trust	7,593,553	0.53	8,929,312	218,377
WM Pool - LTAR Part 1 NS Trust	170,914	2.30	15,192,999	381,007
WM Pool - Fixed Interest Trust No. 23	-	-	-	-
MasterKey Unit Trust Balanced Portfolio	903,176,309	74.80	1,405,199,635	12,859,031
LCS Trust Class A	3,891,507	0.46	4,585,004	-
	<u>934,944,354</u>		<u>1,727,388,705</u>	<u>35,660,769</u>

**NOTE 8 - RELATED PARTIES (continued)**

**Horizon 4 Balanced Portfolio (continued)**

**2017**

WM Pool - Australian Equities Trust No. 2	240,867	0.27	17,556,797	432,693
Antares Enhanced Cash Trust	8,728,805	0.11	9,043,417	48,696
WM Sector - Australian Equities Trust	385,564	0.86	41,603,442	2,731,427
WM Sector - Diversified Debt (All) Trust	186,707	0.48	18,953,864	828,398
WM Pool - Equities Trust No. 47	146,805	0.77	17,205,159	2,140,579
WM Pool - Equities Trust No. 59	125,030	1.04	13,103,801	423,480
WM Pool - Equities Trust No. 73	66,557	1.20	6,749,306	88,288
WM Pool - Fixed Interest Trust No. 5	44,516	0.16	4,935,341	142,285
WM Pool - Fixed Interest Trust No. 24	108,183	0.81	10,943,165	40,690
WM Pool - Global Properties Trust	65,429	0.60	7,577,999	236
WM Sector - Global Equities (Hedged) Trust	105,865	1.05	11,055,940	291,430
WM Sector - Global Equities (Unhedged) Trust	146,807	0.30	18,915,741	1,630,310
WM Pool - Inflation Linked Securities Trust	5,721,569	0.31	6,690,030	151,395
WM Pool - LTAR Part 1 NS Trust	126,899	1.82	10,847,075	656,272
WM Pool - Fixed Interest Trust No. 23	-	-	-	121,051
MasterKey Unit Trust Balanced Portfolio	984,353,344	74.91	1,430,997,767	36,117,719
LCS Trust Class A	3,891,507	0.46	4,498,196	-
	<u>1,004,444,454</u>		<u>1,630,677,040</u>	<u>45,844,949</u>

**Horizon 3 Conservative Growth Portfolio**

**2018**

MasterKey Unit Trust Conservative Growth Portfolio	<b>857,791,617</b>	<b>86.35</b>	<b>897,960,283</b>	<b>39,460,474</b>
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**2017**

MasterKey Unit Trust Conservative Growth Portfolio	857,089,112	85.96	887,486,634	19,620,841
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**Income Builder**

**2018**

MasterKey Unit Trust Incomebuilder	<b>216,223,712</b>	<b>23.52</b>	<b>523,964,326</b>	<b>27,302,016</b>
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**2017**

MasterKey Unit Trust Incomebuilder	212,451,666	22.12	530,288,069	36,343,491
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**Inflation Plus - Moderate Portfolio**

**2018**

WM Pool - Equities Trust No. 59	<b>5,858,460</b>	<b>49.75</b>	<b>620,942,352</b>	<b>20,437,463</b>
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**2017**

WM Pool - Equities Trust No. 59	5,038,332	42.00	528,044,156	17,202,732
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**Horizon 5 Growth Portfolio**

**2018**

MasterKey Unit Trust Growth Portfolio	<b>323,422,874</b>	<b>77.01</b>	<b>453,222,823</b>	<b>3,701,264</b>
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**2017**

MasterKey Unit Trust Growth Portfolio	319,083,203	73.72	412,932,912	11,105,267
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**Horizon 2 Income Portfolio**

**2018**

Antares Enhanced Cash Trust	<b>51,749,307</b>	<b>0.67</b>	<b>52,997,449</b>	<b>1,643,213</b>
WM Sector - Diversified Debt (All) Trust	<b>78,345</b>	<b>0.21</b>	<b>7,811,524</b>	<b>366,146</b>
WM Sector - Diversified Debt (Short) Trust	<b>1,374,112</b>	<b>2.21</b>	<b>138,941,008</b>	<b>2,423,113</b>
WM Pool - Equities Trust No. 58	<b>409,549</b>	<b>6.99</b>	<b>43,217,727</b>	<b>867,098</b>
WM Pool - Equities Trust No. 73	<b>39,212</b>	<b>0.69</b>	<b>3,975,646</b>	<b>83,463</b>
WM Pool - Fixed Interest Trust No. 5	<b>116,152</b>	<b>0.40</b>	<b>12,843,842</b>	<b>535,093</b>
WM Pool - Fixed Interest Trust No. 17	-	-	-	306,478
WM Pool - Global Properties Trust	<b>146,890</b>	<b>1.23</b>	<b>17,375,989</b>	<b>873,038</b>
WM Sector - Global Equities (Hedged) Trust	<b>33,348</b>	<b>0.39</b>	<b>3,904,909</b>	<b>10</b>
WM Sector - Global Equities (Unhedged) Trust	<b>185,498</b>	<b>0.32</b>	<b>21,426,732</b>	<b>4,731,399</b>
WM Pool - Fixed Interest Trust No. 23	-	-	-	-
WM Sector - Property Securities Trust	<b>108,978</b>	<b>1.29</b>	<b>8,998,151</b>	<b>363,130</b>
MasterKey Unit Trust Incomebuilder	<b>25,903,470</b>	<b>2.82</b>	<b>62,770,609</b>	<b>3,411,627</b>
WM Pool - Inflation Linked Securities Trust	<b>8,880,769</b>	<b>0.61</b>	<b>10,442,959</b>	<b>491,366</b>
WM Pool - Fixed Interest Trust No. 24	<b>259,097</b>	<b>1.81</b>	<b>26,533,453</b>	<b>336,605</b>
	<u><b>89,284,727</b></u>		<u><b>411,239,998</b></u>	<u><b>16,431,779</b></u>

**NOTE 8 - RELATED PARTIES (continued)**

**(h) Related party investments (continued)**

MLC Investments Limited and its related parties	Number of unit/shares held	Interest held in the Scheme/Entity	Fair value of investment	Distributions/ Dividends received
		%	\$	\$
<b>Horizon 2 Income Portfolio (continued)</b>				
<b>2017</b>				
Antares Enhanced Cash Trust	44,860,068	0.56	46,476,960	709,855
WM Sector - Diversified Debt (All) Trust	75,395	0.19	7,653,865	381,433
WM Sector - Diversified Debt (Short) Trust	1,236,025	2.23	124,855,438	4,662,451
WM Pool - Equities Trust No. 58	195,614	3.33	20,449,484	503,640
WM Pool - Equities Trust No. 73	38,383	0.69	3,892,328	64,852
WM Pool - Fixed Interest Trust No. 5	108,764	0.40	12,058,358	386,039
WM Pool - Fixed Interest Trust No. 17	195,478	1.90	20,040,196	607,550
WM Pool - Global Properties Trust	141,754	1.29	16,418,027	439
WM Sector - Global Equities (Hedged) Trust	41,877	0.42	4,373,383	76,306
WM Sector - Global Equities (Unhedged) Trust	163,139	0.33	21,020,087	1,302,055
WM Pool - Fixed Interest Trust No. 23	-	-	-	610,272
WM Sector - Property Securities Trust	101,770	1.06	7,808,695	391,333
MasterKey Unit Trust Incomebuilder	26,858,742	2.80	67,040,521	4,414,538
WM Pool - Inflation Linked Securities Trust	21,007,852	1.14	24,563,746	619,214
WM Pool - Fixed Interest Trust No. 24	198,934	1.50	20,123,016	77,193
	<u>95,223,795</u>		<u>396,774,104</u>	<u>14,807,170</u>
<b>Inflation Plus - Conservative Portfolio</b>				
<b>2018</b>				
WM Pool - Equities Trust No. 58	<u>3,078,531</u>	<b>52.55</b>	<u>324,862,659</u>	<u>8,561,874</u>
<b>2017</b>				
WM Pool - Equities Trust No. 58	<u>3,202,416</u>	54.54	<u>334,780,045</u>	<u>8,367,464</u>
<b>Horizon 6 Share Portfolio</b>				
<b>2018</b>				
WM Pool - Australian Equities Trust No. 2	<b>36,853</b>	<b>0.04</b>	<b>2,687,428</b>	<b>293,032</b>
WM Sector - Australian Equities Trust	<b>55,525</b>	<b>0.13</b>	<b>6,586,135</b>	<b>226,967</b>
WM Pool - Equities Trust No. 47	<b>34,727</b>	<b>0.16</b>	<b>3,601,316</b>	<b>587,585</b>
WM Pool - Global Properties Trust	<b>5,098</b>	<b>0.04</b>	<b>602,998</b>	<b>42,334</b>
WM Sector - Global Equities (Hedged) Trust	<b>33,555</b>	<b>0.40</b>	<b>3,929,168</b>	<b>10</b>
WM Sector - Global Equities (Unhedged) Trust	<b>55,434</b>	<b>0.10</b>	<b>6,403,160</b>	<b>1,413,930</b>
WM Pool - LTAR Part 1 NS Trust	<b>35,565</b>	<b>0.48</b>	<b>3,161,444</b>	<b>66,001</b>
MasterKey Unit Trust Share Portfolio	<b>204,734,850</b>	<b>72.17</b>	<b>228,130,515</b>	<b>9,019,041</b>
LCS Trust Class A	<u>313,110</u>	<b>0.04</b>	<u>368,908</u>	<u>-</u>
	<u>205,304,717</u>		<u>255,471,072</u>	<u>11,648,900</u>
<b>2017</b>				
WM Pool - Australian Equities Trust No. 2	28,431	0.03	2,072,343	68,028
WM Sector - Australian Equities Trust	46,543	0.10	5,022,087	366,332
WM Pool - Equities Trust No. 47	590	-	69,110	167,598
WM Pool - Global Properties Trust	2,558	0.02	296,238	8
WM Sector - Global Equities (Hedged) Trust	1,773	0.02	185,132	48,223
WM Sector - Global Equities (Unhedged) Trust	19,733	0.04	2,542,525	273,427
WM Pool - LTAR Part 1 NS Trust	12,669	0.18	1,082,946	131,625
MasterKey Unit Trust Share Portfolio	196,493,270	69.49	204,940,712	6,269,439
LCS Trust Class A	<u>313,110</u>	0.03	<u>361,924</u>	<u>-</u>
	<u>196,918,677</u>		<u>216,573,017</u>	<u>7,324,680</u>
<b>Property Securities Fund</b>				
<b>2018</b>				
WM Sector - Property Securities Trust	<u>1,520,240</u>	<b>18.06</b>	<u>125,523,996</u>	<u>5,724,067</u>
<b>2017</b>				
WM Sector - Property Securities Trust	<u>1,781,508</u>	18.62	<u>136,692,836</u>	<u>7,408,555</u>

**NOTE 8 - RELATED PARTIES (continued)**

**(h) Related party investments (continued)**

MLC Investments Limited and its related parties	Number of unit/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends received \$
<b>Global Share Fund</b>				
<b>2018</b>				
WM Sector - Global Equities (Unhedged) Trust	<u>986,738</u>	<u>1.70</u>	<u>113,977,519</u>	<u>29,930,941</u>
<b>2017</b>				
WM Sector - Global Equities (Unhedged) Trust	<u>934,890</u>	<u>1.91</u>	<u>120,458,533</u>	<u>7,932,868</u>
<b>Australian Share Fund</b>				
<b>2018</b>				
WM Pool - Equities Trust No. 41	<u>1,332,607</u>	<u>10.87</u>	<u>143,974,241</u>	<u>14,743,423</u>
<b>2017</b>				
WM Pool - Equities Trust No. 41	<u>1,344,010</u>	<u>10.90</u>	<u>139,909,688</u>	<u>18,005,904</u>
<b>Platinum Global Fund</b>				
<b>2018</b>				
MasterKey Unit Trust MLC-Platinum Global Fund	<u>35,926,414</u>	<u>7.52</u>	<u>72,887,796</u>	<u>9,399,850</u>
<b>2017</b>				
MasterKey Unit Trust MLC-Platinum Global Fund	<u>43,762,509</u>	<u>9.07</u>	<u>87,366,510</u>	<u>4,594,560</u>
<b>Horizon 1 Bond Portfolio</b>				
<b>2018</b>				
Antares Enhanced Cash Trust	<u>14,849,452</u>	<u>0.19</u>	<u>15,207,606</u>	<u>539,807</u>
WM Pool - Fixed Interest Trust No. 5	<u>40,102</u>	<u>0.14</u>	<u>4,434,409</u>	<u>222,053</u>
WM Pool - Fixed Interest Trust No. 17	<u>61,124</u>	<u>0.58</u>	<u>6,282,244</u>	<u>166,206</u>
WM Pool - Fixed Interest Trust No. 22	<u>33,317</u>	<u>0.21</u>	<u>3,182,073</u>	<u>69,890</u>
WM Sector - Diversified Debt (Short) Trust	<u>323,381</u>	<u>0.52</u>	<u>32,698,088</u>	<u>608,416</u>
	<u>15,307,376</u>		<u>61,804,420</u>	<u>1,606,372</u>
<b>2017</b>				
Antares Enhanced Cash Trust	<u>18,008,274</u>	<u>0.22</u>	<u>18,657,347</u>	<u>332,043</u>
WM Pool - Fixed Interest Trust No. 5	<u>51,551</u>	<u>0.19</u>	<u>5,715,274</u>	<u>187,411</u>
WM Pool - Fixed Interest Trust No. 17	<u>75,865</u>	<u>0.74</u>	<u>7,777,568</u>	<u>251,512</u>
WM Pool - Fixed Interest Trust No. 22	<u>46,513</u>	<u>0.32</u>	<u>4,527,695</u>	<u>81,653</u>
WM Sector - Diversified Debt (Short) Trust	<u>398,886</u>	<u>0.72</u>	<u>40,292,994</u>	<u>1,527,017</u>
	<u>18,581,089</u>		<u>76,970,878</u>	<u>2,379,636</u>
<b>Australian Share Index Fund</b>				
<b>2018</b>				
WM Pool - Equities Trust No. 30	<u>66,637,883</u>	<u>6.14</u>	<u>78,092,268</u>	<u>6,202,300</u>
<b>2017</b>				
WM Pool - Equities Trust No. 30	<u>63,083,326</u>	<u>5.78</u>	<u>71,055,482</u>	<u>5,147,934</u>
<b>Horizon 7 Accelerated Growth Portfolio</b>				
<b>2018</b>				
MLC Horizon 7 Trust	<u>36,949,993</u>	<u>5.76</u>	<u>51,935,912</u>	<u>1,118,948</u>
WM Pool - LTAR Part 1 NS Trust	<u>36,017</u>	<u>0.48</u>	<u>3,201,639</u>	<u>94,068</u>
WM Sector - Global Equities (Hedged) Trust	<u>73,991</u>	<u>0.87</u>	<u>8,663,998</u>	<u>22</u>
	<u>37,060,001</u>		<u>63,801,549</u>	<u>1,213,038</u>
<b>2017</b>				
MLC Horizon 7 Trust	<u>29,896,293</u>	<u>4.84</u>	<u>36,359,961</u>	<u>1,877,163</u>
WM Pool - LTAR Part 1 NS Trust	<u>22,912</u>	<u>0.33</u>	<u>1,958,490</u>	<u>128,634</u>
WM Sector - Global Equities (Hedged) Trust	<u>61,605</u>	<u>0.61</u>	<u>6,433,661</u>	<u>112,253</u>
	<u>29,980,810</u>		<u>44,752,112</u>	<u>2,118,050</u>

**NOTE 8 - RELATED PARTIES (continued)**

**(h) Related party investments (continued)**

**MLC Investments Limited and its related parties**

	Number of unit/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends received \$
<b>Index Plus - Conservative Growth Portfolio</b>				
<b>2018</b>				
WM Pool - Australian Equities Trust No.2	107,951	0.12	7,872,049	568,073
Antares Enhanced Cash Trust	5,269,084	0.07	5,396,169	88,829
WM Sector - Diversified Debt (All) Trust	28,519	0.08	2,843,500	75,325
WM Sector - Diversified Debt (Short) Trust	107,925	0.17	10,912,654	135,028
WM Pool - Equities Trust No. 60	29,810	1.63	3,071,753	82,172
WM Pool - Equities Trust No.65	28,050	0.87	3,698,171	62,311
WM Pool - Equities Trust No. 73	4,753	0.08	481,855	4,479
WM Pool - Equities Trust No.74	48,295	0.61	6,853,828	158,551
WM Pool - Fixed Interest Trust No. 24	23,309	0.16	2,386,999	18,810
WM Pool - Inflation Linked Securities Trust	1,193,995	0.08	1,404,027	19,894
	<b>6,841,691</b>		<b>44,921,005</b>	<b>1,213,472</b>
<b>2017</b>				
WM Pool - Australian Equities Trust No.2	-	-	-	-
Antares Enhanced Cash Trust	-	-	-	-
WM Sector - Diversified Debt (All) Trust	-	-	-	-
WM Sector - Diversified Debt (Short) Trust	-	-	-	-
WM Pool - Equities Trust No. 60	-	-	-	-
WM Pool - Equities Trust No.65	-	-	-	-
WM Pool - Equities Trust No. 73	-	-	-	-
WM Pool - Equities Trust No.74	-	-	-	-
WM Pool - Fixed Interest Trust No. 24	-	-	-	-
WM Pool - Inflation Linked Securities Trust	-	-	-	-
	-	-	-	-
<b>Index Plus - Balanced Portfolio</b>				
<b>2018</b>				
WM Pool - Australian Equities Trust No.2	268,548	0.31	19,583,170	1,340,542
Antares Enhanced Cash Trust	7,390,202	0.10	7,568,446	120,725
WM Sector - Diversified Debt (All) Trust	50,445	0.14	5,029,642	120,000
WM Sector - Diversified Debt (Short) Trust	16,403	0.03	1,658,537	20,334
WM Pool - Equities Trust No. 60	41,132	2.25	4,238,509	112,250
WM Pool - Equities Trust No.65	75,840	2.36	9,998,920	156,589
WM Pool - Equities Trust No. 73	21,024	0.37	2,131,602	18,793
WM Pool - Equities Trust No.74	94,902	1.19	13,468,283	306,948
WM Pool - Fixed Interest Trust No. 24	33,369	0.23	3,417,278	26,113
WM Pool - Inflation Linked Securities Trust	1,183,750	0.08	1,391,980	17,374
	<b>9,175,615</b>		<b>68,486,367</b>	<b>2,239,668</b>
<b>2017</b>				
WM Pool - Australian Equities Trust No.2	-	-	-	-
Antares Enhanced Cash Trust	-	-	-	-
WM Sector - Diversified Debt (All) Trust	-	-	-	-
WM Sector - Diversified Debt (Short) Trust	-	-	-	-
WM Pool - Equities Trust No. 60	-	-	-	-
WM Pool - Equities Trust No.65	-	-	-	-
WM Pool - Equities Trust No. 73	-	-	-	-
WM Pool - Equities Trust No.74	-	-	-	-
WM Pool - Fixed Interest Trust No. 24	-	-	-	-
WM Pool - Inflation Linked Securities Trust	-	-	-	-
	-	-	-	-
<b>Index Plus - Growth Portfolio</b>				
<b>2018</b>				
WM Pool - Australian Equities Trust No.2	97,271	0.11	7,093,242	536,056
Antares Enhanced Cash Trust	1,574,881	0.02	1,612,866	27,595
WM Sector - Diversified Debt (All) Trust	6,556	0.02	653,627	19,625
WM Sector - Diversified Debt (Short) Trust	2,277	-	230,209	3,120
WM Pool - Equities Trust No. 60	12,839	0.70	1,323,033	28,895
WM Pool - Equities Trust No.65	25,757	0.80	3,395,911	56,908
WM Pool - Equities Trust No. 73	4,932	0.09	500,079	5,806
WM Pool - Equities Trust No.74	39,540	0.50	5,611,450	117,417
WM Pool - Fixed Interest Trust No. 24	6,375	0.04	652,863	6,433
WM Pool - Inflation Linked Securities Trust	426,402	0.03	501,409	7,309
	<b>2,196,830</b>		<b>21,574,689</b>	<b>809,164</b>

**NOTE 8 - RELATED PARTIES (continued)**

**(h) Related party investments (continued)**

MLC Investments Limited and its related parties	Number of unit/shares held	Interest held in the Scheme/Entity	Fair value of investment	Distributions/ Dividends received
		%	\$	\$
<b>Index Plus - Growth Portfolio (continued)</b>				
<b>2017</b>				
WM Pool - Australian Equities Trust No.2	-	-	-	-
Antares Enhanced Cash Trust	-	-	-	-
WM Sector - Diversified Debt (All) Trust	-	-	-	-
WM Sector - Diversified Debt (Short) Trust	-	-	-	-
WM Pool - Equities Trust No. 60	-	-	-	-
WM Pool - Equities Trust No.65	-	-	-	-
WM Pool - Equities Trust No. 73	-	-	-	-
WM Pool - Equities Trust No.74	-	-	-	-
WM Pool - Fixed Interest Trust No. 24	-	-	-	-
WM Pool - Inflation Linked Securities Trust	-	-	-	-
	-		-	-
<b>Inflation Plus Assertive Portfolio</b>				
<b>2018</b>				
WM Pool - LTAR Part 1 NS Trust	<u>4,838,044</u>	<b>65.06</b>	<u>430,065,657</u>	<u>11,839,319</u>
<b>2017</b>				
WM Pool - LTAR Part 1 NS Trust	<u>4,538,922</u>	65.10	<u>387,977,468</u>	<u>24,222,034</u>
<b>Diversified Debt Fund</b>				
<b>2018</b>				
WM Sector - Diversified Debt (All) Trust	<u>1,367,482</u>	<b>3.74</b>	<u>136,346,720</u>	<u>6,902,328</u>
WM Pool - Fixed Interest Trust No. 5	<u>67,279</u>	<b>0.23</b>	<u>7,439,555</u>	<u>405,091</u>
	<u>1,434,761</u>		<u>143,786,275</u>	<u>7,307,419</u>
<b>2017</b>				
WM Pool - Diversified Debt (All) Trust	<u>1,773,266</u>	4.53	<u>180,016,279</u>	<u>8,541,423</u>
WM Pool Fixed Interest Trust No. 5	<u>89,135</u>	0.33	<u>9,882,108</u>	<u>318,299</u>
	<u>1,862,401</u>		<u>189,898,387</u>	<u>8,859,722</u>
<b>Global Property Fund</b>				
<b>2018</b>				
WM Pool - Global Properties Trust	<u>559,474</u>	<b>4.67</b>	<u>66,181,626</u>	<u>3,246,144</u>
<b>2017</b>				
WM Pool - Global Properties Trust	<u>617,591</u>	5.64	<u>71,529,798</u>	<u>1,951</u>
<b>Hedged Global Share Fund</b>				
<b>2018</b>				
WM Sector - Global Equities (Hedged) Trust	<u>268,391</u>	<b>3.16</b>	<u>31,427,127</u>	<u>81</u>
<b>2017</b>				
WM Sector - Global Equities (Hedged) Trust	<u>294,141</u>	2.93	<u>30,718,408</u>	<u>563,688</u>

**(i) Unitholder investing activities**

Details of holdings in the Schemes by MLC Investments Limited and its related parties or other Schemes managed by MLC Investments Limited and its related parties are set out below:

MLC Investments Limited and its related parties	Number of units/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends paid \$
<b>Horizon 4 Balanced Portfolio</b>				
<b>2018</b>				
Masterkey Investment Services	311,418,092	21.49	372,835,054	6,678,977
MLC Limited	247,490,136	17.08	296,299,415	5,559,702
MLC Navigator Investment Platform	639,375,320	44.13	765,471,045	13,360,125
MLC Super Fund	-	-	-	-
<b>2017</b>				
Masterkey Investment Services	270,109,538	18.65	302,473,240	10,353,299
MLC Limited	262,847,011	18.15	294,340,540	10,328,799
MLC Navigator Investment Platform	525,534,282	36.28	588,502,200	20,296,452
MLC Super Fund	118,985,656	8.21	133,242,155	4,662,281
<b>Horizon 3 Conservative Growth Portfolio</b>				
<b>2018</b>				
Masterkey Investment Services	269,667,517	33.80	304,626,291	11,628,453
MLC Limited	42,575,237	5.34	48,094,545	1,880,698
MLC Navigator Investment Platform	423,807,111	53.12	478,748,015	18,170,016
MLC Super Fund	-	-	-	-
<b>2017</b>				
Masterkey Investment Services	227,213,532	28.25	250,016,890	7,679,700
MLC Limited	46,076,046	5.73	50,700,280	1,603,766
MLC Navigator Investment Platform	365,421,210	45.43	402,095,217	12,384,255
MLC Super Fund	112,954,202	14.04	124,290,390	3,911,224
<b>Income Builder</b>				
<b>2018</b>				
Masterkey Investment Services	163,872,622	52.52	277,024,453	16,435,299
MLC Investments Ltd	3,452,010	1.11	5,835,576	344,422
MLC Navigator Investment Platform	116,077,113	37.20	196,226,791	11,635,214
<b>2017</b>				
Masterkey Investment Services	163,514,664	53.06	283,014,982	21,922,101
MLC Investments Ltd	3,544,873	1.15	6,135,548	474,741
MLC Navigator Investment Platform	114,115,784	37.03	197,514,252	15,231,448
<b>Inflation Plus - Moderate Portfolio</b>				
<b>2018</b>				
Masterkey Investment Services	78,016,706	13.48	84,085,571	2,333,302
MLC Investments Ltd	117	-	126	3
MLC Navigator Investment Platform	452,816,604	78.27	488,040,889	13,418,911
<b>2017</b>				
Masterkey Investment Services	73,443,503	14.71	78,110,049	2,159,239
MLC Investments Ltd	113	-	120	3
MLC Navigator Investment Platform	383,047,646	76.70	407,386,211	11,261,601
<b>Horizon 5 Growth Portfolio</b>				
<b>2018</b>				
Masterkey Investment Services	85,329,688	22.74	103,399,432	1,780,809
MLC Limited	3,806,549	1.01	4,612,639	82,873
MLC Navigator Investment Platform	191,018,036	50.91	231,468,752	3,844,408
<b>2017</b>				
Masterkey Investment Services	81,732,816	22.10	91,480,277	3,269,144
MLC Limited	4,140,622	1.12	4,634,433	167,160
MLC Navigator Investment Platform	160,671,899	43.44	179,833,641	6,357,706

**NOTE 8 - RELATED PARTIES (continued)**

**(i) Unitholder investing activities (continued)**

MLC Investments Limited and its related parties	Number of units/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends paid \$
<b>Horizon 2 Income Portfolio</b>				
<b>2018</b>				
Masterkey Investment Services	164,480,845	40.73	170,466,742	6,049,612
MLC Investments Ltd	3,425	-	3,550	124
MLC Limited	37,443,460	9.27	38,806,128	1,392,884
MLC Navigator Investment Platform	161,154,213	39.90	167,019,046	5,808,922
<b>2017</b>				
Masterkey Investment Services	158,358,313	41.62	164,838,207	5,564,199
MLC Investment Trusts	3,308	-	3,443	117
MLC Limited	40,861,149	10.74	42,533,154	1,480,452
MLC Navigator Investment Platform	144,664,794	38.03	150,584,361	5,134,467
<b>Inflation Plus - Conservative Portfolio</b>				
<b>2018</b>				
Masterkey Investment Services	55,849,482	18.44	59,863,039	1,184,786
MLC Investments Ltd	113	-	121	2
MLC Navigator Investment Platform	234,354,197	77.36	251,195,783	4,956,221
<b>2017</b>				
Masterkey Investment Services	60,120,942	19.00	63,671,002	1,328,673
MLC Investment Trusts	110	-	116	2
MLC Navigator Investment Platform	237,048,963	74.92	251,046,381	5,238,782
<b>Horizon 6 Share Portfolio</b>				
<b>2018</b>				
Masterkey Investment Services	67,737,536	32.24	82,760,143	1,354,751
MLC Limited	25,908,256	12.33	31,654,104	518,165
MLC Navigator Investment Platform	95,931,813	45.66	117,207,253	1,918,636
<b>2017</b>				
Masterkey Investment Services	65,410,784	33.36	72,273,795	2,976,191
MLC Limited	27,388,933	13.97	30,262,626	1,246,196
MLC Navigator Investment Platform	86,499,884	44.12	95,575,599	3,935,745
<b>Property Securities Fund</b>				
<b>2018</b>				
Masterkey Investment Services	27,140,893	14.99	18,764,252	756,367
MLC Limited	24,886,131	13.74	17,205,389	684,094
MLC Navigator Investment Platform	81,714,858	45.13	56,494,759	2,392,694
<b>2017</b>				
Masterkey Investment Services	27,643,282	13.05	17,752,436	900,479
MLC Limited	25,112,633	11.86	16,127,260	832,748
MLC Navigator Investment Platform	98,497,320	46.52	63,254,693	3,232,045
<b>Global Share Fund</b>				
<b>2018</b>				
Masterkey Investment Services	20,574,900	14.21	20,465,274	4,077,945
MLC Limited	7,797,430	5.39	7,755,884	1,545,450
MLC Navigator Investment Platform	67,424,638	46.57	67,065,389	13,363,564
<b>2017</b>				
Masterkey Investment Services	16,884,601	14.44	17,324,829	650,057
MLC Limited	8,012,581	6.85	8,221,492	308,484
MLC Navigator Investment Platform	73,703,107	63.03	75,624,752	2,837,570

**NOTE 8 - RELATED PARTIES (continued)**

**(i) Unitholder investing activities (Continued)**

MLC Investments Limited and its related parties	Number of units/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends paid \$
<b>Australian Share Fund</b>				
<b>2018</b>				
Masterkey Investment Services	27,507,844	19.93	27,624,496	2,771,118
MLC Limited	79,849,837	57.86	80,188,455	8,061,677
MLC Navigator Investment Platform	28,819,848	20.88	28,942,063	2,908,222
<b>2017</b>				
Masterkey Investment Services	26,553,550	19.25	25,589,952	3,093,845
MLC Limited	78,058,811	56.58	75,226,145	9,140,951
MLC Navigator Investment Platform	31,443,197	22.79	30,302,159	3,667,757
<b>Platinum Global Fund</b>				
<b>2018</b>				
Masterkey Investment Services	1,246,415	1.98	1,372,687	327,433
MLC Navigator Investment Platform	28,655,259	45.50	31,558,286	7,527,737
<b>2017</b>				
Masterkey Investment Services	1,319,439	1.81	1,571,804	85,368
MLC Navigator Investment Platform	32,226,011	44.30	38,389,788	2,085,023
<b>Horizon 1 Bond Portfolio</b>				
<b>2018</b>				
Masterkey Investment Services	16,081,929	26.16	16,248,203	392,613
MLC Investments Ltd	3,180	0.01	3,213	68
MLC Limited	6,008,939	9.78	6,071,066	130,778
MLC Navigator Investment Platform	38,789,987	63.10	39,191,043	881,511
<b>2017</b>				
Masterkey Investment Services	22,278,395	29.39	22,599,746	706,380
MLC Investment Trusts	3,082	0.01	3,127	97
MLC Limited	6,033,706	7.96	6,120,738	195,353
MLC Navigator Investment Platform	46,129,269	60.86	46,794,653	1,511,627
<b>Australian Share Index Fund</b>				
<b>2018</b>				
Masterkey Investment Services	49,302,759	86.18	67,253,736	5,264,604
MLC Investments Ltd	133	-	181	14
MLC Limited	7,479,446	13.08	10,202,688	809,104
MLC Navigator Investment Platform	426,212	0.75	581,395	41,511
<b>2017</b>				
Masterkey Investment Services	46,597,049	86.02	61,069,199	4,236,784
MLC Investments Ltd	124	-	163	11
MLC Limited	7,521,790	13.89	9,857,914	702,793
MLC Navigator Investment Platform	51,266	0.09	67,188	4,586
<b>Horizon 7 Accelerated Growth Portfolio</b>				
<b>2018</b>				
Masterkey Investment Services	12,362,602	29.96	19,382,402	194,093
MLC Navigator Investment Platform	23,974,753	58.11	37,588,228	376,404
<b>2017</b>				
Masterkey Investment Services	11,274,127	34.11	15,405,458	614,440
MLC Navigator Investment Platform	17,061,601	51.62	23,313,713	929,857
<b>Index Plus - Conservative Growth Portfolio</b>				
<b>2018</b>				
MLC Navigator Investment Platform	33,268,103	73.79	34,434,614	857,938
MLC Super Fund	10,383,381	23.03	10,747,463	318,265
<b>2017</b>				
MLC Investments Ltd	-	-	-	-
MLC Navigator Investment Platform	-	-	-	-

**NOTE 8 - RELATED PARTIES (continued)**

**(i) Unitholder investing activities (Continued)**

MLC Investments Limited and its related parties	Number of units/shares held	Interest held in the Scheme/Entity %	Fair value of investment \$	Distributions/ Dividends paid \$
<b>Index Plus - Balanced Portfolio</b>				
<b>2018</b>				
MLC Navigator Investment Platform	57,247,457	83.10	59,937,039	1,765,825
MLC Super Fund	10,504,850	15.25	10,998,385	379,511
<b>2017</b>				
MLC Investments Ltd	-	-	-	-
MLC Navigator Investment Platform	-	-	-	-
<b>Index Plus - Growth Portfolio</b>				
<b>2018</b>				
MLC Navigator Investment Platform	10,449,814	48.97	10,894,450	360,329
MLC Super Fund	10,489,565	49.15	10,935,892	416,751
<b>2017</b>				
MLC Navigator Investment Platform	-	-	-	-
MLC Super Fund	-	-	-	-
<b>Inflation Plus Assertive Portfolio</b>				
<b>2018</b>				
Masterkey Investment Services	42,443,851	9.29	40,039,299	579,443
MLC Navigator Investment Platform	345,161,619	75.50	325,607,334	5,142,909
P.K Gupta	578,439	0.13	545,669	8,619
<b>2017</b>				
Masterkey Investment Services	43,146,386	9.99	38,901,403	1,982,216
MLC Navigator Investment Platform	326,573,281	75.61	294,443,175	15,381,602
P K Gupta	578,439	0.13	521,529	27,244
<b>Diversified Debt Fund</b>				
<b>2018</b>				
Masterkey Investment Services	22,392,717	15.46	22,273,404	941,096
MLC Investments Ltd	163	-	162	6
MLC Navigator Investment Platform	113,635,532	78.48	113,030,063	5,288,234
<b>2017</b>				
Masterkey Investment Services	26,465,462	14.05	26,790,946	1,096,041
MLC Investment Trusts	156	-	157	7
MLC Navigator Investment Platform	149,153,085	79.16	150,987,437	6,525,521
<b>Global Property Fund</b>				
<b>2018</b>				
Masterkey Investment Services	15,779,788	4.54	11,756,771	6,706
MLC Investments Ltd	201	-	150	-
MLC Navigator Investment Platform	62,172,491	68.43	46,321,771	24,869
<b>2017</b>				
Masterkey Investment Services	16,707,094	16.19	11,641,861	-
MLC Investments Ltd	201	-	140	-
MLC Navigator Investment Platform	74,385,104	72.08	51,833,134	-
<b>Hedged Global Share Fund</b>				
<b>2018</b>				
Masterkey Investment Services	8,313,976	27.72	8,791,085	798
MLC Investments Ltd	170	-	180	-
MLC Navigator Investment Platform	19,793,824	66.00	20,929,720	1,900
<b>2017</b>				
MasterKey Investment Services	7,432,897	22.71	7,044,211	7,085,076
MLC Investments Ltd	167	-	158	162
MLC Navigator Investment Platform	20,658,042	63.12	19,577,777	20,051,935

## **NOTE 9 - INVESTMENT IN CONTROLLED ENTITIES**

The Schemes meet the definition of an investment entity. Therefore they do not consolidate their underlying controlled entities.

The ownership and investment interest for the Schemes' underlying controlled entities are detailed in Note 8(h). The principal place of business of the Responsible Entity is the MLC Building, 105-153 Miller St, North Sydney NSW 2060.

### *Restrictions*

The Schemes receive income in the form of distributions and interest from their investments in unconsolidated controlled entities, and there are no significant restrictions on the transfer of funds from these entities to the Schemes.

### *Support*

The Schemes did not provide any support during the year (2017: nil) to their underlying controlled entities. The Schemes have no contractual commitments or current intentions to provide any other financial or other support to their unconsolidated controlled entities.

## **NOTE 10 - FINANCIAL RISK MANAGEMENT**

### **(a) Financial Risk Management**

The Schemes' activities expose them to a variety of financial risks: credit risk, market risk (including currency risk, interest rate risk, equity and other price risk), liquidity and cash flow risk. The Schemes' overall risk management programme is aligned to the investment strategy of each Scheme as detailed in their Constitution and Product Disclosure Statement. It focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Schemes' financial performance. The Responsible Entity monitors the risk management framework, which is performed internally and reported on a quarterly basis. Certain Schemes may invest in underlying managed investment schemes that use derivative financial instruments to moderate certain risk exposures.

### **(b) Credit Risk**

The Schemes take on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

There was no significant direct credit risk in the Schemes as at 30 June 2018 (2017: Nil).

### **(c) Market Risk**

#### **(i) Currency Risk**

Currency risk is the risk that the fair value of future cash flows of the financial instrument will fluctuate due to changes in foreign exchange rates.

There was no significant foreign exchange risk in the Schemes as at 30 June 2018 (2017: Nil).

#### **(ii) Interest Rate Risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

There was no significant direct interest risk in the Schemes as at 30 June 2018 (2017: Nil).

#### **(iii) Equity and Other Price Risk**

Equity and other price risk is the risk that the fair value of equities and unit prices decrease as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market.

To mitigate the impact of equity and other price risk, the investment process ensures there is diversification of equity exposures within the Schemes.

Changes in price as disclosed in this note are based on an analysis of the yearly change in relevant market indices over the last 10 years. These represent what is considered to be a reasonably possible change rather than extreme fluctuations that may occur from time to time. As such, actual future market movement may differ.

The effect on the Statements of Profit or Loss and Other Comprehensive Income due to reasonably possible changes in market factors, as represented by the equity indices, with all other variables held constant are indicated in the following tables:

### **Horizon 4 Balanced Portfolio**

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to		%		attributable to	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	101,570	(62,877)	21%	-15%	114,136	(81,526)
International Equities Funds	25%	-11%	120,917	(52,168)	25%	-14%	127,111	(71,182)
Property Equities Funds	29%	-14%	20,038	(9,673)	29%	-26%	20,382	(18,273)
Fixed Interest Funds	11%	-11%	76,005	(76,005)	11%	-11%	27,068	(27,068)
Total			318,530	(200,723)			288,697	(198,049)

### **Horizon 3 Conservative Growth Fund**

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to		%		attributable to	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	34,886	(21,596)	21%	-15%	41,636	(29,740)
International Equities Funds	25%	-11%	48,265	(20,294)	25%	-14%	93,342	(52,271)
Property Equities Funds	29%	-14%	7,812	(3,771)	29%	-26%	8,236	(7,384)
Fixed Interest Funds	11%	-11%	56,302	(56,302)	11%	-11%	31,620	(31,620)
Total			147,265	(101,963)			174,834	(121,015)

NOTE 10 - FINANCIAL RISK MANAGEMENT (continued)

(c) Market Risk (continued)

(iii) Equity and other price risk (continued)

IncomeBuilder Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	110,032	(68,115)	21%	-15%	109,133	(77,952)
Fixed Interest Funds	11%	-11%	-	-	11%	-11%	1,167	(1,167)
Total			110,032	(68,115)			110,300	(79,119)

Inflation Plus - Moderate Portfolio

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	5,216	(3,229)	21%	-15%	7,813	(5,581)
International Equities Funds	25%	-11%	50,452	(16,144)	25%	-14%	109,853	(61,518)
Fixed Interest Funds	11%	-11%	43,543	(43,543)	11%	-11%	5,808	(5,808)
Total			99,211	(62,916)			123,474	(72,907)

Horizon 5 Growth Portfolio

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	30,457	(18,854)	21%	-15%	33,568	(23,977)
International Equities Funds	25%	-11%	40,223	(16,814)	25%	-14%	49,944	(27,969)
Property Equities Funds	29%	-14%	5,257	(2,538)	29%	-26%	5,161	(4,627)
Fixed Interest Funds	11%	-11%	14,209	(14,209)	11%	-11%	1,958	(1,958)
Total			90,146	(52,415)			90,631	(58,531)

Horizon 2 Income Portfolio

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	12,954	(8,019)	21%	-15%	10,199	(7,285)
International Equities Funds	25%	-11%	7,197	(2,303)	25%	-14%	29,983	(16,790)
Property Equities Funds	29%	-14%	8,348	(4,030)	29%	-26%	15,281	(13,700)
Fixed Interest Funds	11%	-11%	32,119	(32,119)	11%	-11%	20,814	(20,814)
Total			60,618	(46,471)			76,277	(58,589)

Inflation Plus - Conservative Portfolio

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	1,364	(845)	21%	-15%	4,530	(3,236)
International Equities Funds	25%	-11%	14,213	(4,548)	25%	-14%	61,607	(34,500)
Fixed Interest Funds	11%	-11%	28,766	(28,766)	11%	-11%	3,262	(3,262)
Total			44,343	(34,159)			69,399	(40,998)

Share Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	21,191	(13,118)	21%	-15%	19,838	(14,170)
International Equities Funds	25%	-11%	29,698	(12,032)	25%	-14%	29,373	(16,449)
Property Equities Funds	29%	-14%	1,482	(715)	29%	-26%	1,338	(1,199)
Total			52,371	(25,865)			50,549	(31,818)

NOTE 10 - FINANCIAL RISK MANAGEMENT (continued)

(c) Market Risk (continued)

(iii) Equity and other price risk (continued)

Property Securities Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Property Equities Funds	29%	-14%	36,402	(17,573)	29%	-26%	39,641	(35,540)
Total			36,402	(17,573)			39,641	(35,540)

Global Share Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
International Equities Funds	25%	-11%	28,495	(9,118)	25%	-14%	30,115	(16,864)
Total			28,495	(9,118)			30,115	(16,864)

Australian Share Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	30,235	(18,717)	21%	-15%	29,381	(20,987)
Total			30,235	(18,717)			29,381	(20,987)

Platinum Global Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
International Equities Funds	25%	-11%	18,222	(5,831)	25%	-14%	21,842	(12,231)
Total			18,222	(5,831)			21,842	(12,231)

Horizon 1 Bond Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Fixed Interest Funds	11%	-11%	6,799	(6,799)	11%	-11%	6,511	(6,511)
Total			6,799	(6,799)			6,511	(6,511)

Australian Share Index Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	16,399	(10,152)	21%	-15%	14,922	(10,658)
Total			16,399	(10,152)			14,922	(10,658)

Horizon 7 Accelerated Growth Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities funds	21%	-13%	6,967	-4,313	21%	-15%	3,973	(2,838)
International Equities Funds	25%	-11%	11,325	(3,624)	25%	-14%	6,458	(3,616)
Total			18,292	(7,937)			10,431	(6,454)

Index Plus - Conservative Growth Portfolio

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	1,795	(1,111)	21%	-15%	-	-
International Equities Funds	25%	-11%	2,657	(1,072)	25%	-14%	-	-
Property Equities Funds	29%	-14%	402	(194)	29%	-26%	-	-
Fixed Interest Funds	11%	-11%	2,821	(2,821)	11%	-11%	-	-
Total			7,675	(5,198)			-	-

NOTE 10 - FINANCIAL RISK MANAGEMENT (continued)

(c) Market Risk (continued)

(iii) Equity and other price risk (continued)

Index Plus - Balanced Portfolio

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	4,182	(2,589)	21%	-15%	-	-
International Equities Funds	25%	-11%	5,691	(2,376)	25%	-14%	-	-
Property Equities Funds	29%	-14%	825	(398)	29%	-26%	-	-
Fixed Interest Funds	11%	-11%	2,816	(2,816)	11%	-11%	-	-
Total			13,514	(8,179)			-	-

Index Plus - Growth Portfolio

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	1,555	(963)	21%	-15%	-	-
International Equities Funds	25%	-11%	2,245	(920)	25%	-14%	-	-
Property Equities Funds	29%	-14%	260	(126)	29%	-26%	-	-
Fixed Interest Funds	11%	-11%	568	(568)	11%	-11%	-	-
Total			4,628	(2,577)			-	-

Inflation Plus - Assertive Portfolio

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Australian Equities Funds	21%	-13%	4,516	(2,795)	21%	-15%	6,284	(4,488)
International Equities Funds	25%	-11%	62,628	(20,041)	25%	-14%	70,538	(39,501)
Fixed Interest Funds	11%	-11%	17,386	(17,386)	11%	-11%	8,349	(8,349)
Total			84,530	(40,222)			85,171	(52,338)

Diversified Debt Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
International Equities Funds	25%	-11%	-	-	25%	-14%	24,924	(13,957)
Fixed Interest Funds	11%	-11%	15,816	(15,816)	11%	-11%	9,922	(9,922)
Total			15,816	(15,816)			34,846	(23,879)

Global Property Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
Property Equities Funds	29%	-14%	19,193	(9,265)	29%	-26%	20,744	(18,598)
Total			19,193	(9,265)			20,744	(18,598)

Hedged Global Share Fund

Category	2018				2017			
	Change in price		Effect on net profit		Change in price		Effect on net profit	
	%		attributable to unitholders		%		attributable to unitholders	
	+	-	+	-	+	-	+	-
International Equities Funds	25%	-11%	7,857	(4,400)	25%	-14%	7,680	(4,301)
Total			7,857	(4,400)			7,680	(4,301)

(d) Liquidity and Cash Flow Risk

The Schemes are exposed to daily cash redemptions of redeemable units. Therefore, they invest the majority of their assets either in unlisted schemes with daily redemptions, or in investments that are readily disposed of in an active market, which under normal market conditions are readily convertible to cash.

Net assets attributable to unitholders are repayable on demand, subject to redemption freeze provisions. In addition the Schemes' policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

In accordance with the Schemes' policies, the Schemes' liquidity position is monitored on a daily basis, and the Responsible Entity reviews this on a quarterly basis.

The Schemes' liabilities are expected to be settled within less than one month, except for amounts owing to the Responsible Entity which are expected to be settled within one to three months.

**NOTE 10 - FINANCIAL RISK MANAGEMENT (continued)**

**(e) Fair value of financial instruments**

The Schemes' financial assets and financial liabilities are measured at fair value at the end of each reporting period. The investments by the Schemes that are in unlisted managed investment schemes and unlisted units are all classified as Level 2 and there have been no transfers between the levels during the year.

Financial assets / (financial liabilities)	Fair Value Hierarchy	Valuation Techniques
Unlisted managed investment funds	2	Valued at redemption price as established by the Responsible Entity of the underlying trust.

The investments by the Schemes are all in unlisted managed investment schemes and unlisted equities which are classified as Level 2 and there have been no transfers between the levels during the year.

**NOTE 11 - NOTES TO THE STATEMENTS OF CASH FLOWS**

	Horizon 4 Balanced Portfolio		Horizon 3 Conservative Growth Portfolio		Income Builder		Inflation Plus - Moderate Portfolio	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	140,207	154,297	55,849	66,080	17,866	66,863	24,113	25,203
Income reinvested	(34,214)	(45,845)	(39,460)	(19,621)	(27,302)	(36,343)	(20,437)	(17,203)
Changes in the fair value of investments	(93,912)	(97,090)	(8,391)	(38,755)	15,942	(24,085)	(6,166)	(9,944)
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in distribution receivables	(1,446)	-	-	-	-	-	-	-
(Increase)/decrease in other receivables	(675)	(1,075)	(680)	(883)	(457)	(620)	-	-
Increase/(decrease) in other accounts payable	4	-	-	1	1	-	59	43
<b>Net cash provided by/(used in) operating activities</b>	<b>9,964</b>	<b>10,287</b>	<b>7,318</b>	<b>6,822</b>	<b>6,050</b>	<b>5,815</b>	<b>(2,431)</b>	<b>(1,901)</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	14,085	34,298	27,942	17,511	16,951	28,041	18,226	17,888
Cash on deposit - domestic	5,025	-	-	-	-	-	-	-
	<b>19,110</b>	<b>34,298</b>	<b>27,942</b>	<b>17,511</b>	<b>16,951</b>	<b>28,041</b>	<b>18,226</b>	<b>17,888</b>

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	19,138	13,766	5,179	2,112	535	366	86	66
	<b>19,138</b>	<b>13,766</b>	<b>5,179</b>	<b>2,112</b>	<b>535</b>	<b>366</b>	<b>86</b>	<b>66</b>

	Horizon 5 Growth Portfolio		Horizon 2 Income Portfolio		Inflation Plus - Conservative Portfolio		Horizon 6 Share Portfolio	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	42,260	49,305	12,804	18,829	10,705	13,344	27,753	30,077
Income reinvested	(3,701)	(11,105)	(15,789)	(14,807)	(8,562)	(8,367)	(11,508)	(7,325)
Changes in the fair value of investments	(34,525)	(34,434)	2,115	(5,401)	(3,476)	(6,191)	(14,147)	(20,994)
Changes in assets and liabilities during the financial year:								
(Increase)/decrease in other receivables	(372)	(363)	-	-	1	1	(183)	(165)
Increase/(decrease) in other accounts payable	3	7	32	32	14	23	-	1
<b>Net cash provided by/(used in) operating activities</b>	<b>3,665</b>	<b>3,410</b>	<b>(1,480)</b>	<b>(1,347)</b>	<b>(1,318)</b>	<b>(1,190)</b>	<b>1,775</b>	<b>1,594</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	4,610	12,489	10,564	9,044	4,477	7,371	4,218	8,685
Cash on deposit - domestic	-	-	6,450	-	-	-	593	-
	<b>4,610</b>	<b>12,489</b>	<b>17,014</b>	<b>9,044</b>	<b>4,477</b>	<b>7,371</b>	<b>4,811</b>	<b>8,685</b>

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	3,234	8,184	2,079	1,769	79	58	1,496	1,402
	<b>3,234</b>	<b>8,184</b>	<b>2,079</b>	<b>1,769</b>	<b>79</b>	<b>58</b>	<b>1,496</b>	<b>1,402</b>

**NOTE 11 - NOTES TO THE STATEMENTS OF CASH FLOWS (continued)**

	Property Securities Fund		Global Share Fund		Australian Share Fund		Platinum Global Fund	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	14,978	(8,674)	17,621	21,375	19,808	19,391	12,111	17,015
Income reinvested	(5,724)	(7,409)	(29,931)	(7,933)	(14,743)	(18,006)	(9,400)	(4,595)
Changes in the fair value of investments	(9,676)	15,608	11,782	(13,964)	(5,749)	(2,075)	(2,093)	(11,795)
Changes in assets and liabilities during the financial year:								
Decrease/(increase) in other receivables	-	-	(1)	1	-	-	(44)	(51)
Increase/(decrease) in other accounts payable	5	5	25	(7)	13	13	-	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(417)</b>	<b>(470)</b>	<b>(504)</b>	<b>(528)</b>	<b>(671)</b>	<b>(677)</b>	<b>574</b>	<b>574</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	1,313	3,946	19,755	4,029	5,540	6,367	12,865	3,903
	1,313	3,946	19,755	4,029	5,540	6,367	12,865	3,903

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	1,791	770	804	1,902	9,324	1,629	251	38
	1,791	770	804	1,902	9,324	1,629	251	38

	Horizon 1 Bond Portfolio		Australian Share Index Fund		Horizon 7 Accelerated Growth Portfolio		Index Plus - Conservative Growth Portfolio	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	1,235	2,022	9,021	8,431	8,010	8,161	1,723	-
Income reinvested	(1,606)	(2,380)	(6,202)	(5,148)	(1,213)	(2,118)	(736)	-
Changes in the fair value of investments	167	119	(2,995)	(3,445)	(7,196)	(6,350)	(534)	-
Changes in assets and liabilities during the financial year:								
Decrease/(increase) in distribution receivables	-	-	-	-	-	-	(477)	-
Decrease/(increase) in other receivables	-	-	-	-	-	-	-	-
Increase/(decrease) in other accounts payable	2	2	4	5	14	6	3	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(202)</b>	<b>(237)</b>	<b>(172)</b>	<b>(157)</b>	<b>(385)</b>	<b>(301)</b>	<b>(21)</b>	<b>-</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	1,006	1,566	4,134	2,975	1,561	2,226	997	-
	1,006	1,566	4,134	2,975	1,561	2,226	997	-

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	193	65	684	330	44	169	86	-
	193	65	684	330	44	169	86	-

**NOTE 11 - NOTES TO THE STATEMENTS OF CASH FLOWS (continued)**

	Index Plus - Balanced Portfolio		Index Plus - Growth Portfolio		Inflation Plus - Assertive Portfolio		Diversified Debt Fund	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>								
Net operating profit/(loss)	3,113	-	1,069	-	25,519	25,399	3,788	2,749
Income reinvested	(1,125)	-	(784)	-	(11,839)	(24,222)	(7,307)	(8,860)
Changes in the fair value of investments	(910)	-	(277)	-	(16,375)	(3,474)	2,907	5,445
Changes in assets and liabilities during the financial year:								
Decrease/(increase) in distribution receivables	(1,115)	-	(25)	-	-	-	-	-
Decrease/(increase) in other receivables	-	-	-	-	2	52	1	9
Increase/(decrease) in other accounts payable	7	-	2	-	55	-	4	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(30)</b>	<b>-</b>	<b>(15)</b>	<b>-</b>	<b>(2,638)</b>	<b>(2,245)</b>	<b>(607)</b>	<b>(657)</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	1,789	-	437	-	8,127	21,845	2,463	5,429
	1,789	-	437	-	8,127	21,845	2,463	5,429

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	90	-	94	-	918	-	-	13,766
	90	-	94	-	918	-	-	13,766

	Global Property Fund		Hedged Global Share Fund	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>(a) Reconciliation of operating profit to net cash flows from operating activities</b>				
Net operating profit/(loss)	4,704	4,226	3,557	6,409
Income reinvested	(3,246)	(2)	-	(564)
Changes in the fair value of investments	(1,765)	(4,510)	(3,722)	(6,004)
Changes in assets and liabilities during the financial year:				
Decrease/(increase) in other receivables	-	7	-	1
Increase/(decrease) in other accounts payable	6	-	1	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(301)</b>	<b>(279)</b>	<b>(164)</b>	<b>(158)</b>

**(b) Cash and cash equivalents**

For the purposes of the Statements of Cash Flows, cash includes cash at bank. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

Cash at bank	401	394	294	870
	401	394	294	870

**(c) Non-cash financing and investing activities**

Distributions to unitholders reinvested	2	-	76	-
	2	-	76	-

**NOTE 12 - EVENTS OCCURRING AFTER THE BALANCE DATE**

There has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to significantly affect the operations of the Schemes, the results of those operations, or the state of affairs of the Schemes, in future financial years.

**NOTE 13 - COMMITMENTS AND CONTINGENT LIABILITIES**

The Schemes had no known commitments or contingent liabilities as at 30 June 2018 (2017: Nil).

**Directors' declaration**

In the opinion of the Directors of MLC Investments Limited, the Responsible Entity of the Schemes:

The financial statements and notes set out on pages 7 to 47, are in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the financial positions of the Schemes as at 30 June 2018 and of their performance for the year ended on that date;
- (b) complying with Accounting Standards and Corporations Regulations 2001;
- (c) there are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable; and
- (d) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(a).

This declaration is made in accordance with a resolution of the Directors.

Director: CLAIRE KEATING

Signature: 

Dated at Sydney this 20th day of September 2018

## Independent Auditor's Report to the Unitholders of MLC Investment Trusts:

Wholesale Horizon 7 Accelerated Growth Portfolio	MLC Investment Trust MLC Platinum Global Fund
Wholesale Horizon 4 Balanced Portfolio	Wholesale Property Securities Fund
Wholesale Horizon 1 Bond Portfolio	MLC Wholesale Australian Share Index Fund
Wholesale IncomeBuilder™	MLC Wholesale Australian Share Fund
Wholesale Horizon 3 Conservative Growth Portfolio	MLC Wholesale Diversified Debt Fund (Multi Class)
Wholesale Horizon 6 Share Portfolio	MLC Wholesale Inflation Plus - Conservative Portfolio
Wholesale Global Property Fund (Multi Class)	MLC Wholesale Inflation Plus - Moderate Portfolio
Wholesale Horizon 5 Growth Portfolio	MLC Wholesale Inflation Plus - Assertive Portfolio (Multi Class)
Wholesale Hedged Global Share Fund (Multi Class)	MLC Wholesale Index Plus Balanced Portfolio Multiclass
Wholesale Horizon 2 Income Portfolio	MLC Wholesale Index Plus Con Growth Portfolio Multiclass
Wholesale Global Share Fund	MLC Wholesale Index Plus Growth Portfolio Multiclass

### Opinion

We have audited the financial report of MLC Investment Trust consisting of the schemes listed above (the 'Schemes'), which comprises the statements of financial position as at 30 June 2018, the statements of profit or loss and other comprehensive income, statements of changes in net assets attributable to unitholders and statements of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Schemes is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Schemes' financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Schemes in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Financial Report**

The directors of the Schemes are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Schemes' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Schemes or to cease operations, or have no realistic alternative but to do so.

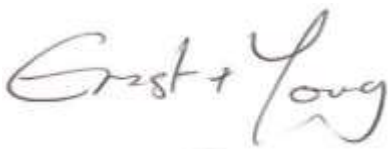
## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Darren Handley-Greaves  
Partner  
Sydney  
10 August 2017

