

Product Disclosure Statement (PDS) for the PIC Wholesale Diversified Debt Fund offered through Private Investment Consulting™ ARSN 130 171 078

Contents

What is covered in this PDS

1. About MLC Investments Limited	2	5. How we invest your money	5
2. How the PIC Wholesale Diversified Debt Fund works	2	6. Fees and costs	6
3. Benefits of investing in the PIC Wholesale Diversified Debt Fund	4	7. How managed investment schemes are taxed	8
4. Risks of managed investment schemes	4	8. How to apply	8
		9. Other information	8

i This PDS summarises significant information about the PIC Wholesale Diversified Debt Fund ('Trust'). It also contains a number of references to important information in the Product Guide for the MLC Investment Trust offered through Private Investment Consulting™ ('Product Guide') marked with an **i** symbol. The Product Guide is a separate document which forms part of this PDS. These documents are available from www.mlcinvestmenttrust.com.au/mlcit/privateinvestmentconsulting or you can request a copy free of charge by calling us, your financial adviser or your investor directed portfolio service, master trust or wrap operator. The content in these documents may change from time to time.

This PDS and the Product Guide contain important information you should consider before making an investment decision in relation to the Trust. The information provided in this PDS is general information only and does not take into account your personal financial situation or needs. We recommend you obtain financial advice for your own personal circumstances before making any investment decision.

1. About MLC Investments Limited

But first, a word on Private Investment Consulting™

Private Investment Consulting™ ('PIC') is an exclusive program for sophisticated clients of a select group of financial advisers. These financial advisers prefer the MLC multi-manager approach to investing, when recommending investment solutions for their clients. The MLC multi-manager approach to investing is described in this PDS and the Product Guide.

Who you go through life with makes all the difference

MLC Investments Limited ('MLC') is part of a wider group of MLC companies. The MLC group of companies is the wealth management division of the National Australia Bank (NAB).

The MLC group has been looking after Australians' investment and insurance needs for over 120 years.

This experience has taught us the right solution for each investor is unique.

That's why we specialise in creating a diverse range of super, investment and insurance solutions.

We do this so you and your financial adviser can grow and protect your wealth the way you want to.

And, as your needs will change with time, we'll continually enhance our products and services so you can get the best out of your experience with us.

Our portfolios make sophisticated investing straightforward

We're experts in putting together portfolios for people.

We have the experience and resources to find some of the best investment managers from around the world.

And, as world markets change, we manage and evolve our portfolios.

We actively research markets and seek new opportunities to increase returns or reduce risk.

And most importantly, we stay true to the objectives of our portfolios, so you can keep on track to meeting your goals.

Keeping up to date

The latest information on our portfolios is available on our Fund Profile Tool at www.mlcinvestmenttrust.com.au/mlcit/privateinvestmentconsulting. It's an easy to use, interactive tool that gives you greater insight into how your money is managed including current investment managers, where your money is invested and how your investments are performing.

Trustee and responsible entity

This PDS is issued by MLC as Trustee and responsible entity for the PIC Wholesale Diversified Debt Fund ('the Trust'). When you invest in the Trust, you are investing in the MLC Wholesale Diversified Debt Fund (Class A).

As the responsible entity, we're responsible for all aspects of operating the Trust including administration of the assets and overall investment policy.

References to 'Trustee', 'we', 'us' or 'our' in this PDS and the Product Guide are references to MLC Investments Limited, not Private Investment Consulting™.

2. How the PIC Wholesale Diversified Debt Fund works

The PIC Wholesale Diversified Debt Fund is one of the PIC asset class portfolios. These portfolios invest in one asset class and cater for people looking for a complete asset class solution, or a particular investment style.

The portfolios use the MLC approach to investing and benefit from the strength of our manager research capability, experience and knowledge of investing.

Each asset class portfolio brings together a specific combination of managers and is an easy way to gain access to sophisticated asset class solutions.

About the Trust

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

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

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

The unit price will reflect, amongst other things, the performance of the underlying assets, which are in turn influenced by movements in investment markets.

Our unit pricing policy is available at www.mlc.com.au

The Trust is part of a larger suite of wholesale trusts collectively known as the MLC Investment Trust offered to you through PIC. The PDSs for other trusts in the suite are available at www.mlcinvestmenttrust.com.au/mlcit/privateinvestmentconsulting

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

Investing via a master trust or wrap account

You access the Trust via an investor directed portfolio service, master trust or wrap arrangement (collectively referred to as an 'IDPS'), operated by MLC or a related party.

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

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

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

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

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

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

Applications and withdrawals

You will need to contact your IDPS for details of how to invest or request a withdrawal from the Trust.

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

Your IDPS can request, on your behalf, a partial or a full withdrawal to its nominated bank account at any time.

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

In circumstances where withdrawals are delayed, suspended or being paid in instalments, the unit prices used for a withdrawal will be those applicable to the day the withdrawal is effected, rather than the time the withdrawal request is received.

Income distributions

You should contact your IDPS to find out how any income distributions may be paid to you.

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

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

Information for your IDPS

To invest directly in the Trust your IDPS must have received this PDS (electronically or otherwise) within Australia and be a 'wholesale client' as defined by the Corporations Act 2001 (Cth). Your IDPS also needs to maintain a minimum balance of \$500,000. We may accept lower amounts at our discretion. We may redeem your IDPS' unit holding if its account balance falls below \$500,000.

In addition, to invest directly in the Trust, your IDPS must complete and sign the Trust's application forms and send them to MLC with the initial application money. Your IDPS can make additional contributions by electronic funds transfer (EFT) or Austraclear.

By investing directly into the Trust your IDPS holds units in the Trust and has the rights of a unit holder.



You should read the important information about **How the Trusts work** before making an investment decision. Go to the Product Guide at www.mlcinvestmenttrust.com.au/mlcit/privateinvestmentconsulting

The material relating to **How the Trusts work** may change between the time when you read this statement and the day you are invested in the Trust.

3. Benefits of investing in the PIC Wholesale Diversified Debt Fund

When you and your adviser choose a PIC portfolio, you're investing your money with Australia's largest and most experienced multi-manager.

Complete asset class solution

The Trust is diversified across different types of debt securities in Australia and around the world. The securities are predominantly investment grade and typically longer dated. The average term to maturity would normally be in the range of 3 to 6 years.

Foreign currency exposures will generally be substantially hedged to the Australian dollar.

As a result of capital restructures of debt issuers, the Trust may have an incidental exposure to shares from time to time.

MLC's approach to investing

We design investment solutions to help investors achieve their goals while managing risk.

The Trust is designed using the four key aspects of our investment approach:

1. Portfolio design
2. Managing the managers
3. Ongoing review
4. Portfolio implementation

The MLC difference

For over 25 years, we've been designing multi-manager investments.

Our approach brings together exceptional investment management firms from all over the world; including managers who may be inaccessible to individual investors in Australia.

We combine these managers so you benefit from multiple investment insights and access to the best opportunities in all parts of the market.

Our global expertise, combined with our local knowledge of tax and investment conditions, means our portfolios are sensitive to the needs of Australian investors.

These are some of the reasons why MLC is the largest multi-manager in Australia.

4. Risks of managed investment schemes

Before you do any investing, there are some things you need to consider including the level of risk you are prepared to accept. Factors that will affect your decision include:

- your investment goals
- the savings you'll need to reach your goals
- how many years you have to invest
- the return you may expect from your investments, including investments outside the Trust
- how comfortable you are with investment risk.

Investment risk

Even the simplest of investments come with a level of risk. The value of an investment with a higher level of risk will tend to rise and fall more often and by greater amounts. In other words it is likely to be more volatile than those with less risk. And different investments have different levels of risk.

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

Many factors influence an investment's value. These include:

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

When considering your investment it's important to understand that:

- its value, and the returns, will vary over time
- assets with higher long-term return potential usually have higher levels of short-term risk
- returns aren't guaranteed and you may lose some of your money
- previous returns shouldn't be used to predict future returns, and
- laws affecting your investment may change in future.

Investment techniques

Investment managers, including MLC, use different investment techniques which can change the value of an investment. Investment techniques used in the Trust include:

- derivatives
- currency management.

Investments are not guaranteed

None of the NAB Group companies nor any other party, guarantees the capital value, payment of income or performance of the Trust. Your investment does not represent a deposit with or liability of any of the NAB Group companies.



You should read the important information about **Risks of managed investment schemes** before making an investment decision. Go to the Product Guide at www.mlcinvestmenttrust.com.au/mlcit/privateinvestmentconsulting

The material relating to **Risks of managed investment schemes** may change between the time when you read this statement and the day you are invested in the Trust.


5. How we invest your money

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

You should consider the likely return, risk and your investment timeframe when making your decision. The table below sets out these key aspects of the Trust for your consideration.

PIC Wholesale Diversified Debt Fund

If you select the PIC Wholesale Diversified Debt Fund you are investing in the MLC Wholesale Diversified Debt Fund (Class A).

Investment objective:	The Trust is designed to be a complete portfolio for the debt securities asset class, and aims to deliver growth by using investment managers who invest and diversify across many companies and securities within that asset class.
The Trust may be suited to you if:	<ul style="list-style-type: none"> you want to invest in a defensive portfolio that's actively managed and diversified across investment managers, countries, bond sectors and securities.
Expected risk (volatility):	 <p>Low Moderate High Very high</p>
Minimum suggested time to invest:	3–5 years
How you can assess performance:	One way you can assess the performance of the Trust is against its market benchmark over the long-term. When making this assessment, be aware that the market benchmark doesn't take into account fees and taxes that may apply to your account.
Market benchmark:	50% UBS Composite Bond Index (All Maturities) & 50% Barclays Capital Global Aggregate Bond Index (hedged into Australian dollars)
Target allocation (at 31 December 2011)	47.5% Australian debt securities 52.5% Global debt securities (hedged)
Management cost:	0.75% pa Your IDPS receives a rebate of 0.25% pa which if paid to you in full results in a net management cost of 0.50% pa
Transaction cost allowance (buy/sell):	0.00% / 0.00%

Switching

Your IDPS may be able to switch on your behalf from the Trust to another portfolio offered through PIC. If you invest via an IDPS, please contact your IDPS for details of how to switch.

Changes to the Trust

We may make changes to the Trust at our discretion including, but not limited to, terminating the Trust. Some changes may be made without prior notice, including but not limited to, changes to the investment strategy, asset allocation, investment managers and other service providers to the Trust.

We will give your IDPS 30 days advance written notice of any material changes. You can contact your IDPS to obtain copies of these notices. Changes that are not materially adverse will be made available under 'Latest News' at www.mlcinvestmenttrust.com.au/mlcit/privateinvestmentconsulting

You can obtain a paper copy of any changes on request free of charge.

i You should read the important information about **How we invest your money**, including **MLC's approach to investing** and **ethical investing** before making an investment decision. Go to the Product Guide at www.mlcinvestmenttrust.com.au/mlcit/privateinvestmentconsulting

The material relating to **How we invest your money** may change between the time when you read this statement and the day you are invested in the Trust.

6. Fees and costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

If you invest directly into the Trust you may be able to negotiate to pay lower contribution fees and management costs where applicable. You should ask MLC or your financial adviser about this.

To find out more

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

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

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

Because you are investing in the Trust via an IDPS, you will need to consider the fees and other costs of the IDPS when calculating the total cost of your investment. If you consult a financial adviser you may also pay an additional fee that will be set out in the Statement of Advice between you and that financial adviser.

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

TYPE OF FEE OR COST	AMOUNT
Fees when your money moves in or out of the Trust	
Establishment fee The fee to open your investment.	Nil
Contribution fee The fee on each amount contributed to your investment.	Nil
Withdrawal fee The fee on each amount you take out of your investment.	Nil
Termination fee The fee to close your investment.	Nil
Management costs¹	
Management costs are the fees and costs for managing your investment? ²	0.75% pa of the Trust's daily value (including GST net of Reduced Input Tax Credit). Your IDPS receives a rebate of 0.25% pa which if paid to you in full results in a net management cost of 0.50% pa.

¹ See 'Additional explanation of fees and costs' on page 7 for further details.

² Your IDPS has negotiated a rebate on the management costs which if paid to you in part or full results in a lower net management cost. We suggest that you consult your tax adviser in regard to the tax treatment of any fee rebates. Any rebate of management costs will be paid to your IDPS periodically.

Example of annual fees and costs

This table gives an example of how the fees and costs in the Trust can affect your investment over a 1 year period. You should use this table to compare this product with other investment products.

EXAMPLE: PIC Wholesale Diversified Debt Fund		Balance of \$500,000 with a contribution of \$5,000 during the year¹
Contribution fees	0%	For every \$5,000 you put in, you will be charged \$0.
Plus Management costs	0.75%	And , for every \$500,000 you have in the Trust you will be charged \$3,750 each year ²
Equals Cost of the Trust		If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$5,000 during that year, then for that year you would be charged fees from: \$3,750 What it costs you will depend on the fees you negotiate with MLC, your IDPS operator or your financial adviser as applicable.

¹ This example assumes the \$5,000 contribution occurs at the end of the year.

² The management cost is 0.75% pa. A rebate of 0.25% pa is paid by MLC to your IDPS. Your IDPS may then pass on this rebate to you in full which would result in a net management cost of 0.50% pa. Please refer to your IDPS' disclosure documents for details on the rebate.

Additional explanation of fees and costs

Management costs

The management costs are fees and costs for investing the Trust's assets. They include fees charged by the Trustee, fees paid to investment managers and other expenses incurred in operating the Trust, such as custody costs, registry costs, auditing fees and tax return fees. The management costs do not include transaction cost allowances or transaction costs.

Transaction cost allowances

When calculating unit prices, MLC may make an allowance for the costs of buying and selling assets. These costs include brokerage and stamp duty.

When you transact on your account a small portion of your transaction may be allocated towards meeting these costs. These costs are an additional cost to you and will change without notice to you.

The transaction cost allowances as at the date of this PDS are shown on page 5.

Changes to fees and costs

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

Under the constitution the maximum fee payable to the Trustee is:

- 2% pa of the Trust's daily value (Investment cost), plus
- 2% pa of the Trust's daily value (Administration cost), plus
- 6% of every contribution paid into the Trust.

We are entitled to recover expenses directly from the Trust. Currently we pay them out of management costs. If this changes we will notify you.

We will give your IDPS 30 days notice of increases in fees or costs. No notice will be given in respect of changes to transaction cost allowances.



You should read the important information about **Fees and costs** before making an investment decision. Go to the Product Guide at www.mlcinvestmenttrust.com.au/mlcit/privateinvestmentconsulting

The material relating to **Fees and costs** may change between the time when you read this statement and the day you are invested in the Trust.

7. How managed investment schemes are taxed

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

By distributing the net taxable income of the Trust to investors each year, the Trust itself should not be liable for tax on its net earnings. Managed investment schemes do not pay tax on behalf of members. Rather investors should include their proportion of the Trust net earnings as income in their tax returns. Any net losses are retained by the Trust and used to offset future matching gains.

The unit price of units issued before a distribution will include income accumulated in the Trust since the last distribution payment. The income that has been accumulating will be distributed and you may potentially have taxation liabilities on that income.

Depending on an investor's circumstances, a revenue or capital gain or loss may arise when units in the Trust are sold, switched or redeemed.

8. How to apply

Investing via an IDPS

To invest in the Trust via your IDPS, you will need to contact your IDPS and complete the relevant IDPS application form and any other documentation required by the IDPS. You will also need to contact your IDPS in relation to making any additional contributions to your investment. Your IDPS will then make a direct investment in the Trust on your behalf.

Opening an MLC account

Your IDPS must complete and sign the application forms for the Trust and send them to MLC with your application money and identification documentation as applicable. Your IDPS will contact MLC to obtain the application forms.

No cooling off rights

The right to 'cool off' does not apply to direct investments in this Trust.

Privacy

If you invest directly in the Trust, to let you know about the products we have on offer, we may need to use your personal information for marketing activities. If you don't consent to the use of your personal information for marketing activities, simply let us know. If you don't contact us, your consent will be assumed. You can change your consent at any time. You can access our Privacy Policy at www.mlc.com.au or contact us for a paper copy. The policy provides information about how we handle information we collect about you, including how you may access information we collect about you, the purpose for information being collected and to whom we will disclose the information.

Resolving complaints

If you are invested in the Trust via an IDPS you should contact your IDPS about any complaint you have.

Your IDPS can then contact us on 02 9936 4577 or by writing to us (address details are at the end of this PDS).

9. Other information

i You should read the important information about **Keeping you informed** before making an investment decision. Go to the Product Guide at www.mlcinvestmenttrust.com.au/mlcit/privateinvestmentconsulting

The material relating to **Keeping you informed** may change between the time when you read this statement and the day you are invested in the Trust.

Contact details

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

Your IDPS can then contact us using the following contact details:

National Australia Bank Asset Servicing – Registry Services (for transaction and unit holding related matters)

Telephone: 1300 761 354
Fax: 1300 365 601

Postal address

National Australia Bank Asset Servicing – Registry Services
PO Box 1406
Melbourne VIC 3001

MLC Investments Limited (for Trustee, investment and product related matters)

Telephone: (02) 9936 4577
Fax: (02) 9936 4500

Postal address

MLC Investment Trust
Level 4, 255 George Street
Sydney NSW 2000