

Product Disclosure Statement

MLC Wholesale IncomeBuilder™



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MLC. It all adds up

At MLC we do things differently because we have your interests at heart.

As Australia's first and leading multi-manager, our investment solutions have been looking after investors for over 20 years.

We design solutions based on the fundamental need of our investors; to grow and protect wealth for the long term.

And we believe the best way to build wealth is to invest in businesses by owning shares or by lending money to them.

Choosing good businesses to invest in is a specialist skill.

That's why we bring together some of the best investment managers in the world who can select the best businesses to invest in.

We combine these managers and implement strategies in our portfolios so your investments are well diversified.

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

We also appreciate investors have different needs, so we provide you with a range of wholesale trusts managed by MLC.

It all adds up at MLC.

Investing in the MLC Investment Trust

The MLC Investment Trust is the collective name for a range of single-sector and multi-sector wholesale trusts. The PDSs for these trusts are available on our website mlcinvestmenttrust.com.au

The MLC group of companies looks after more than \$75 billion (at 30 June 2009) on behalf of individual and corporate investors in Australia and is the wealth management division of the National Australia Bank (NAB).

The MLC approach to investing

When we introduced the multi-manager approach to investing in 1985, we transformed the way Australians invest.

And, more than 20 years later, we're still the leading multi-manager for Australians.

This is because we design investment solutions which help investors achieve their goals, and also help manage risk.

To do this we apply our five principles of investing, in our multi-manager portfolios:

1. The best way to grow wealth is to use excellent investment managers to find the best investments

We use investment managers who have a competitive edge, can clearly articulate their investment beliefs and have the resources to build excellent portfolios.

We also ask our managers to build portfolios that reflect their best ideas. This allows them to be the best they can be.

Visit mlcinvestmenttrust.com.au for details of MLC's current investment managers.

2. Extensive research is the only reliable way to identify excellent investment managers and build robust strategies

Brand and past returns are not reliable ways of identifying managers who will provide strong returns in the future.

That's why we research hundreds of investment managers from around the world.

3. A long term approach should be used to achieve long term financial goals

We know reacting to short term market movements is usually wealth destroying.

That's why we're disciplined in applying a long term view when we make decisions.

4. Sensible diversification reduces risk

Our portfolios may be diversified in up to three important ways:

- **Across asset classes.** Each asset class performs differently in different circumstances. By investing in a mix of asset classes, the effect of the ups and downs of each asset class' return is smoothed for the overall portfolio.
- **Within asset classes.** We invest across a broad range of countries, currencies, industries and companies.
- **Across investment managers.** By combining managers with different investment approaches we can generate more consistent returns than a single manager approach.

5. Efficient implementation reduces costs and taxes

We carefully manage cashflows and strategy changes within our portfolios to avoid unnecessary tax and costs.

Our multi-manager approach aims to grow your wealth for a given level of volatility.

When markets are weak and returns are negative, we aim to do better than comparable funds.

When markets are very strong we keep focussed on meeting your long term goals, rather than chasing risky returns. This may temporarily result in a lower return than comparable funds that do.

By reducing the extent of the ups and downs, returns are smoother.

Profile of MLC Wholesale IncomeBuilder™

Investment objective

Aims to provide returns from companies that are expected to deliver a growing dividend stream over time.

About the Fund

The Fund invests primarily in Australian companies that have the potential to provide future growth in dividends.

The Fund is expected to generate tax effective returns by:

- investing in companies expected to have high franking levels, and
- carefully managing the realisation of capital gains.

The Fund is expected to provide returns consistent with investing in a broad range of Australian companies.

How you can assess performance

You can assess performance based on the annual growth in dividends received from the underlying companies.

Market Benchmark

There is no Market Benchmark for the Fund due to its focus on growing dividends.

Management Costs

0.97% pa of the Fund's daily value (including GST net of Reduced Input Tax Credit).

Transaction cost allowances

Buy cost allowance:

0.10% of each amount invested into the Fund.

Sell cost allowance:

0.05% of each amount withdrawn from the Fund.

More information on the fees and other costs is located on pages 10 to 13.

Income distribution

The income of the Fund will generally be calculated effective the last Sunday of September, December and March and 30 June each year.

Things to consider before you invest

Before you do any investing, we want you to know about both the benefits and potential risks involved.

Even the simplest of investments come with a level of risk.

While the idea of investment risk can be confronting, it is 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.

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 will be more volatile than those with less risk.

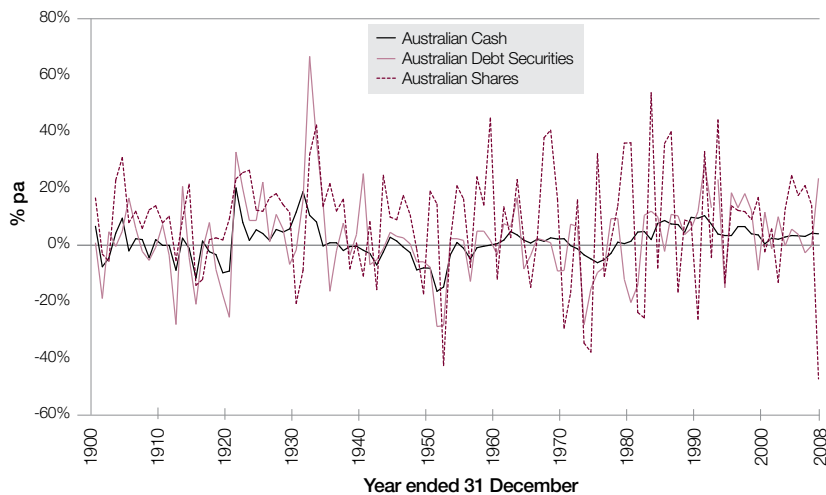
Many factors influence an investment's value. These include, but are not limited to:

- 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)
- changes in the value of the Australian dollar.

Things to consider before you invest

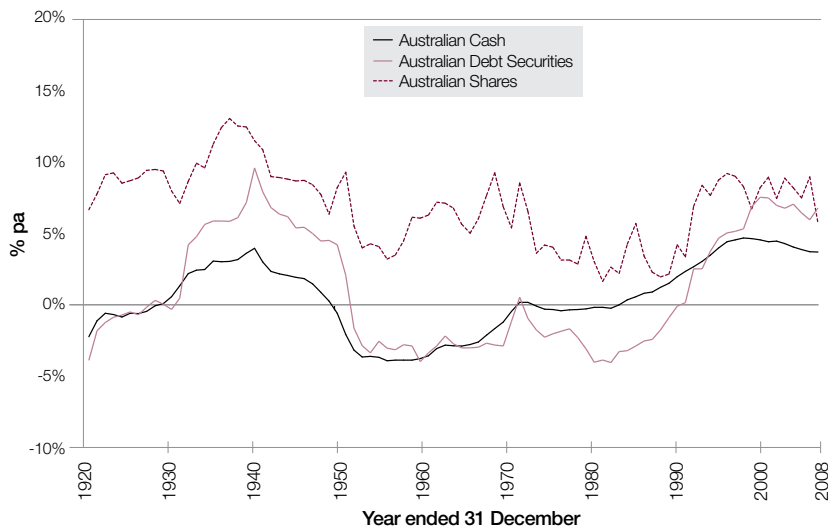
As demonstrated in the graphs below, investments can increase and decrease significantly in the short term.

Investments that are volatile in the short term ... Returns above inflation over 1 year periods (1900–2008)



However investments that are volatile in the short term may increase in value over the long term in line with your financial goals.

... have produced higher returns over most long periods Returns above inflation over 20 year periods (1920–2008)



By understanding volatility will occur, you'll be able to manage your expectations and resist reacting to these short term movements.

This will help you stay true to your investment strategy, and keep on track to achieve your long term goals.

Graphs have been calculated by MLC using data presented in DMS Data Module offered through the Ibbotson Associates' software program EnCorr. Based on copyrighted books by Dimson, Marsh, and Staunton, *Triumph of the Optimists*, Princeton University Press, © 2002, and *Global Investment Returns Yearbook 2003*, ABN AMRO/London Business School © 2003. All rights reserved. Used with permission.

Things to consider before you invest

Diversify to reduce volatility and other risks

Diversification is a sound way to reduce short term volatility. It also helps you manage the risk of not being able to buy or sell assets when you want to.

The more you diversify the less impact any one investment can have on your portfolio.

One of the most effective ways of reducing volatility is to diversify across a range of asset classes.

Asset classes are groups of similar types of investments.

Each class has its risks and benefits, and goes through its own market cycle. A market cycle can take a couple of years or many years; it's different each time.

So you need to be prepared for all sorts of return outcomes when investing.

The asset classes the Fund invests in are shown on page 3.

The main asset class risks and benefits are:

Debt securities

When investing in debt securities, you are effectively lending money to businesses or governments.

Returns typically comprise interest and changes in the market value of the security.

Things to consider:

- There are different types of debt securities and these will have different returns and volatility. Cash is usually the least volatile type of debt.
- Debt securities denominated in foreign currencies will be exposed to exchange rate variances.
- The market value of a debt security may fall due to factors such as an increase to interest rates or concern about defaults on loans. This may result in a loss on your investment.
- Debt securities are usually included in a portfolio for their defensive characteristics.

Property securities

Investing in property securities will give your portfolio exposure to listed property securities in Australia and around the world. These are referred to as Real Estate Investment Trusts (REITs).

Things to consider:

- Returns are driven by many factors including the economic environment in various countries.
- Australian property securities are dominated by only a few REITs and provide limited diversification.
- Investing outside Australia means you are exposed to exchange rate variances.
- Property securities may be volatile and are usually included in a portfolio for their income and growth characteristics.

Australian shares

This asset class consists of investments in companies listed on the Australian Securities Exchange.

Things to consider:

- The Australian share market has historically been dominated by a few industries such as Materials, Financials and REITs.
- Australian shares can be volatile and are usually included in a portfolio for their growth characteristics.
- Australian shares may provide tax advantages through dividend imputation (franking) credits.

Global shares

Global shares consist of investments in companies listed on securities exchanges around the world.

Things to consider:

- The number of potential investments is far greater than in Australian shares.
- Returns are driven by many factors including the economic environment in various countries.
- When you invest globally, you are less exposed to the risks associated with investing in just one economy.
- Investing outside Australia means you are exposed to exchange rate variances.
- Global shares can be volatile and are usually included in a portfolio for their growth characteristics.

Diversification across asset classes is just one way of managing risk. At MLC, we can diversify within asset classes and across asset classes and investment managers. Please read more about our investment approach on pages 2 and 3.

Things to consider before you invest

Investment techniques

We, and our investment managers, can use different investment techniques which can change the value of an investment.

These include:

Derivatives

Derivatives are a common tool used to enhance returns or manage risk.

They are contracts that have a value derived from an external reference (eg the level of a share price index).

There are many types of derivatives and they can be an invaluable tool for an investment manager.

However, they can incur significant losses.

Our Derivative Risk Statement, which outlines how we manage derivatives, is available on request.

Currency management

If an investment manager invests in assets in other countries, the value will be affected by the exchange rate.

Returns from global investments reflect movements in currency exchange rates (gains and losses), as well as movements in the value of the underlying securities.

Where desired, this can largely be managed through hedging the currency exposure back to Australian dollars.

Gearing

Gearing an investment through borrowing or by using derivatives can magnify returns.

However it can also magnify losses. In extreme market conditions, asset values can fall dramatically in a short period of time and the value of an investor's investment may even fall to zero.

Buying long, selling short

As the name suggests, this practice consists of two investment techniques: buying long and selling short.

Buying long, or taking a long position, is when an investment manager invests in assets that it expects will grow in value.

Short selling is used by an investment manager when it has a view that an asset's price will fall. The manager borrows the asset and sells it with the intention of buying it back at a lower price. If all goes to plan, a profit is made. However, if the price of the asset increases, then the loss could be significant.

Where the Fund uses these techniques extensively, we've noted it in the Fund's profile on page 3.

Ethical investing

Investment managers may take into account labour standards, environmental, social or ethical considerations when making decisions to buy or sell investments.

We expect our investment managers to consider any material impact these factors may have on the returns from their investments, however we do not impose any restrictions on our investment managers in this regard.

Investments are not guaranteed

The Fund is governed by its constitution and is a Registered Managed Investment Scheme. The Fund may access investment managers via other funds operated by MLC, via other managers' pooled investments and may also hold direct assets.

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

Some important details

Useful information on how the Fund works

Eligibility

If you invest directly into the Fund then you hold units in the Fund and have the rights of a unitholder.

Alternatively, you may invest in the Fund via an investor directed portfolio service, master trust or wrap account arrangement (collectively referred to as IDPS in this PDS).

If you invest in the Fund through an IDPS, then you do not hold units in the Fund and you have none of the rights of a unitholder. Instead the IDPS holds units on your behalf. This PDS must be read together with offer documents provided by the IDPS and you can apply to invest by completing an application form provided by the IDPS.

Applications

Application requests accepted by the Fund before 3:00 pm (Sydney time) on any Business Day will receive that day's unit price. Application requests accepted after 3:00 pm will receive the next Business Day's unit price.

Withdrawals

Withdrawal requests will be actioned by us promptly and the Fund generally seeks to make payments within 10 Business Days. However payment cannot be made until sufficient cash is available and this may require the sale of underlying assets. 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 at the unit prices effective at the time of each instalment.

The unit prices used for a withdrawal will be those effective at the time that units are actually redeemed. For example, if a withdrawal request is received on 5 August and payment is made on 8 August, the unit price for 7 August (if a Business Day) will be used.

Business Days are generally days on which banks are open for business in Sydney (except Saturday, Sunday and public or bank holidays or such other days as we determine from time to time). We have the discretion to declare any day to be a Business Day.

We may deduct amounts or redeem units in certain circumstances

We may deduct from a withdrawal payment any amount owed under the constitution, including taxes. We may also redeem some or all of a unitholding in the Fund to satisfy any such amounts.

We may also redeem all or some of a unitholding if we form the opinion that the unitholding is prejudicial to the interests of other investors.

Income distributions

We generally aim to pay distributions within 7 Business Days of the calculation date.

Some important details

Units and unit prices

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

The overall value of your investment in the Fund will change according to the unit price and the number of units held.

We usually calculate the unit price as at the end of each Business Day and use robust unit pricing policies to do this.

The unit price will reflect the performance of the underlying assets, income earned, fees, expenses and taxes paid and payable.

The performance of the underlying assets is influenced by movements in investment markets.

If you would like to find out more about our unit pricing philosophy, go to mlc.com.au

If there is a unit pricing error that substantially impacts the Fund's performance, an adjustment may be made. This will generally involve reprocessing affected transactions using the corrected unit price. The value of your investment could be increased or decreased as a result.

Changes to the Fund

Changes may be made from time to time.

Changes that are not materially adverse will be made available on mlcinvestmenttrust.com.au or you can obtain a paper copy of the changes on request free of charge. If you invest via an IDPS, then you should request information on changes through the IDPS. The IDPS should also notify you of any material changes to the Fund or PDS.

Some changes may be made without prior notice, including, but not limited to, changes to the investment strategy, asset allocation and investment managers.

We use a number of service providers and we reserve the right to change them at any time without notice to you.

Unitholder's liability

The Fund's underlying assets are owned by the Trustee on behalf of investors. The Fund's constitution limits unitholders' liability to their investment in the Fund. However, we cannot give an absolute assurance that your liability is limited in all circumstances, as the issue has not been finally determined by a superior court.

Tax

Because tax laws are complex and change from time to time, you should seek professional tax advice on your investment in the Fund.

Our policy is to distribute the net taxable income of the Fund to investors each year (including net capital gains and any net gains on currency management where applicable). On this basis the Fund itself should not be liable for tax on its net earnings. Rather investors should include their proportion of this income in their tax returns. Any net losses are retained by the Fund and used to offset future matching gains.

If you buy units before a distribution, the unit price will include income accumulated in the Fund 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 Fund are sold, switched or redeemed.

This PDS is not a tax guide. We recommend that you contact your tax adviser or the Australian Tax Office at ato.gov.au for further details and expert advice in relation to your own personal circumstances.

This applies whether you are an Australian resident or a non-resident for tax purposes.

Fees and other costs

This will give you an understanding of the fees and costs you will pay.

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 Fund, then you may be able to negotiate to pay lower contribution fees and management costs where applicable. You should ask MLC 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.fido.asic.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 Fund only.

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

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

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

Fees and other costs

Type of fee or cost	Amount	How and when paid
Fees when your money moves into or out of the Fund		
Establishment fee The fee to open your investment.	Nil	There is no establishment fee.
Contribution fee The fee on each amount contributed to your investment.	Nil	There is no contribution fee.
Withdrawal fee The fee on each amount you take out of your investment.	Nil	There is no withdrawal fee.
Termination fee The fee to close your investment.	Nil	There is no termination fee.
Management Costs		
The fees and costs for managing your investment. Management Costs do not include transaction cost allowances. See 'Additional explanation of fees and costs' on page 13 for further details.	0.97% pa of the Fund's daily value (including GST net of Reduced Input Tax Credit).	The Management Costs are reflected in the daily unit price. They are paid from the assets of the Fund and are not required to be paid by you separately. If you invest directly in the Fund, you may be able to negotiate the Management Costs by contacting MLC. Any reduction in costs will be rebated periodically. We suggest that you consult your tax adviser in regard to the tax treatment of any fee rebates. See 'Changes to fees and costs' on page 13 for details of the maximum fees permitted.
Service fees		
Investment switching fee The fee for changing investment options.	Nil	There is no investment switching fee.

Fees and other costs

Example of annual fees and costs

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

Example: MLC Wholesale IncomeBuilder™		Balance of \$500,000 with a contribution of \$5,000 during year
Contribution fees	0%	For every \$5,000 you put in, you will be charged \$0.
Plus Management Costs	0.97%	And , for every \$500,000 you have in the Fund you will be charged \$4,850 each year.
Equals Cost of Fund		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 \$4,850. What it costs you will depend on the fees you negotiate with MLC, your IDPS operator or your financial adviser.

Fees and other costs

Additional explanation of fees and costs

Management Costs

The Management Costs are fees and costs for investing the Fund's assets. They include fees charged by the Trustee, fees paid to investment managers and other expenses incurred in operating the Fund, 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 you buy or sell units in the Fund a transaction cost allowance may be made by the Trustee for the costs of buying and selling underlying assets. These transaction cost allowances are included in the unit price and include allowance for items such as 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 variable and will change without notice to you.

Reimbursable expenses

We are entitled to be reimbursed from the Fund for all costs and expenses incurred in acting as Trustee or in relation to the administration and management of the Fund. The expenses may include, but are not limited to, audit fees, PDS preparation and printing costs and registry services.

We currently pay these costs and expenses out of the Management Costs and do not charge them to you as an additional cost.

Fund manager payments or product access payments

These are commercial payments made by the Trustee to IDPS operators. These payments may be rebated to you or may be retained by the IDPS operator.

How and when these payments are made vary between the Trustee and IDPS operators from time to time and are not additional costs to you. They are paid by the Trustee out of the Management Costs. If applicable, more specific details should be disclosed in the IDPS offer documents issued by IDPS operators.

Fees paid to NAB companies

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

Amounts paid for these services are always negotiated on an arms length basis and are included in the fees detailed on these pages.

Changes to fees and costs

We may vary fees or introduce new fees up to the maximums described in the constitution. Under the constitution the maximum fee payable to the Trustee is:

- 2% pa of the Fund's daily value; plus
- 6% of every contribution paid into the Fund.

We may decide to recover expenses directly from the Fund, rather than pay them out of Management Costs.

If you invest directly in the Fund we will give you 30 days notice of increases in fees or costs. No notice will be given in respect of changes to transaction cost allowances.

General information for direct investors

The remainder of this PDS provides information that only applies if you invest directly in the Fund. It does not apply if you invest via an IDPS.

Opening an account

To invest directly in the Fund you must be:

- Resident in Australia and be a wholesale client within the meaning of the Corporations Act 2001, or
- Resident in New Zealand and your principal business is the investment of money or, in the course of and for the purposes of your business, you habitually invest money.

An IDPS operator who satisfies the above criteria may invest directly in the Fund.

You should contact us to discuss the application requirements before making your first investment. We will advise what you need to do. Among other things, we may need to formally identify you before you invest. Until all requirements are satisfied we cannot accept an application.

If at any time after investing in the Fund you no longer satisfy the eligibility criteria, you must advise us and we may cause the redemption of your unitholding.

This PDS only constitutes an offer if you receive it in Australia or New Zealand.

Minimum balance

You need to maintain a minimum balance of \$500,000. We may, however, accept lower amounts at our discretion. We may redeem your unitholding if your account balance falls below \$500,000.

What if you change your mind?

The right to 'cool off' (to decide if your investment in the Fund suits your needs) does not apply.

Adding to your account

Once you've opened your account, you can make additional investments by EFT or Austraclear.

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

Accessing your money

You can request a partial or a full withdrawal from your account to a nominated bank account at any time.

Once lodged, withdrawal requests may not be withdrawn except with our consent.

In certain circumstances we may refuse a withdrawal request or suspend making withdrawal payments for a period of time. We may also suspend payment of withdrawal requests we have already accepted.

Switching

You may be able to switch between the Fund and other trusts in the MLC Investment Trust. A switch will be treated as a withdrawal from one trust and an investment in another trust. Transaction cost allowances may apply. A PDS may change over time. Before you switch you should make sure you have the most up to date PDS available by contacting MLC.

General information for direct investors

Transfers

You may be able to transfer all or some of your unitholding to another eligible investor. Please contact us for more information.

Transacting on your account

We can only process transaction requests when we receive all required information. We will not be responsible for any loss arising from unauthorised or fraudulent requests.

Investments we can't process will be held in trust for up to 30 days. Any interest earned during this time will be kept by the Trustee.

Receiving distribution income

To receive a distribution, you must hold units on the distribution calculation date. You can request to have income distributions:

- reinvested in the Fund, or
- paid into your bank account.

We may, in our absolute discretion, accept or reject any such request. If you do not make a selection we will reinvest the income back into the Fund.

On the reinvestment of income, units will be issued at the unit price applicable at the distribution calculation date. Buy cost allowances do not currently apply to the issue of these units.

Resolving complaints

We can usually resolve complaints over the phone. If we can't or you're not satisfied with the outcome, then you will need to write to us. We will work to resolve your complaint as soon as possible.

Privacy

A copy of NAB's privacy policy is available at mlc.com.au. By investing in the Fund you acknowledge that you have access to NAB's privacy policy and agree that any NAB company may collect, use, disclose and handle your personal information in a manner set out in that policy.

Keeping you informed

You can obtain information on your account and update your details by contacting us (details on the next page).

We provide the following information so you can stay informed about your investments:

Transaction confirmation	Confirms any investment, switch or withdrawal you make on your account.
Monthly transaction statement	Provides a summary of your transactions and investment details for the month.
Distribution statement	Provides details of the distributions paid on your account.
Annual taxation statement	Provides details of the income and capital gains paid on your account for the financial year.
Constitution	This information is available to you on request, free of charge.
Annual audited financial statement	
Performance history	
Unit pricing policy and exceptions register	
Derivatives Risk Statement	
Privacy policy	
Product Disclosure Statement updates	You can obtain a copy of the PDS on request free of charge. The PDS can be updated or replaced from time to time.

Contact details for direct investors

For transaction and unitholding related matters contact:

NAB Asset Servicing—Registry Services

Telephone 1300 761 354

Fax 1300 365 601

Postal address NAB Asset Servicing—Registry Services
PO Box 1406
Melbourne VIC 3001

For Trustee, investment and product related matters contact:

MLC Institutional Products and Services

Telephone (02) 9936 4577

Fax (02) 9936 4500

Postal address MLC Investment Trust
Level 12, 105–153 Miller Street
North Sydney NSW 2060



MLC Investment Trust

For transaction and unitholding related matters contact:

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Registry Services

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Fax: 1300 365 601

Postal address:

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