

MLC's market-leading investment process

Step 1

Scenario analysis and portfolio construction

Investment Futures Framework

Identify scenarios

Generate potential returns

Analyse returns and risks

Asset allocation

Step 2
Implementation

Step 3
Review

- We can never be certain what the future will hold. This means we must take into account the things that **could** happen.
- We do this by building a comprehensive understanding of the possible future investment environments or scenarios that could occur. This includes not just those things most likely to occur, but also unlikely yet very significant environments (such as financial crises).
- The Investment Futures Framework gives a detailed view of how returns vary in each scenario. This also provides detailed information about the nature and extent of investment risks.
- Understanding how returns and risks can change over time means we can determine what we believe is the best combination of assets, strategies and managers to generate returns while controlling risks in all scenarios – the asset allocation.

We aim to implement the asset allocation as efficiently as possible to minimise costs.

We continuously apply our Investment Futures Framework to determine if portfolio adjustments are appropriate.