



How to use MLC Inflation Plus in a portfolio

Understanding different risks for investors

What's the risk?	Description	Most relevant to	Does MLC Inflation Plus help manage this risk?
Inflation risk	Risk that rising costs will undermine purchasing power over time	<ul style="list-style-type: none"> • Accumulation • Pre-retirement • Retirement 	✓ ✓ ✓
Investment risk	Risk of losing invested wealth because of market downturn or poor investment performance	<ul style="list-style-type: none"> • Accumulation • Pre-retirement • Retirement 	✓ ✓
Longevity risk	Risk that accumulated super may not be enough to fund a required level of income in retirement	<ul style="list-style-type: none"> • Retirement 	✓
Sequencing risk	Risk of receiving low or negative returns in early years of drawing down retirement savings and increasing the potential of money running out prematurely	<ul style="list-style-type: none"> • Pre-retirement • Retirement 	✓ ✓ ✓

Client life-stages

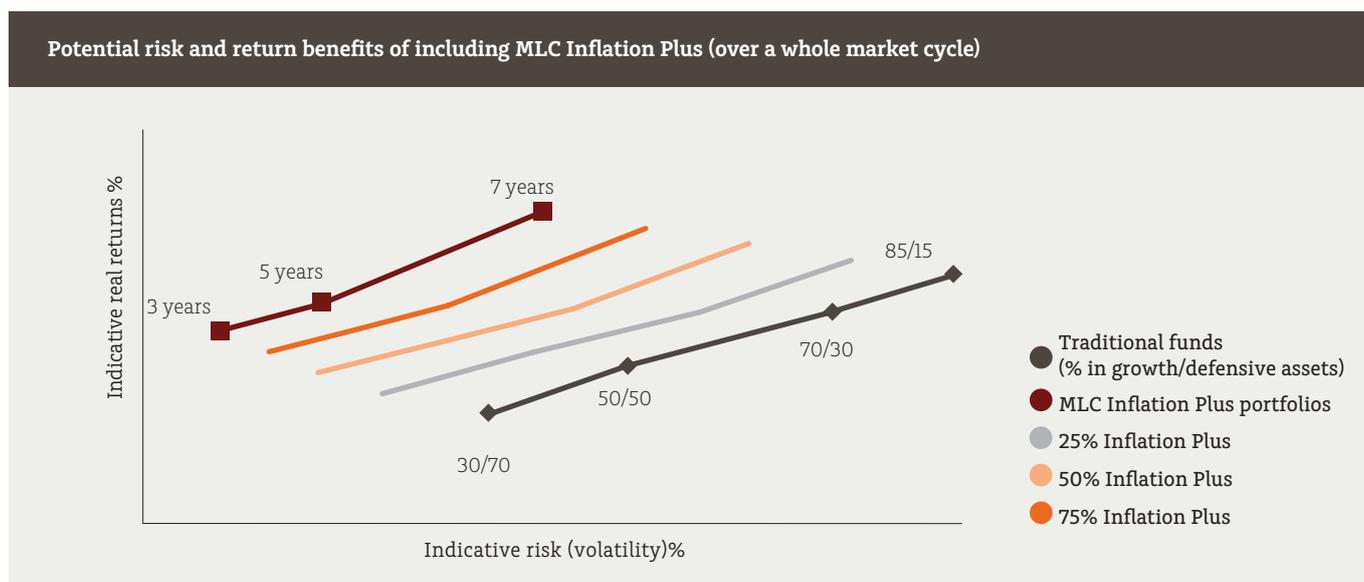
Portfolio	Client life-stage		
	Accumulation	Pre-retirement	Retirement
MLC Inflation Plus – Conservative <ul style="list-style-type: none"> • Risk averse 	<ul style="list-style-type: none"> ✓ 	<ul style="list-style-type: none"> ✓ ✓ • Risk averse • Helps mitigate sequencing risk • Need acceptable results regardless of investment markets 	<ul style="list-style-type: none"> ✓ ✓ ✓ • Risk averse • Helps mitigate sequencing risk • Need acceptable results regardless of financial markets
MLC Inflation Plus – Moderate <ul style="list-style-type: none"> • Risk aware 	<ul style="list-style-type: none"> ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ • Risk averse • Helps mitigate sequencing risk • Need acceptable results regardless of investment markets 	<ul style="list-style-type: none"> ✓ ✓ • Risk averse • Helps mitigate sequencing risk • Need acceptable results regardless of financial markets
MLC Inflation Plus – Assertive <ul style="list-style-type: none"> • Risk tolerant: may use gearing, less liquid assets • Long investment horizon 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ • Risk tolerant • Helps mitigate sequencing risk 	<ul style="list-style-type: none"> ✓ • Risk tolerant • Helps mitigate sequencing risk

Portfolio construction

Portfolio	Role in a portfolio			
	Complete portfolio	Core	Segment/Sector	Satellite
MLC Inflation Plus – Conservative	✓	✓	✓	✓
MLC Inflation Plus – Moderate	✓	✓	✓	✓
MLC Inflation Plus – Assertive	✓	✓	✓	✓
	Ideal for a client's complete portfolio: <ul style="list-style-type: none"> aims for smoother returns than a traditional diversified portfolio investment manager actively manages risk by adjusting asset allocation and investing broadly across asset classes, including alternative assets and strategies 	Well-suited to a core portfolio as it offers a smoother path of returns above inflation, than a traditional diversified fund Clients wanting a more tailored outcome can add satellite investments	Use with a diversified portfolio: <ul style="list-style-type: none"> passes asset allocation back to investment manager in uncertain markets reduces exposure to traditional funds when nearing retirement 	For portfolio constructors, use as a satellite investment. <ul style="list-style-type: none"> risk control: diversifier to dampen volatility

Blending with other funds

This illustration shows how replacing a portion of your client's traditional diversified fund allocation with MLC Inflation Plus portfolios may improve risk/return characteristics.



Source: MLC Asset Management Services Limited

As each market cycle is different it isn't possible to accurately predict returns or volatility. Depending on the conditions at the time, actual returns could be significantly different from those shown.



ASSET MANAGEMENT

Important information

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