



Changes to MLC's fixed income strategies for financial advisers

November 2024

This material is not for circulation to
retail investors



ASSET MANAGEMENT

Important information

Data as at 31 October 2024 unless otherwise stated.

This information has been provided for the funds in the table below by MLC Investments Limited (ABN 30 002 641 661 AFSL 230705) as Responsible Entity for the MLC Investment Trust, MLC Pre Select, MLC MultiActive High Growth and MLC MultiActive Geared funds, part of the Insignia Financial Group of companies (comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate) ('Insignia Financial Group'). The capital value, payment of income, and performance of the Funds are not guaranteed. An investment in the Funds is subject to investment risk, including possible delays in repayment of capital and loss of income and principal invested. No member of the Insignia Financial Group guarantees or otherwise accepts any liability in respect of any financial product referred to in this communication or MLCAM's services.

This document has been prepared for financial advisers. This document must not be distributed to 'retail clients' (as defined in the Corporations Act 2001 (Cth)) or any other persons.

This information is directed to and prepared for Australian residents only.

This information may constitute general advice. It has been prepared without taking account of an investor's objectives, financial situation or needs and because of that an investor should, before acting on the advice, consider the appropriateness of the advice having regard to their personal objectives, financial situation and needs.

You should obtain a Product Disclosure Statement (PDS) relating to the financial products mentioned in this communication issued by MLC Investments Limited or IOOF Investment Services Ltd and consider it before making any decision about whether to acquire or continue to hold these products. Target Market Determinations (TMDs) for relevant products are also required to be made available and considered by distributors. A copy of the PDS (or other disclosure documents) and TMD for the products mentioned in this presentation are available upon request by phoning the MLC call centre on 132 652 or on our website at mlc.com.au.

Past performance is not a reliable indicator of future performance. The value of an investment may rise or fall with the changes in the market. Returns are not guaranteed, and actual returns may vary from any target returns described in this document. No representations are made that they will be met. Please note that all performance reported is before management fees and taxes, unless otherwise stated.

Any projection or other forward-looking statement ('Projection') in this communication is provided for information purposes only.

No representation is made as to the accuracy or reasonableness of any such Projection or that it will be met. Actual events may vary materially.

MLC Investment Limited, IOOF Investment Services Ltd, and MLC Asset Management Pty Ltd may use the services of any member of the Insignia Financial Group where it makes good business sense to do so and will benefit customers. Amounts paid for these services are always negotiated on an arm's length basis.

Bloomberg Finance L.P. and its affiliates (collectively, "Bloomberg") do not approve or endorse any information included in this material and disclaim all liability for any loss or damage of any kind arising out of the use of all or any part of this material.

The funds referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds.

MLC Investment Trust:

- MLC Index Plus Conservative
- MLC Index Plus Balanced
- MLC Index Plus Growth
- MLC Real Return Moderate
- MLC Real Return Assertive
- MLC Wholesale Horizon 1 Bond Portfolio
- MLC Wholesale Horizon 2 Income Portfolio
- MLC Wholesale Horizon 3 Conservative Growth Portfolio
- MLC Wholesale Horizon 4 Balanced Portfolio
- MLC Wholesale Horizon 5 Growth Portfolio
- MLC Wholesale Inflation Plus Conservative
- MLC Wholesale Diversified Debt Fund

MLC MultiActive Trusts:

- MLC MultiActive High Growth
- MLC MultiActive Geared

MLC MasterKey Unit Trust:

- MLC Horizon 2 Income Portfolio
- MLC Horizon 3 Conservative Growth Portfolio
- MLC Horizon 4 Balanced Portfolio
- MLC Horizon 5 Growth Portfolio
- MLC Horizon 6 Share Portfolio
- MLC Horizon 7 Accelerated Growth Portfolio

MLC Pre Select Funds:

- MLC Pre Select Conservative Fund
- MLC Pre Select Balanced Fund
- MLC Pre Select Growth Fund
- MLC Pre Select High Growth Fund

Contents

1.	MLC fixed income
2.	MLC Index Plus
3.	MLC Real Return, Diversified Debt, Horizon 1-5, Inflation Plus Conservative, Pre Select
4.	MLC Extended Credit
5.	Communication plan
6.	Appendix

MLC fixed income

Sector

All maturities

Income

Extended credit

Inflation-linked bonds

Insurance-related investments

MLC Opportunistic Capital Solutions

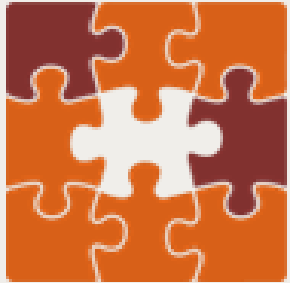
Private debt



Diversified fixed income strategy

- Changes to all maturities are shown on slides 5 to 11
- Changes to extended credit are shown on slides 12 to 14

Fixed income: strategy change



- **Index Plus**
 - Conservative, Balanced, Growth

What's changed and why?

What's changed?

Diversified fixed income strategy

- Alignment with MLC MultiSeries
- Introduction of extended credit
- Appointment of Invesco
- Removed PIMCO and PGIM

There's no impact on management fees as a result of these changes

Why?

- The changes now fully align the manager structure in the diversified fixed income strategies across MLC Index Plus and MLC MultiSeries.
- The new exposure to extended credit further diversifies the fixed income strategy. We believe this will generate better and more consistent returns for our Index Plus investors.
- We are familiar with Invesco as they are an existing manager in MultiSeries and MultiActive.

MLC Index Plus: Diversified fixed income strategy

Target manager allocations



ASSET MANAGEMENT

Global	Previous	Revised	Change
All maturities strategy			
- PIMCO	12.5%	-	-12.5%
- PGIM	18.75%	-	-18.75%
- Brandywine	18.75%	15%	-3.75%
- Invesco	-	22%	+22%
Income strategy	-	8%	+8%
Extended credit strategy	-	5%	+5%
Total	50%	50%	

Australian	Previous	Revised	Change
All maturities strategy			
- Antares	25%	16%	-9%
- Janus Henderson	8%	12%	+4%
- Ardea	17%	10%	-7%
Income strategy	-	12%	+12%
Total	50%	50%	

Profile of Invesco

Global fixed income

About Invesco

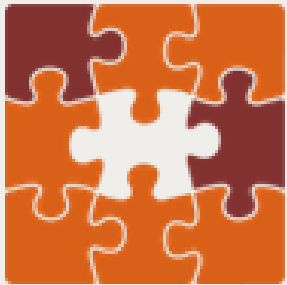
- Invesco Ltd is a leading independent global investment firm solely focused on investment management.
- Headquartered in Atlanta, US, the firm has assets under management of approximately USD \$1,795 billion (as at 30 September 2024) and is listed on the New York Stock Exchange (NYSE Code IVZ).
- Founded in 1935, today Invesco Ltd serves clients around the globe, with an on-the-ground presence in 26 countries. Invesco Ltd has more than 8,400 employees worldwide including more than 800 investment professionals.



Why we've appointed Invesco

- Invesco is a manager that is already utilised by MLC Asset Management to manage passive strategies.
- Invesco's indexing business extends across shares, fixed income and alternatives.
- Invesco is one of the industry's largest smart beta providers and one of the top exchange-traded fund sponsors by AUM globally. Additionally, Invesco has won numerous accolades and ranks highly in Environmental, Social and Governance (ESG) based indexes.

Fixed income: strategy change



- **Real Return**
 - Moderate, Assertive
- **Wholesale**
 - Diversified Debt
 - Horizon 1-5
 - Inflation Plus Conservative
- **Pre Select**
 - Conservative, Balanced, Growth, High Growth

What's changed and why?

What's changed?

Diversified fixed income strategy

- Alignment with MLC MultiActive
- Appointment of Western Asset Management
- Removed Antares and PIMCO

There's no impact on management fees as a result of these changes

Why?

- The changes now fully align the manager structure in the diversified fixed income strategies across MLC MultiActive, MLC Real Return, MLC Wholesale and MLC Pre Select.
- We believe these changes will generate better and more consistent returns for our diversified fund investors.
- We are familiar with Western Asset Management as they are an existing manager in MultiActive and MultiSeries.

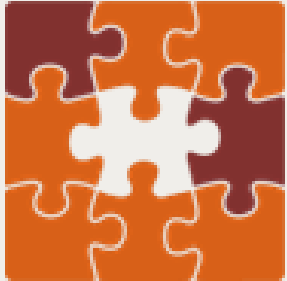
Real Return, Wholesale, Pre Select: Diversified fixed income strategy

Target manager allocations

Global	Previous	Revised	Change
All maturities strategy			
- PIMCO	12.5%	-	-12.5%
- PGIM	18.75%	19%	+0.25%
- Brandywine	18.75%	13%	-5.75%
Income strategy	-	8%	+8%
Extended credit strategy	-	10%	+10%
Total	50%	50%	

Australian	Previous	Revised	Change
All maturities strategy			
- Antares	25%	-	-25%
- Janus Henderson	8%	13%	+5%
- Ardea	17%	10%	-7%
- Western Asset Management	-	15%	+15%
Income strategy	-	12%	+12%
Total	50%	50%	

Fixed income: manager change



- **Extended Credit**

MLC Extended Credit

Target manager allocations

Manager	Previous	Revised	Change
Bentham Global Opportunities Fund	30%	25%	-5%
Oaktree Global Multi-Sector	25%	25%	-
Shenkman Bank Loans	30%	30%	-
Stone Harbor Emerging Markets	5%	5%	-
Barings	-	15%	+15%
Muzinich Global High Yield	10%	-	-10%
Total	100%	100%	

Profile of Barings



ASSET MANAGEMENT

About Barings



- Barings LLC (Barings) is an indirect, wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company (MassMutual).
- Barings has US\$431+ billion* of assets under management across public and private markets in fixed income, real assets and capital solutions.
- Employs 1,850+ staff* across 19 countries, including dedicated investment professionals based in North America, Europe and Asia Pacific..

Why we've appointed Barings

- Barings is a leading player in the leveraged finance market with strong expertise in broadly syndicated loans, high yield bonds and structured credit across Europe and the US.
- They are very experienced with deep resources. Having managed:
 - Loan portfolios and collateralized loan obligations ('CLO') since 1998 and are a top 20 CLO issuer globally.
 - High yield bond assets since the 1980s, with demonstrated outperformance over multiple time periods.
 - In structured credit they are one of the longest tenured CLO investors with experience dating back to the 1990s, with depth to invest up and down the capital structure.
 - High yield multi-asset credit portfolios since 2012.

* As at 30 September 2024.

Changes to MLC's fixed income strategies, for financial advisers

Communication plan

When	Who	What	Where
November 2024	Advisers	This presentation outlining the changes	<ul style="list-style-type: none"> Published in adviser sections of mlc.com.au and mlcam.com.au (under 'Strategy updates') Published on Investment Central (in 'Underlying managers and strategy updates' section)
Late January 2025	Advisers	Investment update for financial advisers MLC's insights & portfolio positioning	<ul style="list-style-type: none"> Published on mlc.com.au (in Fund Commentaries > Prices and Performance accessed from Adviser tab) and mlcam.com.au (under 'Latest reporting resources' in 'Adviser only' section) Published on Investment Central (under 'Insights & portfolio positioning')
Late January 2025	Advisers and clients	Quarterly client fund performance commentaries	<ul style="list-style-type: none"> Published on mlcam.com.au and Investment Central mlcam.com.au/MLCWholesale, select Fund Profile Tool Pre Select commentaries available from mlc.com.au (under 'Fund Commentaries')



Appendix

Income strategy

Target manager allocations

Global	Target
Wellington 1+ years IG Credit	15%
Western Asset Management High Grade Multi-Asset Credit	15%
TCW Securitised Debt	10%
Total	40%

Australian	Target
Antares Credit	15%
Janus Henderson Income	30%
Metrics Diversified Australian Senior Loan	15%
Total	60%