



Changes to MLC's global shares strategies for financial advisers

February 2024

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Important information



ASSET MANAGEMENT

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The following funds are affected by the changes to MLC's global shares strategy. These funds appear on MLC's platforms, in addition to a number of external platforms:

MLC MultiActive Trusts:

MLC MultiActive Growth
MLC MultiActive High Growth

MLC Investment Trust:

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 Global Share Fund

MLC Super Fund:

MLC Stable
MLC Conservative Balanced
MLC Balanced
MLC Growth
MLC High Growth
MLC Aggressive
MySuper
MLC International Shares

MLC Pre Select:

Conservative
Balanced
Growth
High Growth



What's changed and why?

What's changed?

- We've made some changes to our global shares investment managers and their weights:
 - Appointed: Alphinity, Arrowstreet Capital Small Caps and Brown Advisory.
 - Removed: C Worldwide and Sands Capital.

Why?

- We are constantly looking to optimise managers within the global shares strategies on a risk and return basis
 - the strategy is managed to a style neutral manner, with stock specific risk being the dominant active risk driver.
 - The changes now align the manager structure in the active global shares strategies across MLC Asset Management.
- We are familiar with Alphinity, Arrowstreet Capital and Brown Advisory as they're already used in other MLC MultiActive strategies.

Funds affected

- MLC Wholesale Global Shares Fund
- MLC Wholesale Horizon portfolios 2 to 5
- MLC MultiActive High Growth and MLC MultiActive Geared
- Pre Select funds
- MLC MySuper
- MLC Stable, MLC Conservative Balanced, MLC Balanced, MLC Growth, MLC High Growth, MLC Aggressive
- MLC International Shares
- There's no impact on fees as a result of these changes

New target manager allocations

MLC Global Shares*

Manager	Target
Alphinity	20.0%
Arrowstreet	18.0%
Arrowstreet Small Caps	4.0%
Brown Advisory	14.0%
Intermede	14.0%
Pzena	10.0%
Royal London	20.0%
Emerging markets^	0.0%
C Worldwide	-
Sands Capital	-
Total	100.0%

^ Strategic weight with a range up to 10%

Profile of Alphinity Investment Management

About Alphinity



- Alphinity Investment Management (Alphinity) is an Australian and global shares manager based in Sydney, Australia.
- It was established in 2010 and is majority employee-owned.
- The global shares investment team is made up of 12 people. There are five portfolio managers (Jeff Thomson, Mary Manning, Jonas Palmqvist, Trent Masters and Chris Willcocks).

Why we've appointed Alphinity

- Alphinity aims to deliver consistent outperformance for its clients by investing in companies with underestimated forward earnings expectations. It uses a distinctive combination of fundamental analysis and quantitative inputs.
- We believe their competitive advantage comes from:
 - A well-defined investment process with a belief that earnings and earnings expectations drive share prices over time.
 - The ability to identify opportunities through a combination of deep fundamental analysis and objective quantitative signals. This can allow the team to build a portfolio that avoids traditional 'value' and 'growth' traps and can perform across investment regimes.
 - A focus on quality and valuation when determining allocation to companies in an earnings upgrade cycle.
- We are familiar with Alphinity as they were appointed by MLC Asset Management to manage Australian shares in 2012.

Profile of Brown Advisory

About Brown Advisory



- Brown Advisory is an investment firm established in 1993 as an affiliate of Alex. Brown & Sons. In 1998, the current management and investment team led a buyout to establish Brown Advisory as a private, independent investment business.
- Brown Advisory is a firm of over 800 employees – with locations across the US, as well as offices in London, Frankfurt, Singapore and Tokyo.
- Every Brown Advisory colleague owns an equity interest in the firm, accounting for approximately 70% of share capital.

Why we've appointed Brown Advisory

- The Brown Advisory Global Leaders portfolio managers seek to own a concentrated portfolio of 30-40 leading global companies in any sector or country that they believe are capable of compounding excess economic returns over time.
- Brown Advisory follows a fundamental, bottom-up, research intensive investment selection process.
- At the heart of their approach is the belief that high-quality companies that deliver superior outcomes for their customers, have strong leadership positions and high return on invested capital (ROIC) can generate outstanding shareholder returns for investors.
- Brown Advisory Global Leaders looks to purchase these companies at discounts to intrinsic value for clients.

Profile of Arrowstreet Capital

About Arrowstreet Capital



- Arrowstreet Capital, Limited Partnership (Arrowstreet Capital) was founded in June 1999 and its principal place of business is Boston, Massachusetts.
- Arrowstreet Capital is wholly-owned and controlled by members of the firm's senior management and non-executive directors.

Why we've appointed Arrowstreet Capital

- They are an experienced global shares manager with a track record of consistent excess returns in different market environments.
- Their systematic approach to portfolio construction seeks to construct well diversified, core portfolios of attractive stocks that don't co-vary with systematic sources of variation, such as the value/growth cycle or the small/large cap cycle.
- We are familiar with Arrowstreet Capital as they were appointed by MLC Asset Management to manage global shares in December 2017.

Communication plan

When	Who	What	Where
Feb 2024	Advisers	This presentation outlining the changes	<ul style="list-style-type: none"> • Included in Adviser Bulletin email to advisers • Published in adviser sections of mlc.com.au and mlcam.com.au (in 'Strategy updates' section)
Feb 2024	Advisers and clients	Fund commentaries	<ul style="list-style-type: none"> • mlc.com.au/fundprofiletool • mlcam.com.au select Fund Profile Tool
Feb 2024	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, under Prices and Performance > Latest reporting resources accessed from Adviser tab) • Published on mlcam.com.au (under 'Latest reporting resources' accessed from Our investment managers > MLC > Resources > Adviser only section)