



Changes to MLC's global shares strategies for financial advisers

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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 Horizon 3 Conservative Growth Portfolio	MLC Wholesale Horizon 2 Income Portfolio	MLC Pre Select Conservative Fund
MLC Horizon 4 Balanced Portfolio	MLC Wholesale Horizon 3 Conservative Growth Portfolio	MLC Pre Select Balanced Fund
MLC Horizon 5 Growth Portfolio	MLC Wholesale Horizon 4 Balanced Portfolio	MLC Pre Select Growth Fund
MLC Horizon 6 Share Portfolio	MLC Wholesale Horizon 5 Growth Portfolio	MySuper
MLC Horizon 7 Accelerated Growth Portfolio	MLC Wholesale Horizon 6 Share Portfolio	
MLC Global Share Fund	MLC Wholesale Horizon 7 Accelerated Growth Portfolio	
MLC Hedged Global Share Fund	MLC Wholesale Global Share Fund	
	MLC Wholesale Hedged Global Share Fund	

What's changed and why?

What's changed?

- MLC global shares strategy
 - Appointed: Royal London and Pzena,
 - Removed: Tweedy, Browne and Kiltarn.
- MySuper Global Shares Plus strategy
 - Appointed: Royal London
 - Removed: Tweedy, Browne.

Why?

- We are constantly looking to optimise managers within the global shares strategies on a risk and return basis
 - The changes now align the manager structure in the active global shares strategies. This alignment included the removal of Kiltarn in MLC Global Shares strategy.
- To improve the differentiation between the managers Royal London have been appointed and Tweedy, Browne have been removed.
- We're familiar with Royal London and Pzena as they're already used in other MLC and IOOF strategies.

Funds affected

- MLC Global Shares Fund
 - MLC Hedged Global Share Fund
 - MLC Horizon portfolios 2 to 7
 - Pre Select funds, and
 - MySuper
-
- There's no impact on fees as a result of these changes

New target manager allocations



ASSET MANAGEMENT

MLC Global Shares*

Manager	Updated	Change
Arrowstreet	20.0%	-
C Worldwide	16.0%	-1.5%
Intermede	16.5%	+1.5%
Sands Capital	10.0%	-
Pzena	22.5%	+22.5%
Royal London	15.0%	+15.0%
Tweedy, Browne	-	-15.0%
Kiltearn	-	-22.5%
Total	100.0%	-

MLC MySuper Global Shares Plus

Manager	Updated	Change
Arrowstreet	20.0%	+1.0%
C Worldwide	16.0%	+0.5%
Intermede	16.5%	+1.0%
Sands Capital	10.0%	-2.0%
Pzena	22.5%	-
Royal London	15.0%	+15.0%
Tweedy, Browne	-	-15.5%
Total	100.0%	-

*The same manager mix applies to MLC MasterKey Super and Pension Fundamentals and Business Super

Profile of Royal London

About Royal London

- Royal London Asset Management (RLAM) was established in 1988.
- A wholly-owned subsidiary of the Royal London Group (the Group).
- The Group consists of the Royal London Mutual Insurance Society Limited and its subsidiaries, and is the UK's largest mutual life, pensions and investment company.
- The Global Equity team within RLAM is made up of ten people. There are three senior fund managers (Peter Rutter, Will Kenney and James Clarke) who have in excess of 20 years' experience of successful global equity investing together.



Why we've appointed Royal London

- The attractive features of Royal London is their research and portfolio construction approach results in a high degree of risk coming from stock selection, rather than style or any other aspects. This differentiation is attractive.
- An approach that explicitly aims to invest across the style spectrum, including some areas that may be deemed to be "Growth".
- Even though the manager has a mild value orientation, the portfolio is constructed to minimise any style impacts on the portfolio.
- As a result, style is only a small component of the active risk, with the vast majority of the active risk coming from stock specific aspects.
- The expectation is that this manager will generate more consistent returns over time, thereby enabling the aggregate portfolio to generate more consistent returns.



Profile of Pzena

About Pzena



- Pzena Investment Management (Pzena) was first appointed to manage global shares for MLC in December 2017.
- Established in New York in 1996. With offices in London, Melbourne and Dublin.
- Manages USD\$42 billion at September 2022.

Why we've appointed Pzena

- We have appointed Pzena because they are an active, deep value manager with a proven ability to provide higher returns than the market through stock selection, by investing in the shares of good businesses that they believe are undervalued relative to their longer-term normalised earnings potential.
- Pzena complements our existing managers, as they provide exposure to deeper value investments than the other managers.

Communication plan

When	Who	What	Where
Early December	Advisers	This presentation outlining the changes	<ul style="list-style-type: none"> • Internal mlcamcomms email to BDMs • Included in Adviser Bulletin email to advisers • Published in adviser sections of mlc.com.au and mlcam.com.au (in 'Strategy updates' section)
Late January 2023	Advisers	Investment update for financial advisers MLC's scenario insights & portfolio positioning	<ul style="list-style-type: none"> • Published on mlc.com.au (in Fund Commentaries, under Prices and Performance accessed from Adviser tab) and mlcam.com.au (under 'Latest quarterly reporting resources' in 'Adviser only' section)
Late January 2023	Advisers and clients	Fund commentaries	<ul style="list-style-type: none"> • mlc.com.au/fundprofiletool • mlcam.com.au/MLCWholesale, select Fund Profile Tool