

MLC Wholesale Horizon 3 Conservative Growth Portfolio

Focused on providing above-benchmark returns through an actively-managed, extensively diversified portfolio

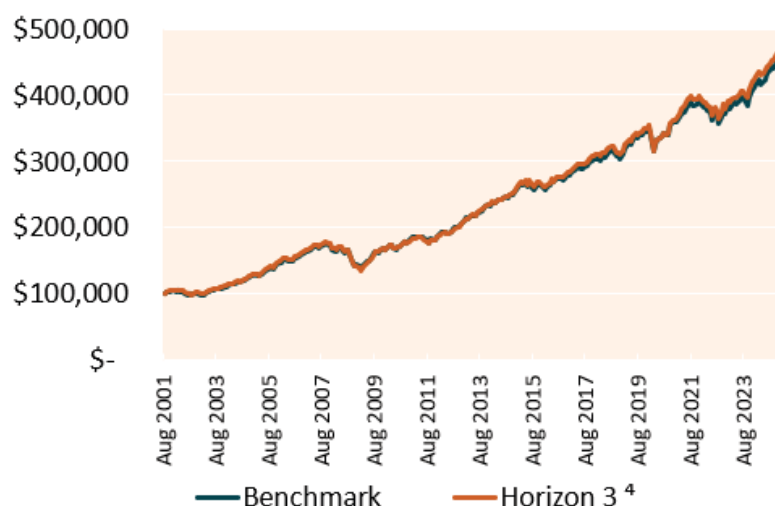
Data updated to 31 March 2025

ARSN: 096 796 379 APIR code: MLC0398AU

Fund performance

	3 mths (%)	1 yr (%)	3 yrs (%pa)	5 yrs (%pa)	7 yrs (%pa)	10 yrs (%pa)	Since inception on 1 Jul 2001 (%pa)
Income return	0.4	7.3	4.5	4.8	4.6	4.5	5.0
Growth return	-0.8	-2.3	0.5	2.4	0.7	0.2	0.7
Total net return¹	-0.4	5.0	5.0	7.2	5.2	4.7	5.7
Total gross return²	-0.4	5.3	5.7	7.8	5.9	5.5	
Benchmark³	-0.1	5.3	5.3	7.2	5.8	5.3	

Value of \$100,000 invested



Past performance is not a reliable indicator of future performance. Returns are not guaranteed and may vary from any target described in this document.

¹Net returns are calculated after deducting management fees and assume reinvestment of all distributions.

²Gross returns are calculated before deducting management fees.

³The benchmark is a combination of market indices, weighted according to the portfolio's benchmark asset allocation. Details of the portfolio's current benchmark are available on our [website](#).

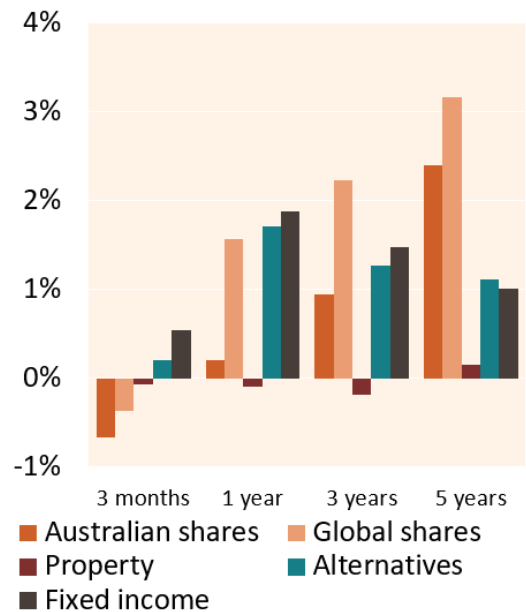
⁴The portfolio's performance objective changed from gross of fees to net of fees from December 2023. The returns in the chart are gross of fees prior to December 2023.

Contributors to portfolio returns

Performance drivers for the quarter are:

- There were weak returns in **Australian shares** (-4.2%) and **global shares** (-1.1%).
- The exposure to **listed infrastructure** (+5.1%) and **private equity** (+2.1%) within Alternatives, generated positive returns.
- Within Fixed income, exposure to short-maturity bonds and corporate bonds contributed positively to performance. The **short maturity strategy** returned +1.6% and **extended credit strategy** returned +1.2%.

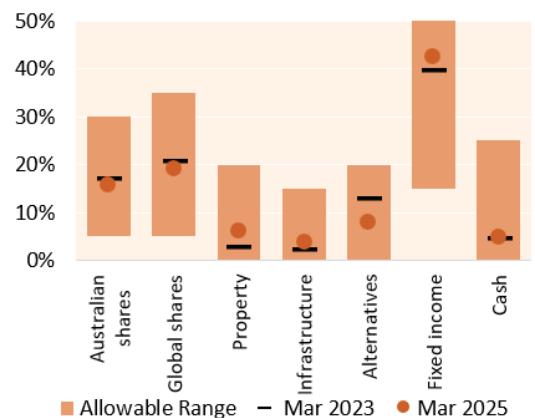
Note: Strategy returns and asset class contributions are before deducting fees.



Portfolio positioning

For the active management of these portfolios, risk is primarily benchmark-related. Strategic asset allocations have been designed to efficiently generate above-inflation outcomes on the basis of long-term investment assumptions and taking into account that over time a broad range of scenarios could play out. The portfolio's main positions are:

- **Australian and global shares** have drifted underweight with the recent sell-off. An underweight to the US has helped recent performance vs benchmark and we have been using cashflows to add to shares opportunistically.
- Underweight position to **unlisted property**. Whilst unlisted property provides a relatively stable income yield, some inflation protection and the potential for capital growth, the shorter-term return outlook for some sectors is below long-term averages.
- Overweight position to **alternatives**. The real return strategy and derivatives provide the portfolio with more liquid sources of real asset like exposures to offset the underweight to property.
- The overweight to **fixed income** includes an overweight to credit via **short maturities** and **private debt**. A modest overweight to credit remains one of our highest conviction positions. Given the stage of the cycle, we prefer higher quality and shorter duration credit.
- Duration positioning within **fixed income** has increased to provide additional protection to the portfolio.
- Underweight position to **cash** and **all maturities** to fund the fixed income overweighs.



Further Information

Visit our website at mlcam.com.au/MLCWholesale for additional information including:

- The latest [news and insights](#) from our investment experts.
- The core of any successful investment is a clear investment philosophy. [MLC's investment philosophy](#) defines the kind of investor we are and, most importantly, how we manage your money.



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