

# MLC Wholesale Horizon 4 Balanced Portfolio

ASSET MANAGEMENT

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

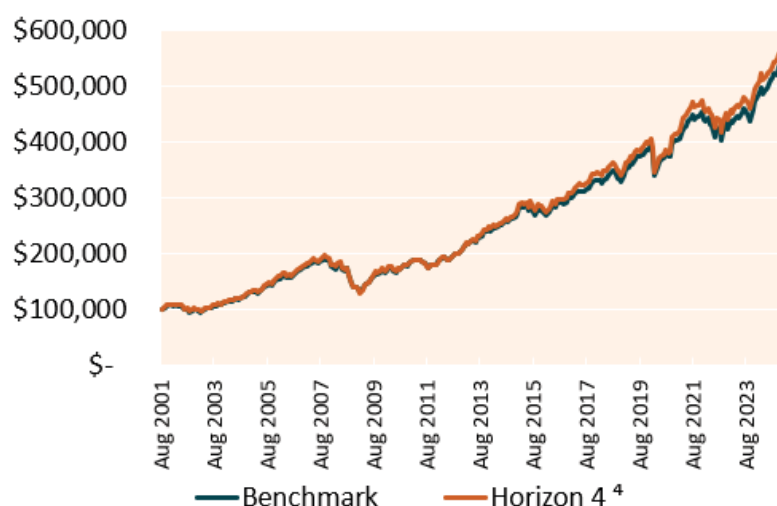
Data updated to 31 March 2025

ARSN: 087 446 375 APIR code: MLC0260AU

## Fund performance

	3 mths (%)	1 yr (%)	3 yrs (%pa)	5 yrs (%pa)	7 yrs (%pa)	10 yrs (%pa)	Since inception on 22 Jan 1998 (%pa)
<b>Income return</b>	0.4	8.0	5.6	5.9	4.8	4.8	5.7
<b>Growth return</b>	-1.4	-2.7	-0.1	3.2	1.7	1.0	1.0
<b>Total net return<sup>1</sup></b>	<b>-1.1</b>	<b>5.3</b>	<b>5.5</b>	<b>9.2</b>	<b>6.5</b>	<b>5.8</b>	<b>6.7</b>
<b>Total gross return<sup>2</sup></b>	-1.1	5.4	6.2	9.9	7.2	6.7	
<b>Benchmark<sup>3</sup></b>	-0.7	5.8	6.0	9.3	7.1	6.4	

## 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.

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

<sup>2</sup>Gross returns are calculated before deducting management fees.

<sup>3</sup>The 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](#).

<sup>4</sup>The 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.

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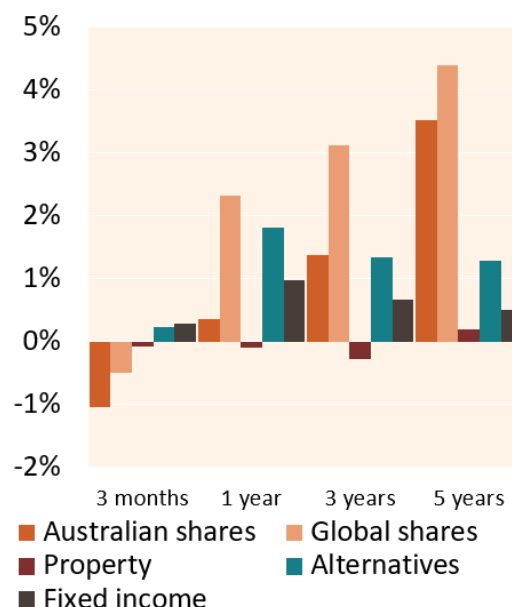
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## Contributors to portfolio returns

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 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%.

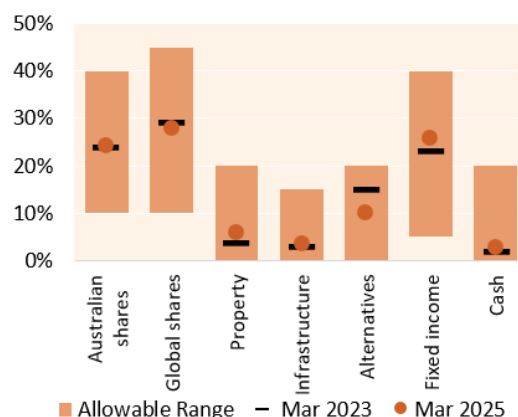
Note: Strategy returns and asset class contributions are before deducting fees.



## 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 overweights.



## Further Information

Visit our website at [mlcam.com.au/MLCWholesale](http://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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