



MLC Wholesale Index Plus Balanced Portfolio

June 2020

Data updated to 30 June 2020

ARSN: 618 813 059 APIR code: MLC7387AU

Fund details

| | | | |
|-----------------------------------|--|---------------------------------|--|
| Inception date | 14 July 2017 | Buy/sell spread | Please refer to our website for the current buy/sell spreads as they're being reviewed frequently in the current volatile market environment |
| Minimum initial investment | \$500,000 | Management fee | 0.29% |
| Distribution frequency | the last Sunday of September, December and March and 30 June each year | Estimated indirect costs | 0.00% |

Performance

| Period ended | 1 month % | 3 months % | 1 year % | 2 years %pa | Since inception on 14 Jul 2017 %pa |
|------------------------------|--------------|---------------|-------------|----------------|---------------------------------------|
| Net¹ | 1.1 | 8.2 | -1.2 | 3.1 | 4.8 |
| Gross² | 1.2 | 8.8 | -0.6 | 3.6 | 5.6 |
| Benchmark³ | 1.3 | 9.1 | -0.3 | 4.1 | 5.9 |

¹Past performance is not a reliable indicator of future performance. Returns are not guaranteed and actual returns may vary from any target described in this document.

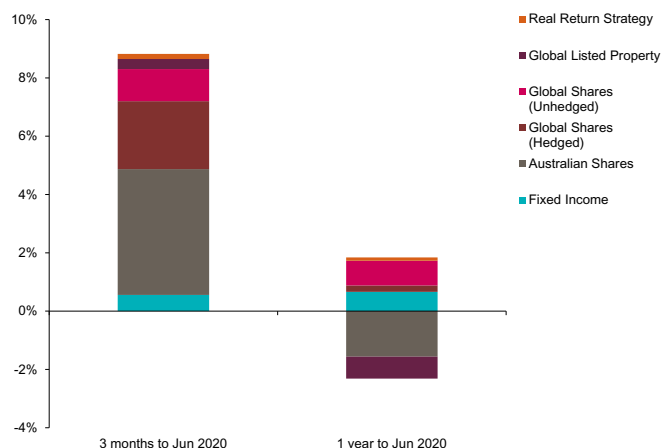
²Net returns are calculated after deducting management fees and assume reinvestment of all distributions.

³Gross returns are calculated before deducting management fees.

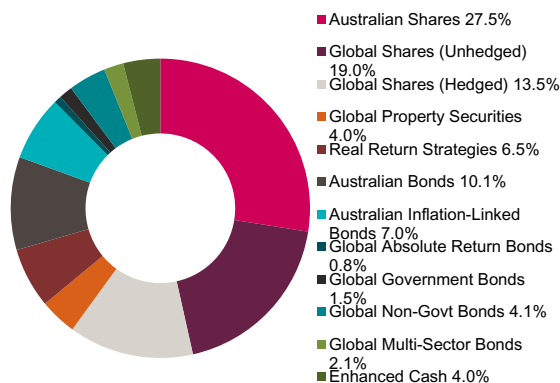
³The benchmark is a combination of market indices, weighted according to the portfolio's benchmark asset allocation. Details of the portfolio's current benchmark are available on our [website](#)

Contributors to returns

The asset class contribution to the portfolio's return is shown below. Returns for periods longer than one year are annualised (% pa).



Asset allocation



Past performance is not a reliable indicator of future performance.

The returns shown in the graph are before deducting management fees.

Performance relative to its objective

The portfolio's objective:

Aims to provide a return that meets its Benchmark, before fees, over 4 year periods.

The portfolio's inception was in July 2017 so it doesn't have a 4 year return yet. By applying the Investment Futures Framework we continue to reduce risk in the portfolio when we believe market risks are high, as outlined in 'Portfolio positioning' below.

Starting in late February investment markets fell sharply and rebounded almost as quickly as investors try to understand the impact the spread of the Coronavirus will have on company earnings and asset values. We're providing regular investment updates at www.mlcam.com.au/insights/market-volatility/insights.

Portfolio positioning

Remains defensively positioned relative to benchmark, while maintaining adequate participation in share market upside:

- **Overweight to a real return strategy (ie simple real return strategy)** is in part a response to low return potential and high risk of mainstream asset classes. The defensiveness of the real return strategy has enabled the portfolio to maintain exposure to shares at close to benchmark weight.

- **Underweight interest rate risk.** Exposure to fixed income offers some defensiveness, largely through exposure to credit. This quarter we increased all-maturity global investment grade credit (ie non-government bonds). Lower government bond yields mean the scope for interest rates to protect the portfolios under adverse economic conditions remains challenged.

- **Modest overweight foreign currencies** for diversification as global share markets and the AUD tend to move in the same direction. Not hedging some overseas assets can help insulate the portfolio from losses if share markets fall. This overweight has added value this quarter.

- **Tailored short maturities Australian inflation-linked bonds exposure** to protect against rising inflation and interest rate risk.

- **Underweight to Australian shares.** This is a small underweight position.

Further information

Additional information on performance, asset allocations and portfolio positioning is available on our [Fund Profile Tool](http://mlcam.com.au/MLCWholesale) at mlcam.com.au/MLCWholesale

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