



ASSET MANAGEMENT



Strategic asset allocation changes to MLC's multi-asset portfolios for financial advisers

September 2024

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retail investors



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MLC Investment Trusts:

MLC Index Plus Conservative
MLC Index Plus Balanced
MLC Index Plus Growth

MLC MultiSeries Trusts:

MLC MultiSeries 30
MLC MultiSeries 50
MLC MultiSeries 70
MLC MultiSeries 90

MLC Pre Select Funds:

MLC Pre Select Conservative Fund
MLC Pre Select Balanced Fund
MLC Pre Select Growth Fund
MLC Pre Select High Growth Fund

What's changed and why?

We have reviewed the strategic (benchmark) asset allocations (SAAs) so that they remain relevant. As part of this process, we consider new asset classes and strategies that are available, changes in the competitive landscape, and risk and return efficiency of the portfolios. Main changes from our recent review are below. These changes have now been implemented.

Which funds are affected?



- MLC MultiSeries
- MLC Index Plus
- MLC Pre Select

Adjustments to existing asset classes



- Reduced benchmark allocations to Alternatives
- Increased benchmark allocations to Fixed income

Alignment of asset classes



- Aligning MultiSeries asset classes with MultiActive

New strategic asset allocations

MLC MultiSeries

Asset classes	MultiSeries 30		MultiSeries 50		MultiSeries 70		MultiSeries 90	
	Updated	(Change)	Updated	(Change)	Updated	(Change)	Updated	(Change)
Cash & short-term securities	22%		11%		4%		1%	
Diversified fixed interest	48%	(+4%)	39%	(+4%)	26%	(+8%)	9%	(+5%)
Alternatives	5%	(-5%)	5%	(-5%)	5%	(-9%)	9%	(-7%)
Infrastructure	1%	(+1%)	1%	(+1%)	1%	(+1%)	2%	(+2%)
Property	6%		9%		10%		11%	
International shares	10%		20%		30%		37%	
Australian shares	8%		15%		24%		31%	
Total assets	100%		100%		100%		100%	
Defensive assets	71%	(+1%)	51%	(+1%)	31%	(+1%)	11%	(+1%)
Growth assets	29%	(-1%)	49%	(-1%)	69%	(-1%)	89%	(-1%)

Reclassification of Alternatives

- Infrastructure now a separate asset class
- Aligns with asset classes in MultiActive

Property

- Australian listed property will be removed and invested into global listed property

New strategic asset allocations

MLC Index Plus

Asset classes	Index Plus Conservative		Index Plus Balanced		Index Plus Growth	
	Updated	(Change)	Updated	(Change)	Updated	(Change)
Cash	14%	(-1%)	6%		2%	
Fixed income	35%	(+2%)	23%	(+1.5%)	12%	(+1.5%)
Alternatives	3%	(-2%)	3%	(-2%)	2%	(-3%)
Infrastructure	2%		3%		3%	
Property securities	3%		4%		4%	
Global shares	24%		34%	(+1%)	44%	(+1.5%)
Australian shares	19%	(+1%)	27%	(-0.5%)	33%	
Total	100%		100%		100%	
Defensive assets	50%		30%		15%	
Growth assets	50%		70%		85%	

Increase in Fixed income

- Reflects addition of credit and insurance-related investments to strategic asset allocation
- Funded from reduction in alternatives

New strategic asset allocations

MLC Pre Select

Asset classes	Pre Select Conservative		Pre Select Balanced		Pre Select Growth		Pre Select High Growth	
	Updated	(Change)	Updated	(Change)	Updated	(Change)	Updated	(Change)
Cash	21%		15%	(-2%)	7%	(-2%)	3%	(-2%)
Fixed income	47%	(+1%)	34%	(+3%)	22%	(+2%)	11%	(+1%)
Alternatives	5%	(-2%)	5%	(-2%)	5%	(-2%)	5%	(-2%)
Infrastructure	1%		2%		3%		3%	
Property securities	2%	(+0.5%)	3%		4%		4%	
Global shares	14%	(+0.5%)	24%	(+1%)	34%	(+1%)	43%	(+2%)
Australian shares	10%		17%		25%	(+1%)	31%	(+1%)
Total assets	100%		100%		100%		100%	
Defensive assets	70%		51%		30%	(-1%)	15%	(-2%)
Growth assets	30%		49%		70%	(+1%)	85%	(+2%)

Increase in Fixed income and Shares

- Small increase in benchmark allocations to shares and fixed income
- Funded from alternatives and cash



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Communication plan

Communication plan

When	Who	What	Where
Late September 2024	Advisers	This presentation outlining the changes	<ul style="list-style-type: none"> Published in adviser sections of mlc.com.au and mlcam.com.au (in 'Strategy updates' section) Published on Investment Central
Late October 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 accessed from Adviser tab) and mlcam.com.au (under 'Latest reporting resources' in 'Adviser only' section) Published on Investment Central
Late October 2024	Advisers and clients	Fund commentaries	<ul style="list-style-type: none"> mlc.com.au/fundprofiletool mlcam.com.au/MLCWholesale, select Fund Profile Tool