



# MLC MULTIACTIVE

## Summary of underlying manager changes

30 September 2024

	Manager	Asset class <sup>^</sup>
<b>30 September 2024</b>		
New inclusions in the trusts	Barings LLC	Diversified fixed interest
Removals from the trusts	Muzinich & Co Limited	Diversified fixed interest
	Pendal Institutional Limited	Global listed property
<b>30 June 2024</b>		
New inclusions in the trusts	Alphinity Investment Management Pty Ltd	Australian shares
	Antares Equities	Australian shares
Removals from the trusts	AllianceBernstein Investment Management	Australian shares
	Australia Limited	Australian shares
	Vinva	Australian shares
<b>31 March 2024</b>		
New inclusions in the trusts	None	
Removals from the trusts	Invesco Australia Limited	Australian shares
<b>31 December 2023</b>		
New inclusions in the trusts	Antares Fixed Income	Diversified fixed income
	MLC Investments Ltd	Diversified fixed income
	Macquarie Investment Management Limited	Infrastructure
Removals from the trusts	None	

<sup>^</sup> On 30 November 2023, we made changes to how we label some asset classes. Diversified Fixed Interest became Diversified Fixed Income and International Shares became Global Shares. You will see new labels from the 31 December 2023 quarter onwards.



# MLC MULTIACTIVE

## Investment manager changes

30 September 2024

Over the September quarter, the following changes were made to our underlying investment manager line-up:

### New inclusions in the trusts:

#### Diversified fixed interest:

##### **Barings LLC**

Barings LLC (Barings) is a US\$406+ bn global financial services firm specialising in public and private fixed income, real estate and specialist equity markets.

Barings has 1,880+ staff across 19 countries, including 712 investment professionals (as at 31 March 2024) based in North America, Europe and Asia Pacific.

Barings is a wholly owned subsidiary of Massachusetts Mutual Life Insurance Company (MassMutual). MassMutual is a mutual insurance company, owned by its policy holders and founded in 1851.

Barings is a leading player in the leveraged finance market with a strong and demonstrated expertise in broadly syndicated loans (BSL), high yield bonds and CLOs across the US and Europe, all which will be fully utilised in our mandates. Barings have been managing high yield bond assets since the 1980s, BSL portfolios and CLOs since 1998 and sub-investment grade multi-asset credit portfolios since 2012.

We believe the addition of Barings to the sub-investment grade portfolio will improve the overall risk-adjusted returns of the portfolio by introducing more diverse return drivers to the overall portfolio that complement the existing managers in the portfolio.

### Removals from the trusts:

While the managers being removed from the Trust are considered to be high quality, providing adequate bottom-up fundamental exposure, our analysis suggests a more efficient combination of managers with the newly implemented managers/portfolio construction. The restructured portfolio provides greater conviction in the underlying skill set of individual managers as well as providing a more complementary combination of managers.

#### Diversified fixed interest

- **Muzinich & Co Limited**

#### Global listed property

- **Pendal Institutional Limited**



# MLC MULTIACTIVE

## Investment manager changes

30 June 2024

Over the June quarter, the following changes were made to our underlying investment manager line-up:

### New inclusions in the trusts:

#### Australian shares:

##### **Alphinity Investment Management Pty Ltd**

Alphinity Investment Management (Alphinity) is an Australian and global shares manager based in Sydney, Australia. It was established in 2010 and is majority employee-owned.

Alphinity seeks to produce sustainable outperformance by identifying and investing in attractively valued, quality companies with underestimated forward earnings expectations that are entering an earnings upgrade cycle.

We believe their competitive advantage comes from:

- A well-defined investment process with a belief that earnings and earnings expectations drive share prices over time.
- The ability to identify opportunities through a combination of deep fundamental analysis and objective quantitative signals. This can allow the team to build a portfolio that avoids traditional 'value' and 'growth' traps and can perform across investment regimes.
- A focus on quality and valuation when determining allocation to companies in an earnings upgrade cycle.

We are familiar with Alphinity as they were appointed by MLC Asset Management to manage Australian shares in 2012.

##### **Antares Equities**

Antares Capital Partners Limited (Antares Equities) is a specialist Australian shares manager based in Melbourne, Australia.

It was established in 1994 as Portfolio Partners and became the Antares Equities team in 2012.

It is a member of the Insignia Financial Group.

MLC Asset Management appointed Antares Equities to our Australian shares strategies to balance the insights of our other managers and provide increased diversity of stock selection and managers' views, as well as the range of investments in these strategies.

Antares Equities believes in bottom-up stock-picking. A consistent process and detailed, quality research executed by a highly experienced, stable and diverse team underpin this approach.

The investment philosophy is based on the belief that markets can misprice stocks and these opportunities can be identified using the proven, proprietary Antares research process.

We are familiar with Antares Capital Partners as they are an existing manager in MLC Wholesale.

### Removals from the trusts:

#### Australian shares

- **AllianceBernstein Investment Management Australia Limited**
- **IOOF QuantPlus**

While the managers being removed from the Trust are considered to be high quality, providing adequate bottom-up fundamental exposure, our analysis suggests a more efficient combination of managers with the newly implemented managers/portfolio construction. The restructured portfolio provides greater conviction in the underlying skill set of individual managers as well as providing a more complementary combination of managers.



## MLC MULTIACTIVE

### *Investment manager changes*

31 March 2024

Over the March quarter the following change was made to our underlying investment manager line-up:

#### **Removal from the trusts:**

##### **Australian shares:**

##### **Invesco Australia Limited**

While the manager being removed from the Trust is considered to be high quality, providing adequate bottom-up fundamental exposure, our analysis suggests a more efficient combination of managers with the newly implemented managers/portfolio construction. The restructured portfolio provides greater conviction in the underlying skill set of individual managers as well as providing a more complementary combination of managers.



# MLC MULTIACTIVE

## Investment manager changes

31 December 2023

Over the December quarter the following changes were made to our underlying investment manager line-up:

### New inclusions in the trusts:

#### Diversified fixed income

##### Antares Fixed Income

MLC Asset Management Pty Ltd, trading as Antares Fixed Income (Antares), was appointed to manage Australian fixed income securities.

The Antares team members are located in Sydney, Australia, and have managed fixed income since 1990. Antares is a member of the Insignia Financial Ltd group.

The credit-focussed process of the highly experienced Antares team provides a risk-controlled exposure to domestic credit. Antares enhances returns through both core strategies (such as sector allocation, credit selection and yield maximisation) and tactical strategies (including duration, yield curve and spread positions).

##### MLC Investments Ltd

The MLCAM Alternative Strategies team was appointed to manage the Opportunistic Growth Strategy (previously known as the Low Correlation Strategy) in 2008 and insurance-related investments in 2007.

The team is based in Sydney, Australia.

The Opportunistic Growth Strategy and insurance-related investments strategies were developed specifically for MLCAM's diversified funds. Both strategies are designed to increase the diversity of sources of return and risk in those portfolios.

The Opportunistic Growth Strategy achieves this by combining several carefully selected alternative strategies, including hedge funds.

Insurance-related investments are investments in natural catastrophe risks, where investors take on the role of an insurer. They receive a yield – effectively an insurance premium – for taking the risk of a particular natural catastrophe causing losses above a certain level.

As the occurrence of natural catastrophes has no expected relationship with share market movements, the strategy is an attractive source of diversification. MLCAM partners with reinsurance specialists to create tailored strategies aligned with our desired risk-return and exposure characteristics.

These alternative strategies provide our diversified funds with sources of risk and return that are not correlated to mainstream asset classes, helping to smooth out the portfolios' returns.

#### Infrastructure

##### Macquarie Investment Management Global Limited

Macquarie Investment Management Global Limited (Macquarie) forms part of Macquarie Asset Management, the asset management division of Macquarie Group.

Macquarie has managed Australian shares and global listed infrastructure for MLCAM since 2021.

Macquarie Asset Management has offices in Australia, Asia, Europe and the US.

MLCAM expects Macquarie's enhanced index approach to deliver consistent outperformance while meeting the risk constraints of our portfolios. Their style complements the other managers we have in place.

MLCAM accesses **global listed infrastructure** through the Macquarie Hedged Index Global Infrastructure Securities Fund, which provides market exposure after deducting fees. We're using Macquarie's index approach at this time in some of our diversified funds as an efficient way to access the economically and geographically diversified global listed infrastructure market.

### **Important information**

This document is issued by IOOF Investment Services Ltd (IISL) ABN 80 007 350 405, AFSL 230703, as Responsible Entity of the MLC MultiActive range of trusts (formerly known as IOOF MultiMix), excluding the MLC MultiActive High Growth, MLC MultiActive Geared, MLC Index Plus and MLC Real Return Funds ('Trusts').

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