



ASSET MANAGEMENT

MLC MultiActive

Summary of underlying manager changes

31 December 2024

| | Manager | Asset class [^] |
|------------------------------|---|--|
| 31 December 2024 | | |
| New inclusions in the trusts | None | |
| Removals from the trusts | Defensive Equities Trust | Australian shares |
| 30 September 2024 | | |
| 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 |
| 30 June 2024 | | |
| New inclusions in the trusts | Alphinity Investment Management Pty Ltd Antares Equities | Australian shares Australian shares |
| Removals from the trusts | AllianceBernstein Investment Management Australia Limited Vinva | Australian shares Australian shares |
| 31 March 2024 | | |
| New inclusions in the trusts | None | |
| Removals from the trusts | Invesco Australia Limited | Australian shares |

[^] 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.

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

Removal from the trusts:

Australian shares:

Defensive Equities Trust

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.

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

New inclusions in the trusts:

Diversified fixed income:

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:

Australian listed property

Invesco Australia Limited

Global listed property

Pendal Institutional Limited

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.

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.

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.



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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