



# Product Viewpoint

## MLC MultiActive Geared

ISSUE DATE 02-02-2024

### Key information

APIR CODE	MLC0449AU
STATUS	OPEN
ASSET CLASS	MULTI-ASSET
SECTOR	>100% GROWTH ASSETS
SUB SECTOR	MULTI-MANAGER (GEARED)
PRODUCT TYPE	WHOLESALE
LEGAL TYPE	UNIT TRUST
PDS OBJECTIVE	TO OUTPERFORM THE BENCHMARK, AFTER FEES, OVER SEVEN YEAR PERIODS.
FUND SIZE	\$227.55M
MINIMUM INITIAL / ADDITIONAL INVESTMENT	\$20,000 / \$0
MINIMUM INVESTMENT BALANCE	-
DISTRIBUTION FREQUENCY	QUARTERLY

### Fees & costs (% per annum)

MANAGEMENT FEES AND COSTS	1.09
PERFORMANCE FEE COSTS	0
NET TRANSACTION COSTS	0.06
NET OF BUY SPREAD / SELL SPREAD	0.15 / 0.15
ANNUAL FEES AND COSTS (PDS)	1.15

WHERE MANAGEMENT FEES & COSTS IS NULL "-" NO DATA HAS BEEN PROVIDED AND THE ANNUAL FEES & COSTS (PDS) CANNOT BE CALCULATED. REFER TO THE PDS FOR THE FEE INFORMATION.

### Returns after fees (at 30-4-2024)

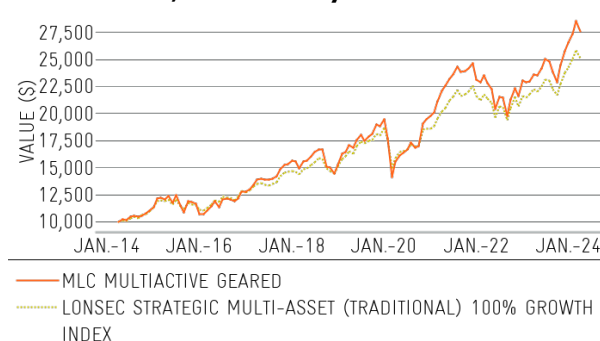
	1 YR	3 YR	5 YR	10 YR
TOTAL RETURN (% PA)	16.74	7.66	10.03	10.68
INCOME RETURN (% PA)	3.43	7.08	5.80	5.26
GROWTH RETURN (% PA)	13.31	0.58	4.23	5.42
LONG SEC BENCHMARK (% PA)	13.08	7.66	8.78	9.67
EXCESS RETURN (% PA)	3.66	0.00	1.25	1.01

BENCHMARK USED: LONSEC STRATEGIC MULTI-ASSET (TRADITIONAL) 100% GROWTH INDEX

### Asset allocation (at 31-3-2024)

	%ACTUAL	%MIN	%MAX	%TARGET
AUSTRALIAN EQUITIES	46.1	-	-	-
INTERNATIONAL EQUITIES	78.1	-	-	-
LISTED PROPERTY	1.9	-	-	-
OTHERS	-28.3	-	-	-
CASH	2.3	-	-	-

### Growth of \$10,000 over 10 years



### What this Rating means

The 'Recommended' rating indicates that Lonsec has strong conviction the financial product can generate risk adjusted returns in line with relevant objectives. The financial product is considered an appropriate entry point to this asset class or strategy.

### Lonsec Opinion of this Fund

#### Overall

Lonsec has maintained the Fund's 'Recommended' rating at its latest review. This rating is underpinned by the Manager's long heritage in multi-asset investing and the robust asset allocation framework developed by the Capital Markets Research (CMR) team and research process. Lonsec retains conviction in the high calibre investment team overseeing this important function. The increased resourcing from the combined heritage IOOF, OnePath and MLC businesses, provides further depth of expertise within investment management, asset allocation and risk management.

Lonsec notes the utilisation of related party capabilities requires careful management of perceived conflicts.

The fees are considered moderately high compared to peers.

#### Strengths

- The Capital Markets Research ('CMR') has a long heritage in multi-asset investing.
- The CMR's robust asset allocation process is a key differentiator of the Fund within this peer group.
- Integration of the broader investment team has been progressing well to further enhance the Manager's investment capabilities.
- Increased breadth of resources and tools, in particular manager research, asset allocation, performance analytics, governance and implementation teams.

#### Weaknesses

- The utilisation of related party capabilities requires careful management of perceived conflicts.
- The fees are considered moderately high compared to peers.

### Product Risk Characteristics

	LOW	MODERATE	HIGH
BUSINESS SUSTAINABILITY RISK		●	
CAPITAL VOLATILITY			●
FOREIGN CURRENCY EXPOSURE			●
LEVERAGE RISK		●	
REDEMPTION RISK	●		
SECURITY CONCENTRATION RISK	●		
SECURITY LIQUIDITY RISK		●	

Risk categories are based on Lonsec's qualitative opinion of the risks inherent in the financial product's asset class and the risks relative to other financial products in the relevant Lonsec sector universe.

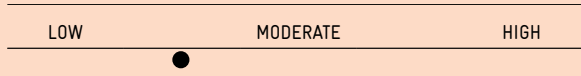
We strongly recommend that potential investors read the product disclosure statement Lonsec Research Pty Ltd ABN 11 151 658 561 • AFSL No. 421 445 • This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports.

ANALYST: ISRIN KHOR | APPROVED BY: ROBBIE LEW

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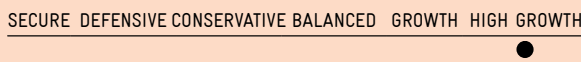
## What is this Fund?

MLC MultiActive Geared (the 'Fund', formerly known as MLC Wholesale Horizon 7 Accelerated Growth Portfolio) is an active, 'long only', geared multi-manager fund that has exposure to a wide range of asset classes (including global/domestic equities and alternative assets) and employs a selection of specialist investment managers. The Fund has a target allocation of 128%/2% growth/defensive split and 30% for gearing. The Fund aims to outperform the benchmark, after fees, over seven-year periods.

## Using this Fund

Lonsec notes that the Manager has produced a Target Market Determination (TMD) which forms part of the Responsible Entity's Design and Distribution Obligations for the Fund. Lonsec has collected the TMD that has been provided by the Manager and notes that this should be referred to for further details on the Target Market Summary, Description of Target Market and Review Triggers.

## Suggested Lonsec risk profile suitability



For guidance on appropriate asset allocations and risk profiles, refer to the latest Lonsec Strategic Asset Allocation Review and Risk Profile Definitions on our website.

## Manager Profile

MLC Asset Management is one of Australia's largest wealth managers offering a range of multi-asset and single-asset funds. MLC Asset Management includes a range of businesses and partners. In May 2021, the sale of MLC Wealth to Insignia Financial Ltd was completed. As of 30 September 2023, Insignia Financial had \$293.1bn in Funds Under Management and Administration.

## Top 10 holdings (at 31-3-2024)

NAME	WEIGHT %
BHP GROUP LIMITED	5.0
COMMONWEALTH BANK OF AUSTRALIA	3.8
MICROSOFT CORPORATION	3.5
CSL LIMITED (AUD)	3.3
NATIONAL AUSTRALIA BANK LIMITED	2.2
NVIDIA CORP	1.8
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMIT	1.6
MACQUARIE GROUP LIMITED	1.6
GOODMAN GROUP ORD	1.5
WESTPAC BANKING CORPORATION	1.4

SOURCE: FE FUNDINFO

## Glossary

[Click here for the glossary of terms.](#)

## About Lonsec

Lonsec Research Pty Ltd (Lonsec) is an investment research house with specialist areas of expertise, that was originally established in 1994 and the current entity was registered on 23 June 2011. From 1 July 2011, Lonsec became a fully owned subsidiary of Lonsec Fiscal Holdings Pty Ltd, a privately owned entity with a multi-brand strategy of providing leading financial services research and investment execution. Lonsec believes that professional financial advisers need informed opinions on the best investment strategies and financial products to provide real value for their clients. To meet this need, Lonsec has in place an experienced research team, which draws on a robust research process to undertake in-depth assessment of managed fund products.

## Analyst Disclosure and Certification

Analyst remuneration is not linked to the research or rating outcome. Where financial products are mentioned, the Analyst(s) may hold the financial product(s) referred to in this document, but Lonsec considers such holdings not to be sufficiently material to compromise the rating or advice. Analyst holdings may change during the life of this document. The Analyst(s) certify that the views expressed in this document accurately reflect their personal, professional opinion about the matters and financial product(s) to which this document refers.

ANALYST: ISRIN KHOR | APPROVED BY: ROBBIE LEW

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