



MLC Wholesale Horizon 1 Bond Portfolio

MLC0669AU **Author:** Chris Serpesedes **Published:** 01 May 2025

Data is provided by the manager at 30 Jun 2024, and currency in AUD, unless otherwise stated

Refer to glossary for definition of the rating

Product Viewpoint

About this Product

Investment manager	MLC Asset Management Services Limited
Benchmark	Bloomberg AusBond Bank Bill Index AUD + 0.50%
Product structure	Managed Fund
Product size	\$35.09m
Inception date	Dec 2005
Asset class	Fixed Interest
Sector	Specialised Income
Peer group	Multi-Manager
Rated peers	1

Product Characteristics

Business Life Cycle	Mature
Product Wind-Up Risk	High
Key Person Risk	Low
Tenure of Decision Makers	Medium
Complex (RG240)	No
Strategy Remaining Capacity	High
ESG Approach	Risk or Value
Peer Relative Fees and Costs	Below Median

Annual Fees and Costs (% p.a.)

Management fees & costs	0.50
Performance fee costs	0.00
Net Transaction Costs	0.00
Buy/Sell Spread	0.05/0.05
Annual fees and costs	0.50

Source: FE fundinfo, PDS Date: 30/Sep/2024

Product Opinion

The Fund has maintained its **'Recommended'** rating. This rating reflects the high regard and conviction in the experience and calibre of the broader investment team and their ability to execute the investment process. The continued consolidation of the heritage businesses provides depth of expertise across the investment process.

However, the Fund has underperformed the Product Benchmark across the medium and long term. Although there are processes in place, the utilisation of related party capabilities and perceived conflicts remains a watchpoint. The Fund also harbours high levels of wind-up risk over the medium term, given its low AUM base.

Lonsec Rating Model

Rating key: ●●● Above ●●● In-line ●●● Below

Factor	Peer Rating	YoY Score Change
Business	●●●	—
Team	●●●	—
Process	●●●	—
ESG	●●●	—
Product	●●●	↓
Fees	●●●	↑
Performance	●●●	—

Allocation Profile

Core		
Satellite		
	Low Complexity	High Complexity

Return Profile

Income		
Capital		
	Defensive	Growth

Strengths

- The Fund is managed by an experienced and well-led investment team.
- Breadth of resources and tools pertaining to manager research, asset allocation, performance analytics, governance and implementation teams.
- Robust and consistently applied investment process underpinning underlying manager selection and portfolio construction.
- Integration of the broader investment team has been progressing well to further enhance the Manager's investment capabilities.

Weaknesses

- The complexity of managing an extensive breadth of heritage products with varying objectives, but this is being managed by the continued alignment of asset class building blocks and objectives.
- Although there are processes in place, using a related party creates the potential for conflicts of interest, which remains a watchpoint.
- Underperformance against the Product Benchmark over the medium and long term.
- At the present levels of AUM, the Fund has increased wind-up risk over the medium term.

Key Facts

Key Objectives

Investment objective	The Fund aims to provide a return higher than its benchmark (before fees) over two-year periods. The return is also expected to be higher than cash investments. At the same time, the Fund aims to preserve capital over one-year periods.
Internal return objective	To outperform cash by 0.5% p.a. to 1.0% p.a. (After Fees).
Internal risk objective	None
Non-financial objective	None

Asset Allocation (%) (as at 31/12/2024)

International Equities	-
Australian Fixed Interest	46.39
Global Fixed Interest	40.16
Alternative Assets	-
Cash	13.45
Total	100.00

Source: FE fundinfo

Rating History

13-Feb-2024	Recommended
21-Apr-2023	Investment Grade
21-Apr-2022	Investment Grade

Product Distribution Profile

Frequency	Quarterly
Last Missed Distribution	None
Number of Missed Distributions in the last 5 years	0
AMIT Election	Yes
TOFA Election	No

Top 10 Holdings (as at 31/12/2024)

	Weight (%)
BBG017CXR784 WSTP 3.8 05/20/25 5/25	1.030
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD 0.0% FEB-27	0.720
WESTPAC BANKING CORP 0.0% DEC-26	0.660
NATIONAL AUSTRALIA BANK	0.610
COMMONWEALTH BANK OF AUSTRALIA FRN 13/01/28 AUD250000	0.540
NATIONAL AUSTRALIA BANK LIMITED FRN 24/08/26 AUD200000	0.440
BENTHAM ASSET MANAGEMENT	0.400
APLLO 2024-1 A FRN 24-13/JUL/55	0.380
NATIONAL AUSTRALIA BANK NATIONAL AUSTRALIA BANK	0.340
AUSTRALIA AND NEW ZEALAND BANKING MTN REGS	0.280

Source: FE fundinfo

Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

Performance Analysis - annualised after fees at 31/12/2024

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	6.32	-	6.34	-	3.40	-	2.23	-
Standard deviation	1.15	-	1.40	-	1.87	-	2.00	-
Excess return (% p.a)	1.35	-	1.66	-	-0.29	-	-0.25	-
Outperformance ratio (% p.a)	75.00	-	66.67	-	52.78	-	56.67	-
Worst drawdown (%)	-0.17	-	-0.17	-	-2.90	-	-3.57	-
Time to recovery (mths)	1	-	1	-	8	-	9	-
Sharpe ratio	1.62	-	1.55	-	0.11	-	0.12	-
Information ratio	1.20	-	1.22	-	-0.19	-	-0.14	-
Tracking error (% p.a)	1.13	-	1.37	-	1.58	-	1.82	-

Lonsec Peer Group: Fixed Interest - Specialised Income - Multi-Manager

Product Benchmark: Bloomberg AusBond Bank Bill Index AUD + 0.50%

Cash Benchmark: Bloomberg AusBond Bank Bill Index AUD

Time to recovery: NR - Not recovered, dash - No drawdown during period

Latest Product Information

(as provided by the manager & sourced from third party data vendors. This data may differ from the data provided to Lonsec at the time of rating)

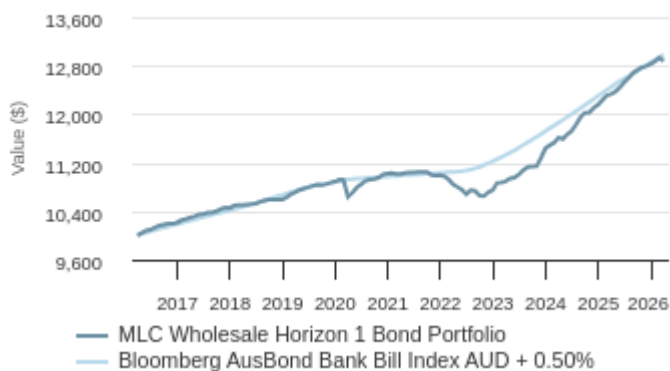
Returns after fees (as at 31/03/26)

	3mth	1yr	3yr	5yr	10yr
Total return	0.35	4.43	5.74	3.17	2.56
Income return	0.75	3.81	4.58	3.78	2.98
Growth return	-0.39	0.62	1.15	-0.60	-0.42
Lonsec benchmark	1.03	4.30	4.65	3.39	2.64
Excess return	-0.67	0.13	1.09	-0.22	-0.08

Benchmark Used: Bloomberg AusBond Bank Bill Index AUD + 0.50%

Source: FE fundinfo

Growth of \$10,000 Over 10 Years

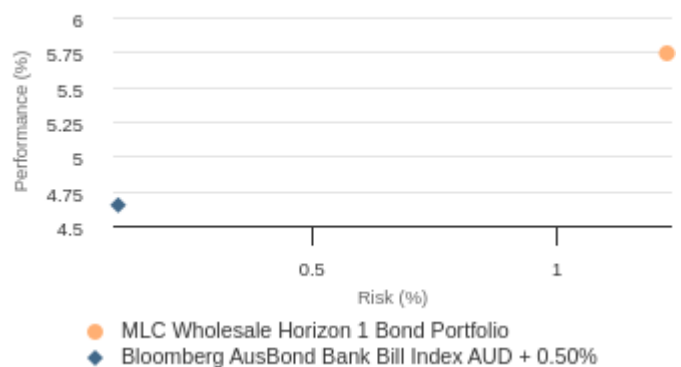


Annual Fees and Costs (% p.a.) (as at 30/09/2025)

Management fees & costs	0.50
Performance fee costs	0.00
Net Transaction Costs	0.00
Buy/Sell Spread	0.05/0.05
Annual fees and costs	0.50

Source: FE fundinfo

3 Year Risk and Return



Top 10 Holdings (as at 31/12/2025)

Name	%
IOOF INCOME TRUST CLASS C	78.3
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD 0.0% FEB-27	.9
WESTPAC BANKING CORP 0.0% DEC-26	.8
NATIONAL AUSTRALIA BANK LIMITED FRN 18/10/27 AUD200000REG S	.7
FIDANTE PARTNERS SERVICES LTD	.7
WESTPAC BANKING CORP SR UNSECURED 12/26 VAR	.6
COMMONWEALTH BANK OF AUSTRALIA FRN 13/01/28 AUD250000 102	.6
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD NAN% SEP-26	.5
NATIONAL AUSTRALIA BANK LIMITED FRN 24/08/26 AUD1000REG S	.5
NATIONAL AUSTRALIA BANK NATIONAL AUSTRALIA BANK	.4

Source: FE fundinfo

Asset Allocation (%) (as at 28/02/2026)

Australian Fixed Interest	78.55
Global Fixed Interest	6.84
Alternative Assets	0.35
Cash	14.26
Total	100.00

Source: FE fundinfo

Lonsec RECOMMENDS THIS DOCUMENT BE READ IN CONJUNCTION WITH THE PRODUCT REVIEW.

General

Excess return: Return in excess of the benchmark return.

Information ratio: Relative reward for relative risk taken (Excess Returns / Tracking Error).

Sharpe ratio: Excess return earned for additional volatility experienced when holding riskier assets versus risk-free asset.

Standard deviation: Volatility of monthly Absolute Returns.

Stewardship Policies: the strength of a manager's proxy voting and engagement policies with respect to ESG.

Time to recovery: The number of months taken to recover the Worst Drawdown.

Total return: 'Top line' actual return, after fees.

Tracking error: Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns).

Worst drawdown: The worst cumulative loss ('peak to trough') experienced over the period assessed.

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'**Highly Recommended**' rating indicates that Lonsec has very strong conviction the product can meet its investment objectives.

'**Recommended**' rating indicates that Lonsec has strong conviction the product can meet its investment objectives.

'**Investment Grade**' rating indicates that Lonsec has conviction the product can meet its investment objectives.

'**Approved**' rating indicates that Lonsec believes the product can meet its investment objectives.

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'**Closed / Wind Up**' status is applied when the product has been closed.

'**Fund Watch**' status is applied when a rating is under review due to the occurrence of a significant event relating to the product.

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The '**Screened Out**' rating indicates Lonsec was unable to attain sufficient conviction that the product can meet its investment objectives.

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Lonsec Research FSG

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- who we are and our contact details;
- the financial services we provide;
- the remuneration that may be paid to us and other persons in relation to the financial services we provide;
- how we deal with conflicts of interest; and
- how we deal with complaints

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Contact Details

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www.lonsec.com.au

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- retirement savings accounts
- foreign exchange products
- life products including:
 - investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
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Lonsec Research FSG (continued)

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Sydney NSW 2000

Tel: 1300 826 395

Email: complaints@lonsec.com.au

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Email: info@afca.org.au

Phone: 1800 931 678

Mail:

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This FSG was prepared on 1 August 2024.