



# Product Viewpoint

## MLC Wholesale Horizon 4 Balanced Portfolio

ISSUE DATE 02-02-2024

### Key information

APIR CODE	MLC0260AU
STATUS	OPEN
ASSET CLASS	MULTI-ASSET
SECTOR	61-80% GROWTH ASSETS
SUB SECTOR	MULTI-MANAGER
PRODUCT TYPE	WHOLESALE
LEGAL TYPE	UNIT TRUST
PDS OBJECTIVE	TO OUTPERFORM THE BENCHMARK, AFTER FEES, OVER FIVE YEAR PERIODS.
FUND SIZE	\$2,499.71M
MINIMUM INITIAL / ADDITIONAL INVESTMENT	\$20,000 / \$0
MINIMUM INVESTMENT BALANCE	-
DISTRIBUTION FREQUENCY	QUARTERLY

### Fees & costs (% per annum)

MANAGEMENT FEES AND COSTS	0.87
PERFORMANCE FEE COSTS	0.03
NET TRANSACTION COSTS	0.07
NET OF BUY SPREAD / SELL SPREAD	0.1 / 0.1
ANNUAL FEES AND COSTS (PDS)	0.97

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 31-1-2024)

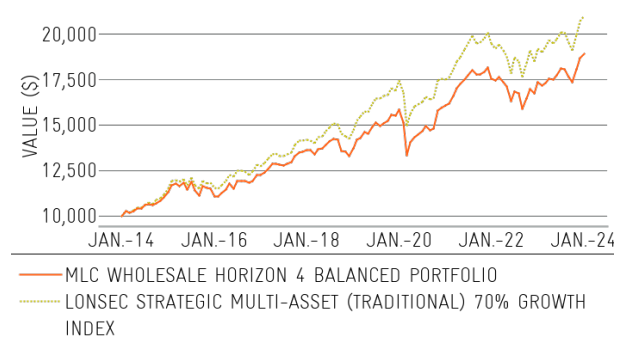
	1 YR	3 YR	5 YR	10 YR
TOTAL RETURN (% PA)	8.91	5.58	6.62	6.59
INCOME RETURN (% PA)	2.43	5.37	4.69	4.35
GROWTH RETURN (% PA)	6.47	0.21	1.93	2.24
LONSEC BENCHMARK (% PA)	9.41	6.20	7.36	7.70
EXCESS RETURN (% PA)	-0.51	-0.62	-0.75	-1.11

BENCHMARK USED: LONSEC STRATEGIC MULTI-ASSET (TRADITIONAL) 70% GROWTH INDEX

### Asset allocation (at 31-12-2023)

	%ACTUAL	%MIN	%MAX	%TARGET
AUSTRALIAN EQUITIES	22.9	-	-	-
INTERNATIONAL EQUITIES	36.7	-	-	-
LISTED PROPERTY	2.1	-	-	-
AUSTRALIAN FIXED INTEREST	13.2	-	-	-
GLOBAL FIXED INTEREST	7.5	-	-	-
OTHERS	11.9	-	-	-
CASH	5.6	-	-	-

### 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

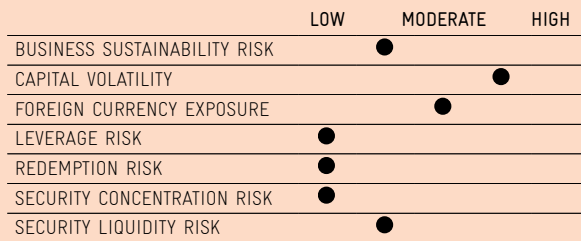
- The utilisation of related party capabilities requires careful management of perceived conflicts.
- The fees are considered moderately high compared to peers.

ANALYST: ISRIN KHOR | APPROVED BY: ROBBIE LEW

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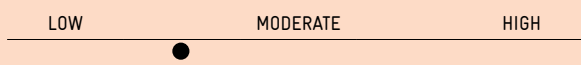
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## Product Risk Characteristics



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.

## ESG BIometric



## What is this Fund?

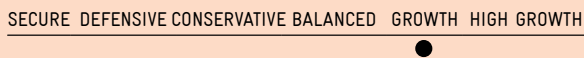
The MLC Wholesale Horizon 4 Balanced Fund (the ‘Fund’) is an active, multi-manager, growth biased strategy which has exposure to a wide range of asset classes (including equities, bonds, property securities and alternative assets) with a target allocation of 70%/30% growth/defensive split. The Fund employs a selection of specialist investment managers.

The Fund aims to outperform the benchmark, after fees, over five-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 31-12-2023)

NAME	WEIGHT %
BHP GROUP LIMITED	2.8
COMMONWEALTH BANK OF AUSTRALIA	1.8
CSL LIMITED (AUD)	1.7
MICROSOFT CORPORATION	1.2
NATIONAL AUSTRALIA BANK LIMITED	1.0
MACQUARIE GROUP LIMITED	0.7
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMIT	0.7
GOODMAN GROUP ORD	0.6
TELSTRA GROUP LIMITED	0.6
WESTPAC BANKING CORPORATION	0.6

SOURCE: FE FUNDINFO

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## MLC Wholesale Horizon 4 Balanced Portfolio

### 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.

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