



Product Viewpoint

MLC Wholesale Horizon 6 Share Fund

ISSUE DATE 20-04-2023

Key information

APIR CODE	MLC0397AU
STATUS	OPEN
ASSET CLASS	MULTI-ASSET
SECTOR	81-100% GROWTH ASSETS
SUB SECTOR	MULTI-MANAGER
PRODUCT TYPE	WHOLESALE
LEGAL TYPE	UNIT TRUST
PDS OBJECTIVE	TO OUTPERFORM THE BENCHMARK, BEFORE FEES, OVER FIVE-YEAR PERIODS
FUND SIZE	\$395.6M
MINIMUM INITIAL / ADDITIONAL INVESTMENT	\$20,000 / \$0
MINIMUM INVESTMENT BALANCE	-
DISTRIBUTION FREQUENCY	QUARTERLY

Fees & costs (% per annum)

MANAGEMENT FEES AND COSTS	0.99
PERFORMANCE FEE COSTS	0.07
NET TRANSACTION COSTS	0.02
NET OF BUY SPREAD / SELL SPREAD	0.1 / 0.1
ANNUAL FEES AND COSTS (PDS)	1.08

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 31-5-2023)

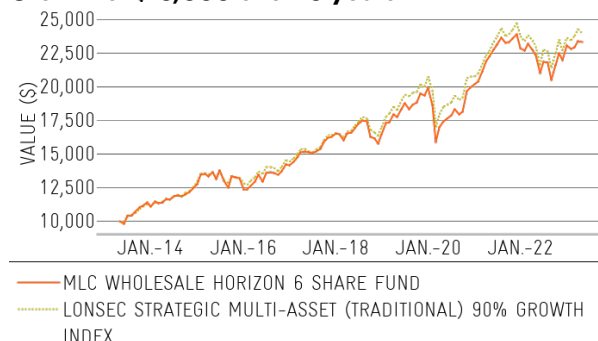
	1 YR	3 YR	5 YR	10 YR
TOTAL RETURN (% PA)	4.51	10.27	7.03	8.85
INCOME RETURN (% PA)	9.01	8.44	6.75	5.73
GROWTH RETURN (% PA)	-4.50	1.83	0.28	3.12
LONSEC BENCHMARK (% PA)	4.23	8.96	7.46	9.14
EXCESS RETURN (% PA)	0.29	1.30	-0.43	-0.29

BENCHMARK USED: LONSEC STRATEGIC MULTI-ASSET (TRADITIONAL) 90% GROWTH INDEX

Asset allocation (at 30-4-2023)

	%ACTUAL	%MIN	%MAX	%TARGET
AUSTRALIAN EQUITIES	37.0	-	-	-
INTERNATIONAL EQUITIES	47.1	-	-	-
LISTED PROPERTY	1.3	-	-	-
AUSTRALIAN FIXED INTEREST	0.8	-	-	-
GLOBAL FIXED INTEREST	0.6	-	-	-
OTHERS	9.2	-	-	-
CASH	4.0	-	-	-

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 MLC's long heritage in multi-asset investing and the robust asset allocation framework developed by the MLC 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.

Strengths

- The Capital Markets Research ('CMR') investment team 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, e.g., Antares and Intermede requires careful management of perceived conflicts.

ANALYST: ISRIN KHOR | APPROVED BY: ROBBIE LEW

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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.

ESG BIometric

LOW	MODERATE	HIGH
	●	

What is this Fund?

The MLC Wholesale Horizon 6 Share 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 98%/2% growth/defensive split. The Fund employs a selection of specialist investment managers.

The Fund is managed by MLC Investment Management ('MLC' or 'the Manager'). The Fund aims to outperform the benchmark, before 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

SECURE	DEFENSIVE	CONSERVATIVE	BALANCED	GROWTH	HIGH GROWTH
				●	

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 31 December 2022, Insignia Financial had \$285.1bn in Funds Under Management and Administration.

Top 10 holdings (at 30-4-2023)

NAME	WEIGHT %
BHP GROUP LIMITED	4.2
CSL LIMITED (AUD)	3.0
COMMONWEALTH BANK OF AUSTRALIA	2.7
MICROSOFT CORP	2.1
NATIONAL AUSTRALIA BANK LIMITED	1.6
MACQUARIE GROUP LIMITED	1.3
WESTPAC BANKING CORPORATION	1.2
TELSTRA GROUP LIMITED	1.2
AMAZON.COM, INC.	1.1
TRANSURBAN GROUP	1.1

SOURCE: FE FUNDINFO

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Glossary

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

About Lonsec

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Analyst Disclosure and Certification

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