



Product Viewpoint

MLC Index Plus Conservative

ISSUE DATE 05-02-2024

Key information

APIR CODE	MLC7849AU
STATUS	OPEN
ASSET CLASS	MULTI-ASSET
SECTOR	41-60% GROWTH ASSETS
SUB SECTOR	LOW-COST DIVERSIFIED
PRODUCT TYPE	WHOLESALE
LEGAL TYPE	UNIT TRUST
PDS OBJECTIVE	TO PROVIDE A RETURN THAT MEETS ITS BENCHMARK, BEFORE FEES AND TAX, OVER FIVE YEAR PERIODS
FUND SIZE	\$566.94M
MINIMUM INITIAL / ADDITIONAL INVESTMENT	\$20,000 / \$0
MINIMUM INVESTMENT BALANCE	-
DISTRIBUTION FREQUENCY	QUARTERLY

Fees & costs (% per annum)

MANAGEMENT FEES AND COSTS	0.29
PERFORMANCE FEE COSTS	0
NET TRANSACTION COSTS	0
NET OF BUY SPREAD / SELL SPREAD	0.05 / 0.05
ANNUAL FEES AND COSTS (PDS)	0.29

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)

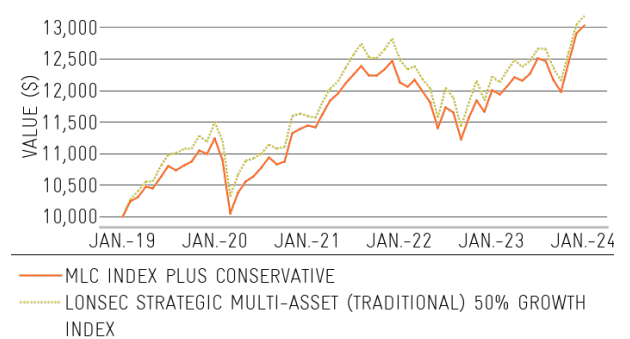
	1YR	2YR	3YR	5YR
TOTAL RETURN (% PA)	8.52	3.66	4.44	5.45
INCOME RETURN (% PA)	2.32	2.16	3.13	3.09
GROWTH RETURN (% PA)	6.21	1.50	1.31	2.35
LONSEC BENCHMARK (% PA)	7.81	2.74	4.35	5.68
EXCESS RETURN (% PA)	0.72	0.91	0.09	-0.23

BENCHMARK USED: LONSEC STRATEGIC MULTI-ASSET (TRADITIONAL) 50% GROWTH INDEX

Asset allocation (at 31-12-2023)

	%ACTUAL	%MIN	%MAX	%TARGET
AUSTRALIAN EQUITIES	18.2	-	-	-
INTERNATIONAL EQUITIES	27.5	-	-	-
LISTED PROPERTY	2.5	-	-	-
AUSTRALIAN FIXED INTEREST	34.2	-	-	-
GLOBAL FIXED INTEREST	12.4	-	-	-
OTHERS	1.6	-	-	-
CASH	3.6	-	-	-

Growth of \$10,000 over five 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 that the Manager will require careful management of the perceived conflicts given the utilisation of related party capabilities.

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.

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 LIQUIDITY RISK		●	
SECURITY CONCENTRATION 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?

MLC Index Plus Conservative ('the Fund') is a low-cost, multi-manager, growth-biased strategy that has exposure to a wide range of asset classes (including equities, bonds, property securities and alternative assets) with a target allocation of 50%/50% growth/defensive split. The Fund aims to provide a return that meets 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.

Top 10 holdings (at 31-12-2023)

NAME	WEIGHT %
BHP GROUP LIMITED	2.1
COMMONWEALTH BANK OF AUSTRALIA	1.5
CSL LIMITED (AUD)	1.1
APPLE INC.	1.1
MICROSOFT CORPORATION	1.0
NATIONAL AUSTRALIA BANK LIMITED	0.8
WESTPAC BANKING CORPORATION	0.7
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMIT	0.7
MACQUARIE GROUP LIMITED	0.6
WOODSIDE ENERGY GROUP LTD	0.5

SOURCE: FE FUNDINFO

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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

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