



Product Viewpoint

MLC Index Plus Balanced

ISSUE DATE 05-02-2024

Key information

| | |
|---|--|
| APIR CODE | MLC7387AU |
| STATUS | OPEN |
| ASSET CLASS | MULTI-ASSET |
| SECTOR | 61-80% 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 | \$816.64M |
| 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)

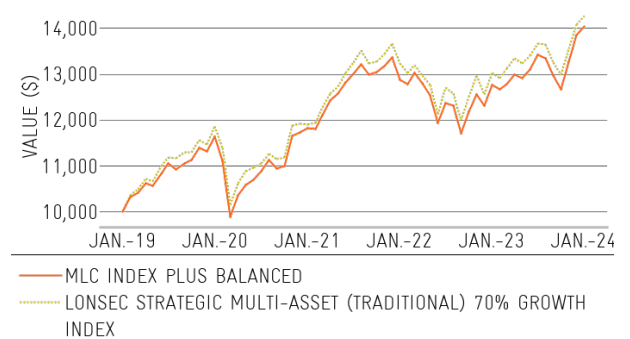
| | 1YR | 2YR | 3YR | 5YR |
|-------------------------|-------|------|-------|-------|
| TOTAL RETURN (% PA) | 10.04 | 4.46 | 5.91 | 7.03 |
| INCOME RETURN (% PA) | 2.75 | 3.06 | 3.85 | 3.78 |
| GROWTH RETURN (% PA) | 7.29 | 1.39 | 2.05 | 3.25 |
| LONSEC BENCHMARK (% PA) | 9.41 | 3.83 | 6.20 | 7.36 |
| EXCESS RETURN (% PA) | 0.63 | 0.63 | -0.29 | -0.34 |

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

Asset allocation (at 31-12-2023)

| | %ACTUAL | %MIN | %MAX | %TARGET |
|---------------------------|---------|------|------|---------|
| AUSTRALIAN EQUITIES | 27.3 | - | - | - |
| INTERNATIONAL EQUITIES | 37.4 | - | - | - |
| LISTED PROPERTY | 3.4 | - | - | - |
| AUSTRALIAN FIXED INTEREST | 19.3 | - | - | - |
| GLOBAL FIXED INTEREST | 8.1 | - | - | - |
| OTHERS | 1.6 | - | - | - |
| CASH | 3.1 | - | - | - |

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

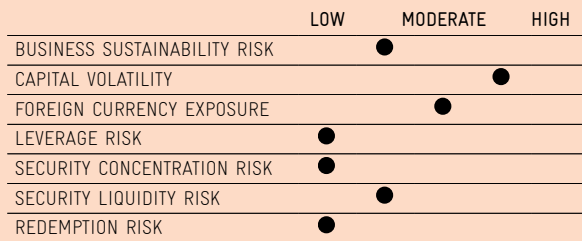
- The utilisation of related party capabilities requires careful management of perceived conflicts.

ANALYST: ISRIN KHOR | APPROVED BY: ROBBIE LEW

MLC Index Plus Balanced

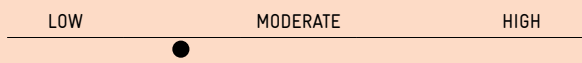
ISSUE DATE 05-02-2024

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



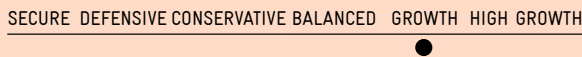
What is this Fund?

MLC Index Plus Balanced ('the Fund') is a low-cost, multi-manager, growth-oriented strategy, that has exposure to a wide range of asset classes (including Australian and global shares, listed property and fixed income) with a target allocation of 70%/30% 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



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 | 3.2 |
| COMMONWEALTH BANK OF AUSTRALIA | 2.3 |
| CSL LIMITED (AUD) | 1.7 |
| APPLE INC. | 1.4 |
| MICROSOFT CORPORATION | 1.3 |
| NATIONAL AUSTRALIA BANK LIMITED | 1.2 |
| WESTPAC BANKING CORPORATION | 1.0 |
| AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMIT | 1.0 |
| MACQUARIE GROUP LIMITED | 0.8 |
| WESFARMERS LIMITED | 0.8 |

SOURCE: FE FUNDINFO

ANALYST: ISRIN KHOR | APPROVED BY: ROBBIE LEW

MLC Index Plus Balanced

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.

LONSEC STRONGLY RECOMMENDS THIS DOCUMENT BE READ IN CONJUNCTION WITH THE PRODUCT REVIEW AND PRODUCT DISCLOSURE STATEMENT. Issued by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Please read the following before making any investment decision about any financial product mentioned in this document. Lonsec receives a fee from the fund manager or financial product issuer(s) for researching the financial product(s) set out in this document and for services including research subscriptions. Lonsec's fee is not linked to the rating(s) outcome. Lonsec does not hold the financial product(s) referred to in this document. Lonsec's representatives and/or their associates may hold the financial product(s) referred to in this document, but details of these holdings are not known to the Analyst(s). **Warnings:** In line with industry practice returns may be estimated, to access verified returns please refer to the product provider. Past performance is not a reliable indicator of future performance. Any advice is General Advice based on the investment merits of the financial product(s) alone, without considering the investment objectives, financial situation and particular needs of any particular person. It is not a recommendation to purchase, redeem or sell the relevant financial product(s). Before making an investment decision the reader must consider his or her financial circumstances or seek personal financial advice on its appropriateness. Read the Product Disclosure Statement for each financial product before making any decision about whether to acquire a financial product. Lonsec's research process relies upon the participation of the fund manager. Should they no longer be an active participant in Lonsec's research process, Lonsec reserves the right to withdraw the document at any time and discontinue future coverage. **Disclaimer:** This document is for the exclusive use of the person to whom it is provided and not to be relied upon by any other person. Lonsec makes no representation, warranty or undertaking in relation to the accuracy or completeness of the information presented in this document, which is drawn from unverified public information. Financial conclusions, ratings and advice are reasonably held at the time of completion but may change without notice. Lonsec assumes no obligation to update this document following publication. Except for any liability which cannot be excluded, Lonsec, its directors, officers, employees and agents disclaim all liability for any error or inaccuracy in, misstatement or omission from, this document or any loss or damage suffered by the reader or any other person as a consequence of relying upon it. ©2024 Lonsec. All rights reserved.