



MLC Real Return Assertive

MLC0667AU Author: Ian Cannon Published: 13 Apr 2026

Data is provided by the manager at 30 Jun 2025, and currency in AUD, unless otherwise stated

Refer to glossary for definition of the rating

Product Review

About this Product

Investment manager	MLC Asset Management Services Limited
Benchmark	CPI + 4.50%
Product structure	Managed Fund
Product size	\$650.00m
Inception date	Dec 2005
Asset class	Multi-Asset
Sector	Variable Growth Assets
Growth/defensive split	Not Applicable
Peer group	Real Return
Rated peers	25

Product Characteristics

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

Annual Fees and Costs (% p.a.)

Management fees & costs	1.05
Performance fee costs	0.04
Net Transaction Costs	0.04
Buy/Sell Spread	0.15/0.15
Annual fees and costs	1.13

Source: FE fundinfo, PDS Date: 13/Oct/2025

Strengths

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

Weaknesses

- The pending ownership approval to CC Capital raises risks to the stability of the investment management business.
- Exhibited underperformance against the Fund's investment objective over its seven-year investment horizon.
- Although processes are in place, using a related party creates the potential for conflicts of interest, which remains a watchpoint.
- The complexity of managing an extensive breadth of heritage products with varying objectives, although recent alignment of asset classes and trust structures have improved efficiency.

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 scale of the heritage businesses provides depth of expertise across the investment process.

The pending ownership approval to CC Capital raises risks to the stability of the investment management business. The Fund has exhibited underperformance against its CPI+ objective over its investment horizon. Although there are processes in place, the use of related-party capabilities and perceived conflicts remains a watch point.

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

Key Facts

Key Objectives

Investment objective	Aims to deliver a return of 4.5% p.a. above inflation (after management costs) subject to limiting the risk of negative returns over seven-year periods.
Internal return objective	N/A
Internal risk objective	N/A

Asset Allocation (%) (as at 30/06/2025)

	SAA Benchmark %	Min %	Max %	Current Allocation %
Australian Equities	N/A	0.00	40.00	16.94
International Equities	N/A	10.00	80.00	28.79
Listed Infrastructure	N/A	0.00	20.00	2.08
Australian Fixed Interest	N/A	0.00	50.00	5.22
Global Fixed Interest	N/A	0.00	50.00	20.18
Alternative Assets	N/A	0.00	65.00	17.26
Cash	N/A	0.00	30.00	9.53
Total				100.00

Product Distribution Profile

Frequency	Annually
Last Missed Distribution	N/A
Number of Missed Distributions in the last 5 years	0
AMIT Election	Yes
TOFA Election	No

Rating History

30-Apr-2025	Recommended
06-Feb-2024	Recommended
20-Apr-2023	Recommended

Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

Performance Analysis - annualised after fees at 31/12/2025

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	8.93	8.93	9.79	9.51	9.59	8.83	7.38	5.86
Standard deviation	4.79	3.40	4.38	3.85	4.68	4.11	5.22	4.34
Excess return (% p.a)	0.40	1.53	2.07	2.14	1.59	1.23	-1.47	-1.47
Outperformance ratio (% p.a)	50.00	58.33	58.33	62.50	55.56	58.33	51.67	50.00
Worst drawdown (%)	-2.68	-1.58	-2.68	-1.86	-3.32	-2.98	-8.70	-6.93
Time to recovery (mths)	2	2	2	-	2	-	7	2
Sharpe ratio	1.04	1.28	1.27	1.28	1.17	1.03	0.90	0.85
Information ratio	0.08	0.20	0.46	0.52	0.33	0.28	-0.27	-0.27
Tracking error (% p.a)	4.93	3.59	4.53	3.93	4.80	4.19	5.45	4.43

Lonsec Peer Group: Multi-Asset - Variable Growth Assets - Real Return

Product Benchmark: CPI + 4.50%

Cash Benchmark: Bloomberg AusBond Bank Bill Index AUD

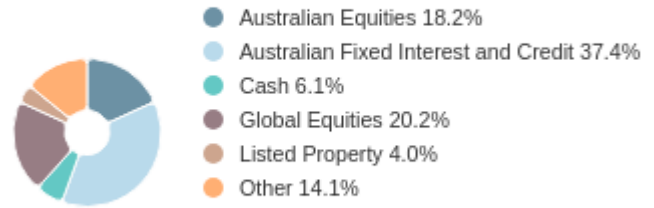
Time to recovery: NR - Not recovered, dash - No drawdown during period

Business ●●●

Facts

Investment Manager	MLC Asset Management Services Limited
Ultimate Parent Company	Insignia Financial Limited
Headquarters	Melbourne
Inception Date	Apr 1992
% Staff Ownership	0-10%

AUM



Governance

% Independent board members	75
% Female board members	25
Independent chair	Yes
CEO as Chair	No
Separate Audit Committee	Yes

Metrics

Total AUM	\$224.60b
Investment Management Headcount	200
Investment Professionals	49
Sales & Service	50
Distributor	Internal

Who is the Manager?

The Manager is part of the Insignia Financial Group of companies, comprising Insignia Financial Ltd and its related bodies corporate ('Insignia Financial'), which is listed on the Australian Stock Exchange (ASX code: IFL). Insignia Financial is a leading provider of wealth management services, including superannuation, platform administration, and investment management. The Manager has a long history in multi-asset investing, with total funds under management and administration ('FUMA') of \$342.00b as of December 2025. Over recent years, the Manager has expanded its business through acquisitions and integration of the heritage IOOF, OnePath and MLC multi-manager businesses. In July 2025, CC Capital entered into a Scheme Implementation Deed to acquire the issued shares of Insignia Financial, subject to relevant regulatory approvals, which are expected to be finalised in H1 2026.

Lonsec Opinion

Profitability

The Manager is a leading Australian wealth management service provider and one of the largest multi-asset managers in Australia. The Manager is a large, profitable and well-capitalised business and is in a strong financial position at these levels of AUM with consistent profitability in recent times. The Manager also has a diversified asset base with a broad range of client types, which enhances the profitability profile. The profitability is expected to be supported by the impending CC Capital transaction, given the depth of resourcing available at the Parent Company level.

Business Track record

The Manager has a long and respected heritage in multi-asset investing, with a considerable track record in managing multi-asset, superannuation and passive strategies. The Manager has expanded its business through acquisitions and has demonstrated success in integrating the heritage IOOF, OnePath and MLC multi-manager companies in recent years, which is viewed positively. Although the transaction has not been finalised, there is a watch point on the potential organisational changes that may eventuate in future reviews.

Business Ownership

The Manager is wholly-owned by ASX-listed Insignia Financial Limited (ASX: IFL) with a market capitalisation of \$3.00b as of December 2025. At present, the senior members of the organisation own equity in the business, with the staff ownership estimated at 0-10%, which is relatively in line with other multi-asset peers. The business ownership structure is subject to change in future reviews, given the potential CC Capital transaction, which will culminate in private equity ownership with variability in holding periods.

Business Governance

The Manager has demonstrated multiple layers of compliance and risk monitoring, with oversight from multiple trustee boards, external board directors and separate audit committees. The Manager has not reported any regulatory findings in recent years. The governance structures across the heritage businesses continue to converge as the Manager undertakes the responsible entity consolidation process, albeit with some idiosyncrasies across each respective business.

Team ●●●

Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Daniel Farmer	CIO	No	2021	29/15	29
Kerry Gill	Portfolio Management	No	2013	23/20	23
Ben McCaw	Portfolio Management	No	2013	21/17	21
Grant Mizens	Portfolio Management	No	2013	19/19	19
Stanley Yeo	Portfolio Management	No	2021	25/15	25

KDM Change*

No changes.

* Last 3 years

Profile

Size	50
Structure	Decentralised
Turnover	Medium

Alignment

KDM equity held in manager	No
KDM co-investment in strategy	No
Performance-Based bonus	Yes
Long term incentive plan	No

Resources

	Number	Average Years Experience
Key decision makers	5	25
Portfolio Managers	21	25
Hybrid portfolio manager/analysts	-	-
Dedicated analysts	11	14
Dedicated dealers	5	19
Quantitative	-	-
ESG/Sustainability	2	29
Macro	-	-
Investment Specialists	6	22

Who is the Team?

The broader MLC Asset Management Investment Team ('Investment Team') consists of 50 members, with responsibilities broadly segmented by Portfolio Construction, Portfolio Enablement and Special Capabilities functions. The key decision makers responsible for asset allocation across all portfolios are supported by the Sector Portfolio Management team for sector-specific manager research, the Derivatives team and the Investment Portfolio Analytics team. The investment team is also able to leverage the asset consultant capabilities of JANA in its research function.

The Investment Management Committee ('IMC' or 'IC') is responsible for overseeing and approving all investment decisions in the Fund, including inclusions and exclusions of underlying managers. The IMC comprises Anthony Hodges (Chairman, External member), Denise Allen, Mary-Anne Nunan (External), Dan Farmer, Stanley Yeo and Osvaldo Acosta.

Lonsec Opinion

Skill

The senior team members, including CIO, Dan Farmer, are highly experienced with the appropriate skillset to manage the multi-asset and single-sector portfolios. Head of Real Return Strategies, Ben McCaw, is supported by Head of Diversified Portfolio Management Wholesale Funds & Equities, Stanley Yeo, Head of Diversified Portfolio Management MasterTrust Choice, Grant Mizens, and Portfolio Manager Kerry Gill. There are meaningful synergies realised from the breadth of resources and significant collective industry experience of the combined businesses. The broader investment team has depth of expertise within investment management, asset allocation and risk management capabilities. McCaw and Mizens are viewed as having specialised derivatives knowledge, which is a key feature of the real return strategies' dynamic asset allocation approach.

Team Size

The investment team is well-resourced and is one of the largest teams in the multi-asset space. The team resourcing benefits from the conglomeration of resourcing across the heritage IOOF, OnePath and MLC businesses. The investment team also leverages the research capabilities of its asset consultant in JANA, which enhances the team's resourcing and supports the broader research offering. The investment team continues to experience some residual turnover, albeit this is markedly lower than in previous years.

Track Record/Co-Tenure

The senior members have long co-tenures at their respective heritage businesses. Although the co-tenure of the combined investment team continues to develop following the acquisition, the team's integration is well-progressed with continued stability. Moreover, the combined heritage businesses can leverage the large scale and resources available to the investment team. There is a watch point on the co-tenure and track record in future reviews, given the impending CC Capital takeover, which has the propensity to increase organisational uncertainty.

The IC members have remained largely the same through the consolidation process and have a long cumulative co-tenure. There is the potential for some changes given the Responsible Entity consolidation process moving forward.

Alignment

The alignment of interest with investors is considered to be stronger than that of peers. The majority of the remuneration is directly linked to the three-to-five-year performance of the multi-manager range of funds, with a deferral component that promotes further alignment across the team. The broader Insignia organisation represents a fully aligned remuneration structure across the different businesses, albeit with a watchpoint on the remuneration structure, given the potential corporate actions with the Parent Company.

Key Person Risk

The Key Person Risk ('KPR') is considered to be relatively lower than peers and centered primarily on the key decision makers due to their extensive experience and leadership of investment strategies. There is some KPR with Farmer, given his oversight as CIO and long tenure within the broader organisation. Positively, the risk is partially mitigated by the team-based decision-making approach, extensive resources and the use of the deeply resourced asset consultant capabilities.

What is the Investment Process?

The strategy uses a flexible asset allocation approach, constructing the portfolio based on dynamic asset allocation ('DAA') with broad asset allocation ranges. In doing so, the Manager aims to outperform an inflation-plus target across most market conditions, with an emphasis on downside protection and smoother returns via the wider derivatives toolkit.

The asset allocation process solely uses shorter-term active asset allocation using cyclical and fundamental insights to optimise portfolio positioning against the risk/return objectives. Each portfolio begins with the DAA, with input from an external asset consultant. The shorter-term asset allocations are adjusted using cyclical influences such as economic, valuation, and policy insights to optimise risk-adjusted returns.

The Manager applies two core frameworks to enhance asset allocation and responsiveness: The Valuation, Fundamental, Policy, Dynamics ('VFPD') model and the Investment Futures Framework. The VFPD process provides short-to-medium term asset class views based on a four-factor approach, whilst factoring into the formation of asset allocation decisions more broadly. The Investment Futures Framework uses forward-looking, scenario-based modelling to assess asymmetric risks and returns across asset classes. These approaches guide decision-making through market cycles, endeavouring to keep portfolio positioning responsive to market changes via real-time asset class ranking changes.

The Sector Portfolio Management team constructs the asset classes predominantly using external managers. External managers are sourced using external databases, market contacts and advice from the asset consultant. The internal team undertakes its manager's research, with asset consultant inputs.

Investment governance is enacted through the IC, which oversees all major aspects of the investment process. IC approval is required at key points, such as asset allocation or external manager changes.

Lonsec Opinion & Supporting Facts

Philosophy and Universe

Investment Style	Real-Return (Multi-Manager)
Asset Allocation Approach	Dynamic Asset Allocation
Sector Exposure	Extensive use of Derivatives in conjunction with Passive and Actively Managed Funds (Across various asset classes)
Available Universe	Equities, Fixed Income, Unlisted Assets and Alternatives

The investment approach is based on DAA via a flexible asset allocation overlaid on asset sectors that are actively managed and aimed to deliver target real returns whilst emphasising capital preservation. The strategy adopts broad asset allocation ranges rather than static targets, which, when actively managed, are expected to help manage downside risk and maximise risk-adjusted returns above inflation across market environments. In doing so, the Manager prioritises a smoother return profile rather than higher volatility returns and invests in active sector managers whose primary focus is security selection. The strategy uses highly active managers across diversified asset classes spanning traditional and non-traditional assets with a distinct emphasis on alternatives. The Fund's philosophy is consistent with the risk and return objectives.

Research Process

Idea generation	Investment Team, Asset Consultants, Economic Research, Inflation and Investor Behaviour
SAA review frequency	N/A
DAA/TAA signals	Investment Cycle, Economic Data, Valuation and Behavioural Factors
Managers actively tracked	500
External consultant	JANA

The Manager implements a robust and consistently applied investment process underpinning manager selection and portfolio construction functions. The Manager has a disciplined and dynamic framework for real-time asset class assessment via the VFPD process, which is aimed at improving the risk/return outcome for investors.

The manager research process, which considers both quantitative and qualitative factors, is detailed and transparent. The Manager makes use of its deep resourcing and asset allocation breadth, which allows access to a wide range of investment opportunities to deliver wider sources of alpha.

There is an ongoing flow of ideas from the individual sector specialists who are responsible for constructing the individual sleeves of the portfolio, portfolio managers and the Manager's consultant, JANA. The underlying funds have undergone a review and multiple layers of oversight from the investment team and asset consultants, with the MLC IC ultimately approving the manager inclusions. The depth and breadth of JANA's asset allocation capabilities and manager coverage are viewed positively. The Manager has access to sophisticated tools and systems to manage these multi-manager portfolios.

Process (continued) ●●●

Portfolio Construction

Portfolio decision making	Team based
Approach to benchmark	Benchmark Agnostic
Targeted tracking error	Not Specified
Typical number of managers	45
Use of mandates	Yes
Use of alternatives	Yes
Use of unlisted assets	Yes
Allocation to related/affiliated exposure	Yes

The portfolio is constructed with a DAA approach with wide asset allocation ranges to allow for flexibility in implementation. The building blocks are tailored to a real-return objective, with the MLC Derivatives and Strategy Team implementing a highly active approach with a high fee budget. The strategy is considered to be adequately diversified given the breadth of asset classes and sources of alpha, including unlisted assets and alternatives. The private markets program continues to build out. The strategy uses an expanded derivatives toolkit to complement the DAA ranges and supplement the strategic overlay process as an exposure and risk management tool, with encouraging results.

The underlying managers are typically accessed via separately managed accounts, enabling the Manager to tailor mandates to its requirements. In addition, this structure can facilitate tighter portfolio construction, efficient implementation, better product design control, improved pricing opportunities, and enhanced tax efficiency for investors.

The Manager has displayed buy/sell discipline in manager selection, where funds have undergone a rigorous review process by the MLC and JANA's investment teams and have received approval from the MLC IC. The underlying manager mix currently uses related-party managers. The use of related-party capabilities may potentially compromise objectivity in the decision-making process, although the Manager has demonstrated the willingness to terminate related-party capabilities where warranted.

Capacity Management

Although the AUM is relatively large, the Fund is a highly diversified multi-manager structure spanning several asset classes. There may be particular asset classes with enhanced capacity considerations given the nature of the Manager's scale.

Investment Risk Management

Monitoring external to investment team	Yes
Frequency of monitoring	Monthly
Primary risk management system	FactSet and Barra
Security Limits (Min./Max.)	N/A
Rebalancing bands	+/-2% Bands (Soft)
Max illiquid	20%
Gross exposure range	N/A

The structure of the risk management functions is well embedded within the investment process. The risk management process is a staple of the portfolio construction process via the scenario-based framework. This directly feeds into the asset allocation framework and ensures that risk analysis and stress testing are at the forefront of portfolio construction.

Although the process is continually evolving, given the broader organisational consolidation, the Manager has integrated compliance systems that enable ongoing monitoring of underlying mandates to be implemented to ensure compliance with predefined guidelines. The Manager closely monitors manager portfolios and weightings daily and investigates any excess return outliers exceeding the 99% confidence level, which adds rigour.

The monitoring and compliance functions conducted by separate teams are considered to be thorough and at the higher end of the peer group. The Fund's investment guidelines, well-defined asset class ranges and limits are well-suited to ensuring the portfolio maintains appropriate diversification.

Manager Positioning - Product

Responsible investment style	ESG Integration
ESG approach	Risk or Value
Sustainability thematic	Low Carbon or Climate
Non-financial objective	None

What is the Manager's ESG approach for this product?

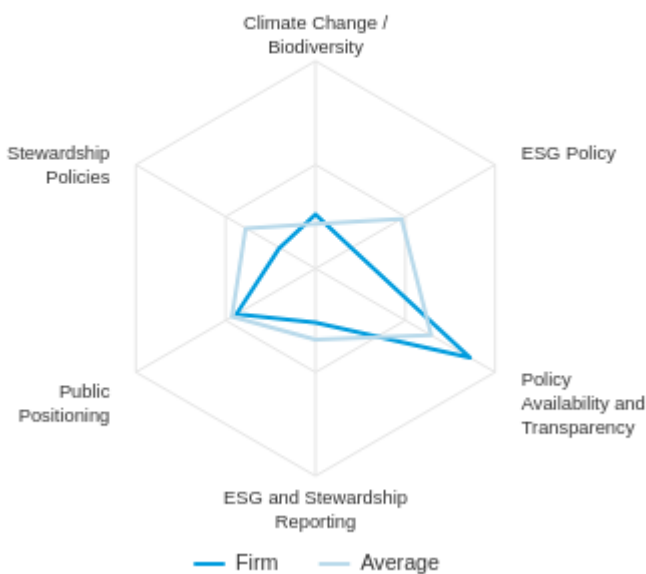
The Manager has indicated that its Responsible Investment style is 'ESG Integration' and, as such, Environmental, Social, and Governance factors are considered when assessing investment opportunities. With a primary ESG style of 'Risk or Value', managers will determine inclusion based on the balance of overall risk (including ESG risk) and potential return. As a result, this approach may mean that lower-quality ESG companies may be included if the return potential is sufficient, and this may conflict with some clients' perceptions of what a strong ESG process would deliver.

Lonsec Opinion & Supporting Facts

Overview

ESG Process Score	Mod
Responsible Investment strategy risk: Clarity, measurability & reporting	N/A

ESG Snapshot



Product Level Approach

The Manager uses ESG data in a size and style-appropriate manner, with multiple providers accessed. There is evidence of ESG screens and the incorporation of minimum standards and climate risk into the capital market assumptions for this product. While elements of ESG integration are undertaken in underlying asset classes, there is no clear ESG integration at the overall portfolio level. While there are some minimum documentation requirements for manager selection, there are limited requirements for ESG incorporation. There are low thresholds for minimum standards, minimal policy requirements and little monitoring undertaken at the underlying manager level. The Manager provides little evidence of a structured engagement prioritisation process, albeit with appropriate engagement tracking and storage. The Manager provides adequate transparency and portfolio oversight for investors.

Strategy: Clarity, Measurability & Reporting

This product does not make any specific claim to being a sustainable, ethical or impact offering. As such, an alignment review for the product is not required, thus, the product's risk of misalignment has been assessed as N/A.

Manager Level Approach

The Manager demonstrates a commitment to ESG integration, supported by a public policy framework. The Responsible Investment policy and related disclosures are relatively high level, with limited detail on how ESG considerations are applied in manager selection. Proxy voting is generic and expectations around ESG or shareholder resolutions are not clearly articulated; voting activity is disclosed without detailed rationales. Engagement is briefly addressed in the Responsible Investment policy, with no articulated objectives, priority themes, or formal escalation process. Climate change is referenced as a relevant risk within ESG assessments and due diligence, and there is some recognition of transition considerations, though formal targets or detailed commitments are limited.

Product ●●●

Service Providers

Responsible entity	MLC Investments Limited
Investment manager	MLC Asset Management Services Limited
Sub-investment manager	N/A
Custodian	BNP Paribas
Administrator	MLC
Fund Auditor	KPMG
Change in Key Providers? (Over last 12 months)	No

Product Details

Product size	\$650.00m
Fund 12-month net flows	Positive
Distribution model	Internal
Buy/sell spreads	0.15%/0.15%
Net transaction costs	0.04
Product type	Registered Managed Investment Scheme (Unitised)
Unlisted asset valuation frequency	Quarterly
Valuation externally audited	Yes

What is the Product Structure?

The Fund is a multi-asset, multi-manager strategy that invests across a range of growth and defensive asset classes via several underlying managers. The Fund is a registered managed investment scheme ('MIS') for which MLC Asset Management Services Limited is the responsible entity (the 'RE'), a related entity. The RE is responsible for operating and managing the MIS, holds an AFSL and as such is required to comply with its AFSL and RE obligations as outlined under the Corporations Act.

Lonsec Opinion

Service Providers

The Manager uses institutional-grade service providers. The RE has built experience in operating and managing a number of schemes over an extended period of time and is expected to have a governance framework in place to deal with any perceived conflicts of interest.

Operational 'Red Flags'

The multi-manager strategy is not considered operationally challenging to implement. The Fund has allocations to other diversifying assets, including private equity, insurance-related investments, specialty finance and private assets, which are likely to increase the proportion of illiquid assets. The Manager has appropriate safeguards in place to manage illiquidity risk with defined limits. The strategy uses a higher proportion of derivatives relative to other MLC strategies, but this has been well-managed through the cycle.

Wind-up Risks

At the current levels of AUM, the Fund's wind-up risk is considered to be low given it is amongst the largest in the multi-manager, multi-asset universe. Further, there is strong support from Insignia's extensive distribution network which mitigates the wind-up risk.

Fees ●●●

Annual Fees and Costs (% p.a.)

Management fees & costs	1.05
Performance fee costs	0.04
Net Transaction Costs	0.04
Buy/Sell Spread	0.15/0.15
Annual fees and costs	1.13

Source: FE fundinfo, PDS Date: 13/Oct/2025

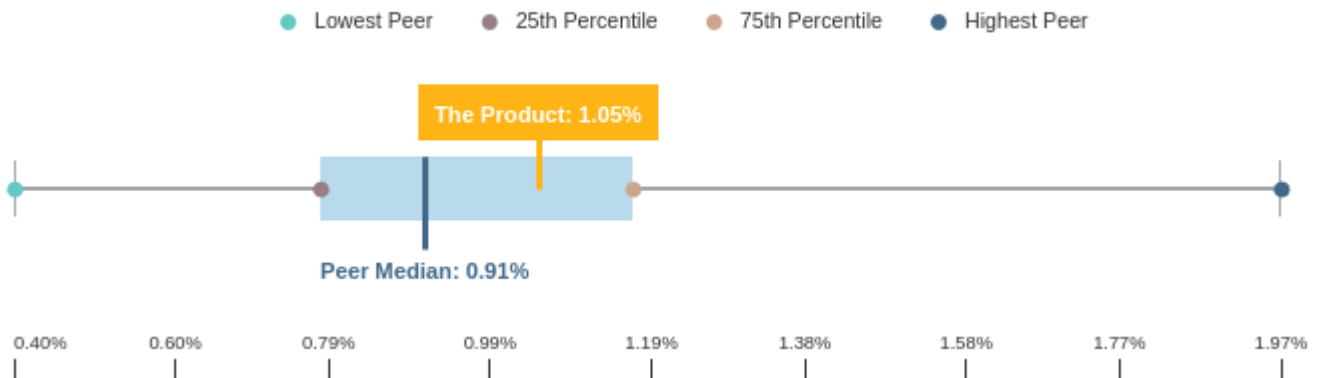
Performance Fees

Applicable	No
------------	----

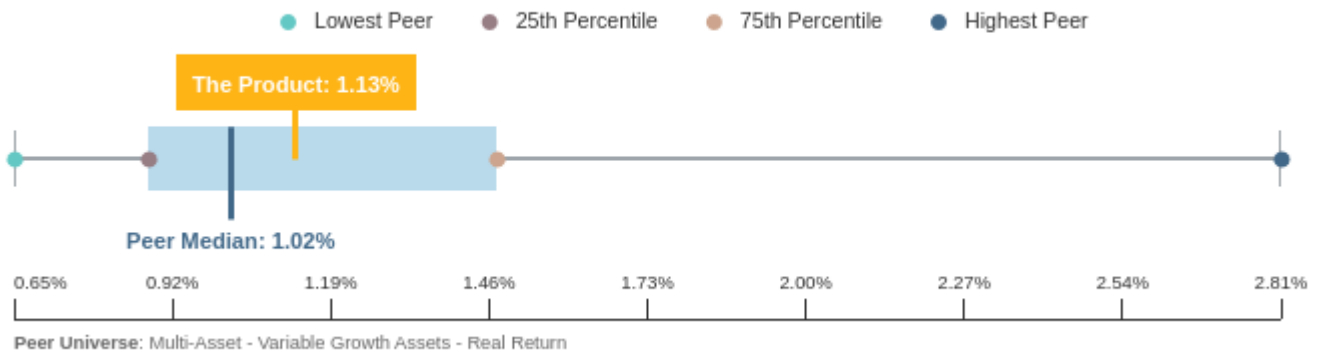
Fees Explained

The Fund applies a flat management fee, with transaction costs and a bid/offer spread. No performance fees are applied by the Fund directly. The Fund can pass on a performance fee if the underlying managers within the strategy charge performance fees.

Management Fees and Costs Peer Comparison



Annual Fees and Costs Peer Comparison



Lonsec Opinion

Annual Fees and Costs

The Fund's annual fees and costs are slightly higher than the broader peer group median. The real return peer group is relatively broad with differing real-return targets.

Fairness

The fairness is relatively moderate with a fee load that is commensurate with the underlying exposures, given the complexity of the tailored underlying building blocks and derivatives use. The fairness is supported by the active approach to asset allocation, whereby there is an emphasis on downside risk management with an expanded toolkit that aims to manage returns through various market environments.

Performance ●●●

Performance Summary

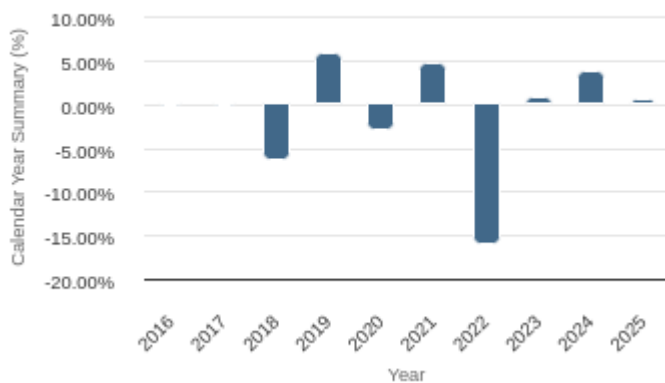
PDS return objective	Aims to deliver a return of 4.5% p.a. above inflation (after management costs) subject to limiting the risk of negative returns over seven-year periods.
Internal return objective	N/A
Internal risk objective	N/A
Product benchmark	CPI + 4.50%
Lonsec peer group	Real Return

Alpha Generation

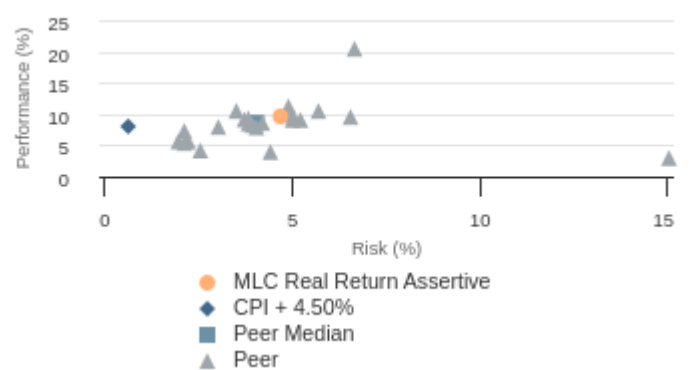
The Fund's alpha generation has been moderate, as it has been in line with the peer median across the medium and long-term and has not achieved its PDS internal objective over its seven-year investment horizon. The Fund has improved short-term performance in recent years.

The alpha generation relative to peers reflects the higher allocation to growth assets, which inherently assists in generating outperformance over the long term, given the higher levels of risk assumed relative to peers.

Calendar Year Excess Return



3 Year Risk and Return

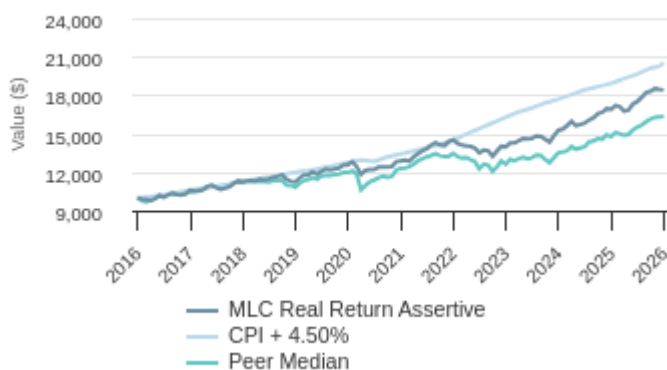


Alpha Consistency

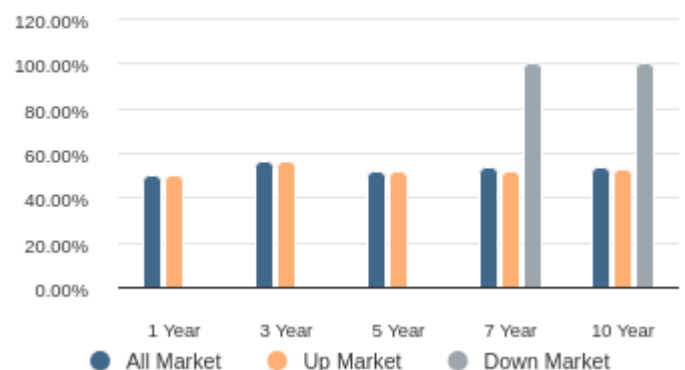
The Fund's alpha consistency is relatively low, as it has not achieved its CPI+ return objective over rolling seven-year periods. The Fund has outperformed the peer median. The peer relative outperformance stems from the higher return targets relative to the broader peer group, which inevitably culminates in higher variability of returns.

The Growth of \$10K Chart highlights the inability to maintain the same returns as the CPI-objective, given the substantial underperformance from 2020 to 2023.

Growth of \$10,000 Over 10 Years



Returns Consistency



Performance (continued) ●●●

Benchmark Relativity

The Fund's rolling three-year tracking error against its CPI+ return target has been higher than peers on a consistent basis, as the portfolio is naturally positioned as a highly active offering with a propensity to dynamically adjust asset allocation. The Fund's rolling three-year information ratio has been mixed compared to the peer median through the cycle. The information ratio has been negative across various periods but has been trending positive more recently. As such, the Fund's reward for its active risk assumed is relatively low in absolute terms, whilst being in line with peers.

3 Year Rolling Tracking Error Over 10 Years



3 Year Rolling Information Ratio Over 10 Years



Return Volatility

The Fund's rolling three-year volatility has been higher than the peer median across most rolling periods. The Fund's rolling three-year Sharpe ratio has been in line with or higher than the peer median across all rolling periods. The peer-relative outperformance from a risk-adjusted returns perspective stems from the highly active approach to asset allocation, which has been characterised by a heightened use of the derivatives toolkit.

3 Year Rolling Standard Deviation Over 10 Years



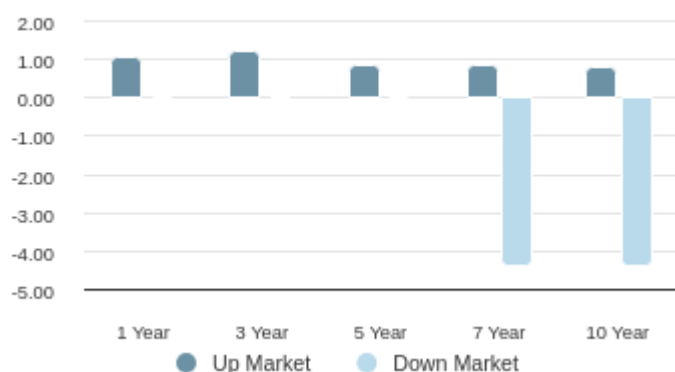
3 Year Rolling Sharpe Over 10 Years



Product Defensiveness

The Fund's worst drawdowns have been substantially larger relative to peers across all rolling time periods. This stems from the differences in CPI+ targets relative to the broader peer group, as the Fund contains a higher exposure to growth assets. The Fund's time to recovery has been mixed relative to peers across most rolling time periods, whilst being slower over the long-term.

Market Capture Ratio



Drawdowns



Ratings

'**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.

'**Not -Approved**' rating indicates that Lonsec does not believe the product can meet its investment objectives.

'**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.

The '**Redeem**' rating indicates Lonsec no longer has sufficient conviction that the product can meet its investment objectives.

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

'**Discontinued Review**' status is applied where a product issuer withdraws the product from the review process prior to completion, for any reason other than the product being closed or unavailable to investors.

The '**Ceased Coverage**' status is applied when a rated product is withdrawn from the research process by the product issuer.

General

Climate Change / Biodiversity: the extent to which a manager has a leading climate and biodiversity policies.

ESG and Stewardship Reporting: the transparency, accessibility and usefulness of a manager's reporting.

ESG Policy: the strength of commitment to ESG as ascertained by a review of a manager's ESG policies.

Excess return: Return in excess of the benchmark return.

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

Key decision maker (KDM): A nominated investment professional who has portfolio decision making discretion for a Fund, e.g. 'buy' or 'sell' decisions.

Market capture ratio: A product's performance during either 'up' or 'down' market trends relative to an index.

Policy Availability / Transparency: the ease of public access to, and transparency of, a manager's overall ESG policy suite.

Public Positioning: the resolve of a manager's commitment to ESG as ascertained by their public positioning.

Returns consistency: The proportion of a product's monthly outperformance during a period relative to the benchmark when it was rising, falling and in aggregate.

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.

Lonsec Group Disclaimers

Issued by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec, we/our) a subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) and (Lonsec Group). Generation Development Group Limited (ABN 90 087 334 370) is the parent company of Lonsec Group. This document is not a prospectus, any other form of disclosure document or product disclosure statement within the meaning of the Corporations Act 2001. Any advice contained in this document is General Advice only and has been prepared without taking into account investors' objectives, financial situation or needs. Prior to acting upon any information contained in this document, investors must do their own investigation and analysis of the appropriateness of the information or seek independent financial and/or tax advice, having regard to their objectives, financial situation and needs. Investors must consider reading any relevant Product Disclosure Statement (PDS) or offer document to assess the appropriateness of this advice in light of their own objectives before making a decision to obtain a financial product. Past performance is not a reliable indicator of future performance. © 2026 Lonsec Research. All rights reserved. You may not reproduce, transmit, disseminate, sell or publish this information without our written consent.

Except for any liability which cannot be excluded, no representation, warranty or undertaking, express or implied is made and no responsibility or liability is accepted by Lonsec Research, its directors, officers, employees and agents for any error or inaccuracy, misstatement or omission from this document or any loss or damage suffered by the recipient or any other person as a consequence of relying upon it.

Lonsec Research makes no representation, warranty or undertaking in relation to the accuracy, reasonableness or completeness of the information presented in this document which is compiled from information from public and third-party sources. We assume no obligation to update this document after publication. Lonsec Research provides this document for the exclusive use by the recipient to whom it is provided and should not be used or relied upon by any other person unless express permission is obtained from us. Additional fees and charges may apply. Please verify from the offer documents for the relevant financial product. In line with industry practice, returns may be estimated. To access verified returns please refer to the product issuer. This document may also contain third party material that is subject to copyright. To the extent that copyright subsists with a third party, it remains with the original owner and permission may be required to reuse the material.

This document is not suitable for distribution to a retail investor. The product rated in this publication may have related financial products or be associated with other financial products and platforms. Our rating applies to the financial product outlined in this publication. You should seek professional advice before you make an investment decision on related or associated financial products and platforms. You should be aware that the mandate, fees, underlying investments, the issuers of the related and associated financial products and platforms may be different from the financial product specified in this publication.

Disclosures

Lonsec Research does not hold the financial product(s) referred to in this document. The financial product issuer and/or Lonsec Research Representatives (and/or their associates) may from time to time have holdings in the financial product referred to in this document or in Generation Development Group (ABN 90 087 334 370).

Disclosures (continued)

For the purposes of this report Lonsec Research considers such holdings not to be sufficiently material to compromise the rating or advice. Lonsec Research manages any potential conflict by implementing a comprehensive ratings process, information barriers and monitoring program. Lonsec Research receives a fee from the financial product issuer(s) for researching the financial product(s), using objective criteria. Lonsec Research's rating(s) outcome is not linked to the fee. Lonsec Research and its associates do not receive any other compensation or material benefits from product issuers or third parties in connection with the report. Lonsec Research's research process relies upon the participation of the financial product issuer(s). Should the financial product issuer(s) no longer participate in our research process, we reserve the right to withdraw the document at any time and discontinue future coverage. This is a summary of the research report, you can access the full research report via Lonsec Research. For information about our associations and/or relationships with the financial product issuers and General Development Group, please refer to our Conflicts of Interest Statement accessible [here](#).

Lonsec Research FSG Financial Services Guide

This Financial Services Guide (FSG) has been prepared and issued by Lonsec Research Pty Ltd ABN 11 151 658 561 (Lonsec Research, we, us, our), holder of Australian Financial Services Licence (AFSL) No. 421445, to assist you in determining whether to use our financial services and products. This is an important document, and you should read it carefully. The contents of this FSG are general information only and does not take into account your personal needs or objectives. Lonsec Research provides no warranty as to the suitability of the services of this FSG for any particular person.

1.1 What is a Financial Services Guide?

This FSG's purpose is to provide you with important information regarding services offered by Lonsec Research. You should read this FSG prior to using our services. This document was prepared to inform you about:

- 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

1.2 About Lonsec Research and its related parties

ASX listed Generation Development Group Limited (ABN 90 087 334 370) is the parent company of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings). Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings) and provides in-depth, investigative investment research across a broad range of listed and unlisted investments. Other subsidiaries of Lonsec Holdings include SuperRatings Pty Ltd (ABN 95 100 192 283), Implemented Portfolios Pty Limited (ABN 36 141 881 147) and Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583). All employees of the Lonsec group entities, including Lonsec Research, are employed by Lonsec Fiscal Pty Ltd (ABN 94 151 658 534).

Contact Details

Lonsec Research Pty Ltd
Level 39, 25 Martin Place
Sydney NSW 2000
Tel: 1300 826 395
Email: info@lonsec.com.au
www.lonsec.com.au

1.3 What kind of financial services can Lonsec Research provide?

Lonsec Research is authorised under its Australian Financial Services Licence to provide general financial product advice to retail and wholesale clients on the following types of financial products:

- securities
- deposit and payment products limited to basic product products
- derivatives
- interests in managed investment schemes including investor directed portfolio services
- superannuation
- 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
 - life risk 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;

Lonsec Research is also authorised to deal in a financial product by arranging for another person to apply for, acquire, vary, or dispose the above types of products for or by retail and wholesale clients.

1.4 Provision of general advice

Any advice that Lonsec Research provides is of a general nature and does not take into account your personal financial situation, objectives or needs. You should, before acting on the information, consider its appropriateness having regard to your own financial objectives, situation and needs and if appropriate, obtain personal financial advice on the matter from a financial adviser. Before making a decision regarding any financial product, you should obtain and consider a copy of the relevant Product Disclosure Statement or offer document from the financial product issuer.

1.5 How Lonsec Research is paid

Lonsec Research receives fees from Fund Managers and/or financial product issuers for researching their financial product(s) using comprehensive and objective criteria. Lonsec receives subscriptions fees for providing research content to subscribers including financial advisers, fund managers and financial product issuers. Lonsec Research's fees are not linked to the financial rating outcome of a particular financial product. Lonsec Research fees are determined by private agreement with its clients depending on a number of criteria including the number of financial advisors who access Lonsec Research publications, the range of publications accessed and the complexity of a specific research assignment. Due to the specific nature of its charges, disclosure of Lonsec Research fees may not be ascertainable when you receive this FSG, but you are able to request this information in writing before a financial service is provided to you.

Lonsec Research FSG (continued)

The fees received by Lonsec Research do not have an effect on the inclusion (or otherwise) of a financial product in portfolios managed by Lonsec Investment Solutions; or in approved product lists as a result of Lonsec Investment Solutions consulting activities. We do not have any direct employees as all employees are contracted, for employment purposes, with Lonsec Fiscal, a subsidiary of Lonsec Holdings. All employees of Lonsec are paid a salary and may receive a discretionary bonus which is not guaranteed. Sales employees may have a sales commission plan, relevant for sales to Wholesale clients, as offered by Lonsec Research from time to time at its discretion.

1.6 How do we manage our compensation arrangements?

Lonsec Research has Professional Indemnity insurance arrangements in place to compensate clients for loss or damage because of breaches of any relevant legislative obligations by Lonsec Research or its representatives which satisfy section 912B of the Corporations Act 2001.

1.7 What should you do if you have a complaint?

Lonsec Research's internal complaints handling process is designed to ensure that your concerns are treated seriously, addressed promptly and fairly. A complaint may be lodged either verbally or in writing and will be dealt with in strict confidence. If you have a complaint relating to Lonsec Research's products, services, its employees, the complaint should be addressed to:

Complaints Manager

Level 39, 25 Martin Place
Sydney NSW 2000
Tel: 1300 826 395

Email: complaints@lonsec.com.au

An individual may request further information about Lonsec Research's internal complaints handling procedure at any time. If an individual is not satisfied with the outcome of their complaint or has not received a response within 30 days from Lonsec Research, the individual can complain to the Australian Financial Complaints Authority (AFCA). AFCA provides an independent dispute resolution service and can be contacted on:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail:

Australian Financial Complaints Authority
GPO Box 3
Melbourne, Victoria, 3001.

1.8 Conflicts of Interest

Lonsec Research is aware of the inherent potential conflicts of interest associated with the provision of ratings and how we are remunerated for our services. There are a comprehensive set of policies, and procedures in place at Lonsec Holdings that apply to its subsidiaries including Lonsec Research. Information barriers (both permanent and temporary) consistent with our regulatory obligations under Regulatory Guide 79 are in place to manage either perceived or actual conflicts of interest. Employees of Lonsec also have to abide by Personal Trading and Gifts and Entertainment requirements and are trained on these requirements from time to time.

Lonsec Research review and rate products for Fund and Equity Managers who may from time to time have holdings within Generation Development Group Limited. Lonsec Research manages any potential conflict by disclosing to investors who access the research for these products and by implementing a comprehensive ratings process, information barriers and monitoring program. For further information on how Lonsec manages its conflicts refer to our Conflicts of Interest Statement accessible [here](#). For more information refer to Lonsec Research Ratings Methodology available on our platform iRate or by contacting us on 1300 826 395.

Lonsec Holdings has appointed Australian Retirement Trust Pty Ltd ABN 88 010 720 840, AFSL 228975 as the provider of default superannuation services to its Group employees. Lonsec Holdings appointment of Australian Retirement Trust is not an endorsement of, or opinion on, the Fund.

Australian Retirement Trust is a subscriber to our services and pays a fee to us for this subscription service. Australian Retirement Trust rating and report is issued by an analyst who is aware of Australian Retirement Trust's appointment as default superannuation fund provider but who does not have a personal investment in the fund.

This FSG was prepared on 1 August 2024.