Product Assessment

Report as at 30 Sep 2026

HIGHLY RECOMMENDED

MLC MultiActive Capital Stable

Rating issued on 30 Sep 2026 | APIR: IOF0094AU

Investment objective

An internal objective of seeking to outperform the Consumer Price Index (CPI) by 1% p.a. over rolling one-year periods.

Manager	MLC Asset Management
Distributor	MLC Asset Management
Sector	Multi-Asset \ Conservative
Investment Style	Fundamental
RI Classification	Integrated
Absolute Risk	Moderate
Relative Risk	Active - Strategic AA Focussed
Investment Timeframe	3-4 Years
Zenith Benchmark	Diversified Market Income Benchmark
Min Investment Amount	$25,000
Redemption Frequency	Daily
Income Distribution	Half Yearly
Fund Size (31 Aug 2026)	$96.40M
Management Cost	0.50% p.a. Incl. GST
Performance Fee	Underlying investment managers may charge perf. fees
Buy / Sell Spread	0.05% / 0.06%
Inception Date	31 May 2008

Fund facts

- SAA driven approach comprising 84% exposure to defensive assets and 16% exposure to growth assets
- Highly experienced investment team, augmented by external consultants
- Leverages a range of active investment strategies

Viewpoint

The Fund, managed by MLC Asset Management (MLCAM) invests in a multi-manager portfolio, across a range of asset classes and investment strategies, with a bias to defensive assets. Combining a strategic and dynamic asset allocation process (SAA and DAA) with active manager selection, MLCAM seeks to outperform the Fund's benchmark and deliver attractive risk-adjusted returns. Zenith maintains high conviction in MLCAM's top-down processes and its ability to build defensive portfolios, that deliver competitive returns with a focus on capital preservation.

The team is led by Dan Farmer, Chief Investment Officer (CIO) and comprises 49 professionals, split across Melbourne and Sydney. The investment team is broadly divided into functional divisions, with specialist teams responsible for managing diversified portfolios (including index plus, low cost and fully active) and sector teams that oversee specialist portfolios in fixed income, private equity, real assets and alternatives.

In Zenith's opinion, MLCAM is well-resourced with strong capabilities across capital markets research (CMR), manager selection and specialist asset classes including alternatives, real assets and private equity (PE) capabilities. The ability to combine traditional external manager research with managing direct assets in bespoke sectors is a core competency of the platform.

The portfolio is managed using a SAA process, which the team seeks to derive the majority of performance (approximately 80% of the expected return), however, recognising that markets can deviate from fair value and the tendency to mean revert over the short to medium-term, a DAA process is employed, which can result in opportunistic asset allocation changes.

The DAA process is implemented via a suite of market aware indicators, which are designed to identify potential mispricings over a one to three year timeframe. The DAA signals, collectively referred to as the 'VFPD' framework, seek to identify cheap assets that are trading away from fair or intrinsic value, and supported by positive fundamentals such as improving inflation and leading growth and cycle indicators. Importantly, the model includes a market awareness component, which formally scores investor positioning, flows and market sentiment.

In our opinion, the asset allocation process is well structured, effectively combining fundamental insights with a range of leading, systematised inputs. The quality of DAA inputs has incrementally improved over time, which has supported deeper stratification of asset classes and also supported more bespoke trade expressions and structures.

Each of the underlying sector funds are constructed by the responsible portfolio manager, under the direction of Farmer and subject to the investment committee (IC) approval process. Over time, the number of sector building blocks has increased, with more bespoke sub-strategies added, such as opportunistic capital solutions, insurance related investments and unlisted infrastructure.

In Zenith's opinion, MLC's ability to capture an illiquidity premia and diversify across a range of lowly-correlated sub-asset classes is considered a strength of the process. The breadth of underlying assets which includes investing alongside external PE firms on a co-investment basis, accessing natural catastrophe bonds and/or litigation funding, offers valuable diversification beyond traditional equity and bond markets, adding a layer of risk mitigation.

This document has been prepared by Zenith. Zenith's Financial Services Guide is available at https://www.zenithpartners.com.au/important-information/financial-services-guide/ and full details regarding Zenith's contact details, research processes, ratings information and conflicts of interest are available at https://www.zenithpartners.com.au/our-solutions/investment-research/fund-research-regulatory-guidelines/

Fund analysis

Fund characteristics

Constraint	Value
Defensive assets	
Cash and short-term securities	15% to 45% Target SAA = 32%
Diversified fixed interest	35% to 70% Target SAA = 52%
Total defensive assets	Target SAA = 84%
Growth assets	
Australian equities	0% to 20% Target SAA = 5%
International equities	0% to 20% Target SAA = 5%
Property and Infrastructure	0% to 15% Target SAA = 6%
Total growth assets	Target SAA = 16%

Investment objective and philosophy

MLCAM's internal objective is to outperform the Consumer Price Index (CPI) by 1.0% p.a. over rolling one-year periods. While the Fund is not managed to a specific risk constraint, the expected frequency of negative returns is limited to once every twelve years.

The investment philosophy is based on investment markets exhibiting inefficiencies, which can be captured and exploited by active management over the long-term.

The strategic asset allocation (SAA) process is expected to drive the majority of performance, accounting for 80% of the expected return. However, MLCAM also recognises that markets can reach extremities in both over-valuation and under-valuation, and at different points in the cycle, these markets have a tendency to mean-revert. To capture this effect, a dynamic asset allocation (DAA) or strategic tilting process is employed, which can result in deviations from the long-term target. This is expected to derive approximately 10% of outperformance with manager excess returns accounting for the remainder.

MLCAM also allocates to a number of illiquid asset classes including private equity, unlisted infrastructure, direct property and private debt, which are held as part of broader sector portfolios or discrete segregated mandates.

SAA

The SAA setting process is performed on an annual basis, using a multi-stage process, with the first step involving a review of the existing SAA relative to the Fund's investment objectives, starting with a re-validation of long-term asset class assumptions.

Each asset class is screened with respect to the suitability of current capital market assumptions (CMAs) and the potential for asymmetric risks to impact future return paths. A mix of qualitative and quantitative inputs are used to test the existing SAA and its likelihood for meeting the return objective. Active tilts can be implemented to capture both valuation dislocations and also other factor exposures, such as a quality tilt or small caps in equities, or high yield credit strategies in fixed income.

The output of the SAA process and any proposed recommendations are discussed with the Portfolio Manager and formally proposed to the Investment Committee (IC) via a governance paper for approval.

The SAA setting process applies to traditional asset class exposures including equities (domestic and international), bonds (domestic and international, nominal and inflation linked), property and cash. Less liquid strategies are also considered, such as alternatives, unlisted infrastructure, private equity, direct property and commodities. This process is more qualitative in nature and seeks to overlay the team's views on the final portfolio composition.

DAA

On a monthly basis (or more frequently if required), an Asset Allocation Group (AAG), comprising the CIO and Portfolio Managers, meet to discuss views on asset allocation, market valuation, fundamentals and market sentiment. Based on the output of this meeting, DAA positions are enacted with the purpose of capturing price adjustments where mispriced markets are expected to mean revert.

The DAA process is implemented via a suite of market aware indicators, which are designed to identify potential mispricings over a one to three year timeframe. Combining a range of valuation, fundamental, policy and market dynamics factors, signal output is distilled into a set of asset class scorecards, resulting in an overall conviction score, and at the same time, normalising risk and return, to assist with forming a relative value assessment.

The DAA signals, collectively referred to as the 'VFPD' framework, seek to identify cheap assets that are trading away from fair or intrinsic value, and supported by positive fundamentals such as improving inflation and leading growth and cycle indicators. Importantly, the model includes a market awareness component, which formally scores investor positioning, flows and market sentiment.

Zenith highlights that MLC's top-down framework benefits from the systematisation of key inputs and combines historical signals with a suite of leading indicators, enhancing the timing and precision of the DAA process, as well as the ability to navigate dislocated markets.

In addition, an Investment Futures Framework is used to identify and explore a range of potential economic and macro 'scenarios', which can be used to adjust portfolio allocations through a 'risk lens'. A set of 'scenario projections' are developed which cover a range of inflation and growth related states, and pre-defined market events/conditions (e.g. oil price shock, China and emerging market risk). The scenarios are assigned probability weightings based on the team's qualitative view of the likelihood of each occurring and are further grouped into buckets such as strong growth, weak growth, disinflation and middle ground.

Zenith highlights that the scenarios framework is complementary to the broader DAA process, enabling the portfolio management team to define potential scenarios and generate granular views on asset class performance and potential changes in correlations between markets.

In our opinion, the asset allocation process is well structured, effectively combining fundamental insights with a range of leading, systematised inputs. The quality of DAA inputs has incrementally improved over time, which has supported deeper stratification of asset classes and also supported more bespoke trade expressions and structures.

Portfolio applications

The Fund provides investors with exposure across a range of defensive, growth and alternative-based assets and strategies. Its targeted asset mix comprises a 84%/16% split between defensive and growth assets, respectively.

The Fund's investment mandate is considered to be broad, with the investment team permitted to undertake active asset allocation and gain exposure to alternative assets and strategies. Zenith considers the Fund suitable as a standalone investment, or as a complement to a broader portfolio that seeks to produce outcomes consistent with an investor's risk/return preferences.

The Fund is considered suitable for investors with a low to moderate risk tolerance who are seeking investment returns that are likely to be more heavily influenced by income. Given the risk inherent in a number of asset classes that the Fund targets, Zenith considers an appropriate investment horizon to be three or more years.

Fund responsible investment attributes

Key Information	Description
Zenith RI classification*	Integrated
Has Responsible Investment Policy	Yes
Negative screens**	**Full/Partial**
Tobacco	Full
PRI Status	
PRI Signatory	No

*Zenith RI Classification scale:

- Traditional
- Aware
- Integrated
- Thematic
- Impact

***Data has been supplied by third parties. While such information is believed to be accurate, we do not accept responsibility for any inaccuracy in such data.*

Absolute performance

Performance as at 31 Aug 2026

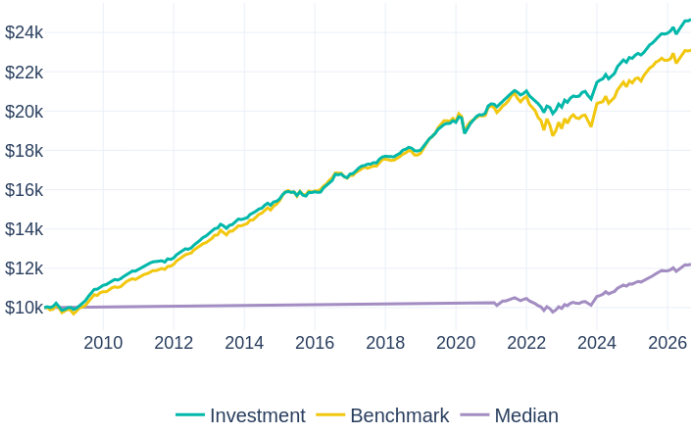
Monthly performance history (%, net of fees)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	BM YTD*	BM2 YTD**
2026	0.50%	0.80%	-1.48%	0.99%	0.99%	0.82%	-0.02%	0.34%					2.95%	2.30%	3.66%
2025	0.72%	0.38%	-0.34%	0.56%	0.84%	0.85%	0.43%	0.80%	0.55%	0.61%	-0.07%	0.17%	5.62%	5.34%	5.18%
2024	0.50%	0.28%	1.04%	-1.01%	0.65%	0.63%	1.57%	0.74%	0.77%	-0.53%	1.08%	-0.18%	5.66%	5.15%	3.95%
2023	1.77%	-0.54%	1.05%	0.52%	-0.16%	0.13%	0.91%	0.26%	-1.03%	-0.83%	2.02%	2.07%	6.29%	6.69%	5.61%
2022	-1.18%	-0.58%	-0.61%	-0.73%	-0.88%	-1.35%	1.63%	-0.36%	-1.53%	0.90%	1.52%	-0.78%	-3.94%	-7.90%	9.47%

**Diversified Market Income Benchmark*

***CPI plus 1.5%*

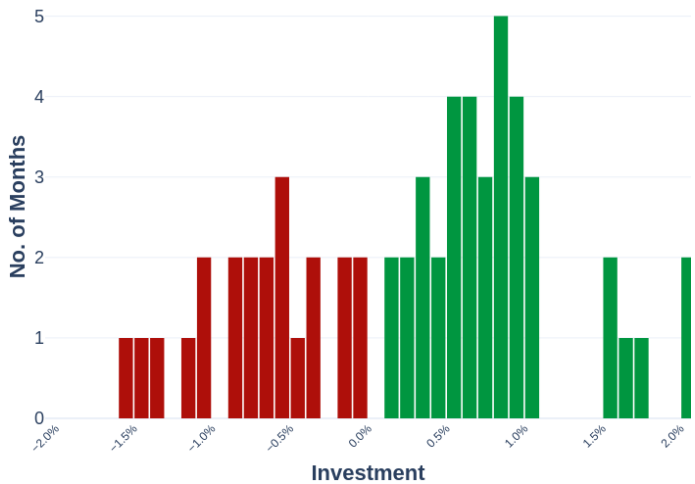
Growth of $10,000



Risk / return



Monthly histogram



Minimum and maximum returns (% p.a.)



Absolute performance analysis

Instrument	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Investment	**4.25%**	**5.50%**	**3.23%**	**3.94%**	**5.05%**
Income	7.90%	5.17%	4.10%	4.12%	5.16%
Growth	-3.65%	0.34%	-0.87%	-0.18%	-0.11%
Benchmark	**2.72%**	**5.28%**	**2.02%**	**3.20%**	**4.67%**
Median	**4.15%**	**5.78%**	**3.05%**		
Cash	**4.00%**	**4.21%**	**3.26%**	**2.24%**	**2.93%**

Ranking within sector (p.a.)

Ranking within Sector	1 Yr	2 Yrs	3 Yrs	5 Yrs
Fund Ranking	6 / 10	6 / 10	6 / 10	5 / 8
Quartile	3rd	3rd	3rd	3rd

Absolute risk

Instrument	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Standard Deviation (% p.a.)					
Investment	2.25%	2.65%	3.00%	2.88%	2.73%
Benchmark	3.10%	3.96%	4.75%	4.08%	3.60%
Median	2.36%	2.73%	3.30%		3.29%
Downside Deviation (% p.a.)					
Investment	1.48%	1.34%	1.71%	1.81%	1.57%
Benchmark	2.29%	2.23%	3.09%	2.67%	2.22%
Median	1.50%	1.34%	1.93%		1.88%

Absolute risk/return ratios

Instrument	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Sharpe Ratio (p.a.)					
Investment	0.11	0.49	-0.01	0.59	0.78
Benchmark	-0.41	0.27	-0.26	0.24	0.48
Median	0.07	0.57	-0.06		0.21
Sortino Ratio (p.a.)					
Investment	0.17	0.96	-0.02	0.94	1.35
Benchmark	-0.56	0.48	-0.40	0.36	0.78
Median	0.10	1.17	-0.11		0.36

Zenith benchmarks Funds in the Multi-Asset – Income peer group against the Zenith Composite Income Benchmark. While this benchmark may not be consistent with the one adhered to by all rated participants, it has been adopted to provide investors with a common reference point against which similarly structured strategies may be assessed.

MLCAM's internal objective is to outperform the Consumer Price Index (CPI) by 1.0% p.a. over rolling one-year periods. While the Fund is not managed to a specific risk constraint, the expected frequency of negative returns is limited to once every twelve years.

All commentary is effective 31 August 2026.

MLCAM has consistently outperformed its asset-weighted benchmark over all periods of assessment. When measured relative to the peer group, the Fund has delivered strong results, consistently ranking in the upper quartiles.

A consistent feature of the Fund's risk/return profile has been the constrained volatility outcomes relative to the Zenith assigned peer group, which has contributed to strong risk-adjusted returns over the assessed timeframes.

Relative performance

Excess returns

Statistic	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Excess Return	1.53%	0.22%	1.21%	0.74%	0.38%
Monthly Excess (All Mkts)	75.00%	50.00%	56.67%	55.00%	50.45%
Monthly Excess (Up Mkts)	62.50%	30.77%	30.56%	33.33%	36.31%
Monthly Excess (Down Mkts)	100.00%	100.00%	95.83%	95.24%	85.71%

Capture ratios (% p.a.)

Statistic	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Downside Capture	49.59%	53.41%	51.72%	53.66%	57.80%
Upside Capture	100.61%	84.02%	78.84%	83.59%	87.73%

Tracking error (% p.a.)

Instrument	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Investment	0.95%	1.42%	1.92%	1.54%	1.37%
Median	1.02%	1.39%	1.58%		1.53%

Information ratio

Instrument	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Investment	1.60	0.16	0.63	0.48	0.28
Median	1.40	0.36	0.66		0.51

Beta statistics

Statistic	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception
Beta	0.72	0.66	0.62	0.68	0.71
R-Squared	0.97	0.97	0.96	0.92	0.89
Correlation	0.99	0.99	0.98	0.96	0.94

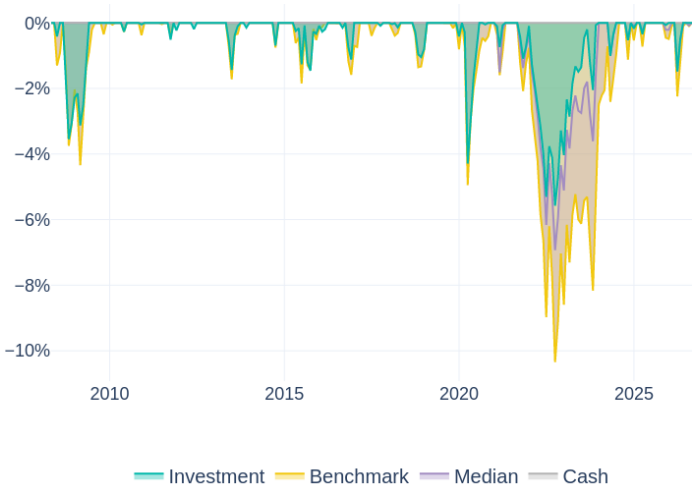
The following commentary is effective 31 August 2026.

Zenith seeks to identify funds that can outperform in over 50% of months in all market conditions, as we believe this represents consistency of manager skill.

The Fund has generally outperformed in all market conditions, highlighting the strong outperformance in falling markets.

Drawdown analysis (since inception)

Drawdown analysis assesses the relative riskiness of a Fund versus the benchmark, in reference to capital preservation. The maximum Drawdown is recorded as the percentage decline in the value of a portfolio from peak to trough (before a new peak is achieved). All Drawdown analysis is calculated commencing from the inception date of the Fund in question, and Drawdown analysis for the Fund and benchmark(s) are calculated independently. That is, the largest drawdown for the Fund and benchmark(s) will not always refer to the same time period.



All commentary is effective as at 31 August 2026.

The Fund's drawdown profile has generally been more constrained relative to the benchmark, particularly during sustained market drawdowns.

Fund commentary

Fund risks

Zenith has identified the following key risks of the Fund. Although Zenith believes the risks noted are all significant, we have listed them in order of importance. In addition, we have not intended to highlight all possible risks.

Key person risk: Zenith considers Farmer's and Yeo's ongoing involvement in the investment process to be critical. Collectively, Zenith believes their respective skills and experience are important to the outperformance potential of the Fund. Either of their departures would result in a reassessment of our rating.

Mandate risk: The Fund's investment mandate is relatively wide, providing MLCAM with scope to introduce targeted risk premias and factor exposures. This may result in performance deviating from that of its SAA and competitors, which may be either to the benefit or cost to investors.

Illiquidity risk: The Fund maintains exposures to a range of relatively illiquid assets in both the alternatives and direct property sectors. In a stressed market environment, there is a risk that the mark-to-market value of the assets may not reflect their intrinsic value or that they could be liquidated in a timely manner. This could be to the detriment of performance.

Security/asset selection

MLCAM uses a mix of external managers for traditional asset classes such as equities, fixed income and credit and combines these with internal asset management capabilities in more bespoke sectors such as direct property, unlisted infrastructure and PE co-investments.

In terms of external manager selection, MLCAM seeks to identify 'best in class' managers in each asset class, with the capacity to manage a segregated mandate and accommodate future FUM growth. MLCAM undertakes an annual review of its underlying sector trusts, to ensure that the manager line-up is appropriate and new candidates are considered. Each sector portfolio manager is responsible for selecting managers and negotiating commercial agreements, with oversight and leadership from the CIO.

The initial manager universe is filtered based on the portfolio's underlying requirements, a positive view from MLCAM's primary consultant, JANA and the manager having sufficient capacity to meet its growth requirements. If a manager does not have an external rating, it may be considered if it is assessed to have a competitive advantage.

To select managers, a traditional set of criteria are applied, which includes an assessment of the organisation, the quality of the investment team, the robustness of the investment process and the performance of the fund/strategy relative to its objectives and peer group. The review also includes a fee negotiation, and a manager's willingness to enter into an Investment Management Agreement (IMA) and Service Level Agreement (SLA) on terms that meet its requirements.

Zenith highlights that MLCAM sector structuring ability is a key competitive advantage, extending across manager selection and the ability to capture excess returns from a range of sub-asset class exposures. For example, capturing the small cap risk premia in domestic and global equities, accessing emerging market equities and bonds and innovative smart beta and portable alpha solutions, have been used to generate additional asset class alpha.

Specialist teams are responsible for identifying and selecting investment opportunities across private equity, alternatives and real assets (including direct property and unlisted infrastructure debt), which form part of the Fund's illiquid exposures. Within each vertical, individual investments are subject to detailed due diligence and presented to the IC for review and approval.

If a proposal passes through the due diligence phase, the portfolio manager will prepare a detailed due diligence report that addresses the aforementioned criteria. The report is peer reviewed by the CIO and broader team, with a potential for further research and analysis to be undertaken. MLCAM's Investment Operations team also reviews the report to ensure compatibility with the reporting and pricing framework. Once complete, the report is finalised and proposed to the IC for approval.

In Zenith's opinion, the manager selection process is detailed and applied in a disciplined manner, leveraging internally-generated insights and those of its primary consultant, JANA. The team's ability to capture excess returns at the asset class level and harvest a range of diversifying return streams has contributed to attractive risk-adjusted returns over the long-term.

Responsible investment approach

MLCAM is yet to become a United Nations Principles for Responsible Investment (PRI) signatory. Notwithstanding this, it maintains an established Responsible Investment Policy (RIP) that has been ratified by the MLCAM Responsible Entity and was last updated in November 2025.

Using a multi-manager investment approach, MLCAM's environmental, social and governance (ESG) policies are largely implemented via its appointed investment managers.

Prior to appointing a manager, the team performs a detailed review of their ESG approach and philosophy, focusing on the level of integration with the broader process. This is formalised with a specific ESG clause that is included in all Investment Management Agreements (IMAs) requiring managers to apply due care and diligence in considering ESG matters. Furthermore, all investment mandates include a hard tobacco manufacturer exclusion.

In terms of adherence to its policies, MLCAM performs ongoing monitoring in collaboration with JANA who formally rate each manager's ESG processes. Further, MLCAM continues to work with its underlying managers regarding the provision of ESG reporting.

In addition to the team's surveillance, MSCI ESG quality scores are measured on a periodic basis and used to cross-reference the qualitative input from managers, whilst also providing a lead indicator on potential ESG deterioration. Furthermore, a Carbon Foot Print estimate (e.g. Weighted Average Carbon Intensity tons CO2e / $M sales) is reported on a quarterly basis and used as part of MLCAM's ongoing monitoring.

In Zenith's opinion, MLCAM's approach is well-developed, effectively leveraging the firm's resources and further augmented by the ESG capabilities of its external consultants.

Portfolio construction

The portfolio invests in underlying sector funds in line with the targeted SAA and DAA. These are complemented with 'directly held' securities, either to align the portfolio with current DAA views or for risk mitigation purposes. Farmer is ultimately responsible for the positioning of the Fund, with the IC ratifying all manager appointments and terminations.

The underlying sector funds are constructed by the relevant portfolio manager, under the direction of Farmer and subject to the IC approval process. Over time, the number of sector building blocks has increased, with more bespoke sub-strategies added, such as opportunistic capital solutions, insurance related investments and unlisted infrastructure.

In Zenith's opinion, MLC's ability to capture an illiquidity premia and diversify across a range of lowly-correlated sub-asset classes is a strength of the process. Moreover, the breadth of underlying assets which potentially includes investing alongside external PE firms on a co-investment basis, accessing natural catastrophe bonds and/or litigation funding, supports portfolio diversification and provides an additional layer of risk mitigation.

To achieve the target asset allocation, MLCAM invests in internal, underlying sector portfolios, some of which are available on a standalone basis (e.g. externally offered). In certain asset classes, direct positions are held alongside the portfolio's externally-managed holdings. For example, holding interest rate futures to manage the aggregate duration positioning of the Fund or holding equity futures to adjust equity beta.

Each sector portfolio manager has the flexibility to determine the optimal manager configuration for their respective portfolio including allocation weightings, subject to oversight from Farmer. With respect to existing managers, the sector portfolio managers can adjust manager weightings by +/- 50% with approval from the CIO, which in turn, is disclosed at the next IC meeting.

The team is able to draw on the resources of an Exposure Management and Trading team, with Cliff Bayne, Head of Derivatives, responsible for derivatives implementation and developing downside protection strategies. These can be expressed across equities, currencies and fixed income, albeit with a focus on controlling the cost drag resulting from these strategies. These positions are subject to pre-approved risk limits and applied to calibrate the broader views of the team with the output of the DAA process.

Zenith highlights that MLCAM's ability to design cost-effective, hedging strategies and create asymmetric return outcomes is a key strength relative to the broader peer group. Most notably, the ability to use these strategies in conjunction with the DAA process and create ex-ante ranges and outcomes for managing risk has contributed to the strategy's attractive risk-adjusted returns.

The Fund's currency exposure is fully hedged in the fixed income sector, while the strategic hedge ratio for global equities is 35%. Active currency positions can be enacted based on the output of the DAA process, which can result in the actual hedging level range from 0% to 100%.

The rebalancing range is set at +/- 3% at an operational level and is managed by MLCAM's Investment Operations team, in consultation with the portfolio managers. On a daily basis, each portfolio's asset allocation is compared to its target asset allocation, and if the allocation falls outside of the range, the Portfolio Manager will determine the most efficient rebalancing mechanism (i.e. via cash flows or physical redemptions).

In sum, Zenith considers MLCAM's portfolio construction process to be strong, highlighting the team's manager selection skills and intuitive approach to harvesting lowly correlated risk premias. Furthermore, the ability to access specialist sleeves of private assets and capture an illiquidity premium, is a strong point of differentiation.

Risk management

Risk management is ingrained in the investment process at multiple levels, with the experience of the portfolio management team providing the first layer of risk mitigation. MLCAM also leverages the resources of Mercer and JANA, who perform risk management analysis as part of its due diligence process.

The primary risk tools used by MLCAM's include Bloomberg Port and Factset, which are used to monitor risk and produce a range of measures. These include traditional volatility and risk-adjusted metrics (e.g. Sharpe, Treynor and Information Ratios) and other portfolio-level risk measures.

This risk analytics is formally reported to the IC on a bi-monthly basis, who will also monitor the information on a more frequent basis.

Zenith highlights that the risk management architecture is well-developed, particularly with respect to aggregating and assessing risk on a portfolio-wide basis. Through Bloomberg Port and Factset, MLCAM has the functionality to measure cross-asset class risk, including holdings-based information across the majority of the portfolio, including fixed income.

Stress testing is performed using both historical and forward-looking analysis. In a historical context, the portfolio is stress tested against major market events to assess how the existing portfolio would perform through these regimes. In terms of the portfolio's private asset holdings, these are also subject to detailed liquidity scenario testing.

Zenith considers MLCAM risk management framework to be sound, noting the continued advancements in its ability to manage portfolio-wide risk.

Investment fees

	Fund	Sector Average
Total Fees and Costs (RG 97)	0.58% p.a.	0.64% p.a.
Management Fees and Costs	0.55% p.a.	0.60% p.a.
Transaction Costs	0.00% p.a.	0.03% p.a.
Performance fees as at 30 Jun 2026	0.03%	0.01%
Performance fees description	Underlying investment managers may charge perf. fees	
Management Cost	0.50% p.a.	0.59% p.a.
Buy / Sell spread	0.05% / 0.06%	0.09% / 0.09%

All fees and costs are inclusive of GST unless indicated otherwise. The Performance Fee shown is the performance fee disclosed in the PDS. It is calculated by taking the average performance fees charged over the last five financial years (or less if the investment or performance fee mechanism has not been in place for five financial years).

The Sector average (in the table above) is based on the average management cost of all flagship Multi-Asset - Income funds surveyed by Zenith.

Zenith highlights that the fee level is competitive with the peer group.

(The fees mentioned above are reflective of the flagship version only, fees may differ when the product is accessed through an alternate investment vehicle such as a platform).

About the fund manager

Organisation

Insignia Financial Limited (Insignia) is a diversified financial services business, comprising the following divisions: Advice, Wrap and Master trust and Asset Management. Each division includes a range of separately-branded business that operate as autonomous entities.

Insignia is owned by CC Capital Partners LLC (a New York private equity firm) and its affiliates, OneIM GP LLC (a London-based private equity firm) and the Carlyle Group, following a public-to-private transaction, that was completed in April 2026. Following the acquisition, Insignia was delisted from the ASX and transitioned to a privately-held company.

In Zenith's opinion, while the change of ownership has the potential to create instability across the investment team, we are confident that the firm's strategic direction will be maintained and incentive structures implemented to retain key talent.

MLC Asset Management (MLCAM) encompasses a range of investment capabilities including multi-asset and single-sector managers, across a range of asset classes and strategies. As at 30 June 2026, MLCAM's multi-manager business managed approximately $A 92 billion across a range of diversified and single sector funds.

In Zenith's opinion, MLCAM's multi-asset platform has significant expertise across asset allocation, manager selection and specialist asset classes such as private equity (PE), real assets and alternative income. Further, the platform benefits from the resources of the broader organisation including governance and middle office functions.

As at the 31 July 2026, MLC managed $A 93.7 million in this Fund.

Investment personnel

Name	Title	Industry Experience (yrs)	Tenure (yrs)	Location
Dan Farmer	Chief Investment Officer	29	16	Melbourne, Australia
Stanley Yeo	Head of Strategy & Equities	25	16	Melbourne, Australia
Ben McCaw	Co-Head Choice Diversified Portfolios	23	18	Sydney, Australia
Grant Mizens	Co-Head Choice Diversified Portfolios	21	21	Sydney, Australia
Kerry Gill	Fund Strategist	24	21	Sydney, Australia

The team is led by Dan Farmer, Chief Investment Officer (CIO) and comprises 49 professionals, split across Melbourne and Sydney. Farmer has been the CIO of MLCAM (previously IOOF) since 2017, having originally joined the firm in 2010 to manage an Australian equities portfolio.

Prior to MLCAM, Farmer was a Portfolio Manager at Telstra Super, responsible for overseeing a portfolio of domestic equities. Zenith considers Farmer to be a high quality CIO, with a proven ability of leading the firm's asset allocation processes and supporting the sector teams to build innovative sector exposures.

The investment team is broadly divided into functional divisions, with specialist teams responsible for managing diversified portfolios (including index plus, low cost and fully active) and sector teams that oversee specialist portfolios in fixed income, private equity, real assets and alternatives. Further, an Exposure Management and Trading team, led by David Djukanovic, is responsible for portfolio implementation and developing downside protection strategies, in collaboration with the relevant portfolio management team.

In terms of managing the MultiActive suite, Farmer is responsible for the portfolios, in addition to his broader CIO duties. Farmer is supported by Stanley Yeo, Head of Strategy and Equities, who combines a broader investment strategy role with portfolio management and equity structuring (including manager selection) responsibilities.

Yeo joined MLCAM (previously Insignia) in 2010, from Russell Investments where he was a Senior Consultant. Zenith maintains a high opinion of Yeo, noting his overall contribution at both a strategy level and maintaining a granular knowledge of the equities manager universe.

Oversight of the process is provided by a six-person Investment Committee (IC) which performs a number of roles, including the determination of investment objectives, ongoing monitoring of portfolio strategies, and final sign-off for manager appointments

and terminations. The composition of the IC includes three independents (including the chair) and three MLCAM executives, including Farmer, Yeo and Head of Diversified Portfolio Management, Steven Gamerov.

Zenith highlights that the IC process was recently streamlined, moving from a dual structure with two separate committees responsible for managing the Insignia and MLC product ranges, to a single decision-making body. Under the revised approach, a single IC was created with equal representation of full-time executives and independent members, including an independent chairperson.

Zenith is supportive of the revised structure, highlighting the quality of the representatives, more compact structure and the commitment to maintaining independence in the process.

MLCAM's remuneration structure comprises a base salary and a variable component, which is subject to performance criteria. Portfolio Managers have the ability to earn up to 100% of their salary, via a variable component measured against individual asset sector benchmarks and peer group comparisons and is linked to rolling one and three-year periods.

In Zenith's opinion, MLCAM is well-resourced with deep capabilities across capital markets research (CMR), manager selection and specialist asset classes including alternatives, real assets and private equity (PE) capabilities. The ability to combine traditional external manager research with managing direct assets in bespoke sectors is a core competency of the platform.

About the sector

Sector characteristics

The Multi-Asset sector comprises funds that are permitted to invest across multiple asset classes and investment strategies. Traditionally, asset class exposures have included equities, fixed interest, property and cash. However, in more recent times, Zenith has observed a greater preparedness by sector participants to incorporate alternative assets and strategies within their targeted asset mix. Included amongst these are real assets (i.e. direct property and infrastructure), commodities and private market exposures (i.e. private equity and private credit). Innovation has also been observed in terms of sector structuring and tail risk hedging strategies, with the goal of building more resilient, all-weather portfolios.

Zenith categorises funds in the 'Multi-Asset – Conservative' peer group (growth exposure less than 20%) based on our collective assessment of their targeted asset mix and actual portfolio holdings. Funds within this peer group are benchmarked against the Zenith Composite Conservative Benchmark, which has a defensive/growth split of 80%/20%. The exact composition of this benchmark is provided below:

Cash: Bloomberg AusBond Bank Bill Index (25%)

Australian fixed interest: Bloomberg AusBond Composite 0+ Yr Index (25%)

International fixed interest: Bloomberg Global Aggregate Index Hedged $A (25%)

Alternatives (defensive): HFRX Global Hedge Fund Index $A (5%)

Australian equities: S&P/ASX 300 Index (8%)

International equities (unhedged): MSCI World ex-Australia Unhedged Index (2.5%)

International equities (hedged): MSCI World ex-Australia Hedged Index (2.5%)

Australian listed property: S&P/ASX 300 A-REIT Index (1%)

Global listed property: FTSE EPRA Nareit Developed Rental Index TR Hedged $A (1%)

Alternatives (growth): HFRX Global Hedge Fund Index $A (5%)

To provide greater insight into a Fund's risk/return profile, Zenith decomposes targeted exposures between two broad categories – growth and defensive. While we are cognisant that our designation of asset class exposures between these categories may vary from that defined by the manager, we have sought to adopt a common methodology to ensure consistency in the assessment of like strategies across Zenith's universe of rated funds. Further detail on the Fund's targeted asset mix is provided in the 'Fund characteristics' section.

Sector risks

There exist a number of risks that are generally common amongst all Multi-Asset funds. These include:

Market risk: In periods of heightened risk aversion, it is feasible that asset class correlations merge. Should this occur, the diversification benefits brought through the construction of a portfolio comprising multiple lowly correlated asset classes may be lost, potentially exposing investors to a broader deterioration in market conditions.

Currency risk: Sector participants may be permitted to gain international exposures on an unhedged basis. The decision whether or not to hedge is often deemed active in nature and can expose investors to fluctuations in cross currency rates. This may be either to the benefit or cost of Fund volatility and performance.

Emerging market risk: Many sector participants gain exposure to emerging and frontier markets which bring with them additional risks. These may include reduced liquidity, a more opaque pricing mechanism, increased sovereign risk and political tensions.

Alternatives risk: A growing number of funds have investment mandates that permit a meaningful exposure to alternative assets and strategies. Investors should be aware that the use of alternatives can bring with them additional risks.

Illiquidity risk: While most sector participants will seek to retain high levels of liquidity, it is feasible that a fund may retain exposure in assets that are deemed illiquid or subject to irregular pricing policies. It may be difficult for an investment manager to subsequently liquidate such portfolio positions without incurring meaningful transaction or other performance related costs.

Administration and operations

Responsible Entity	IOOF Investment Services Ltd

Zenith rating

Report certification

Date of issue: 30 Sep 2026

Role	Analyst	Title
Analyst	Rodney Sebire	Head of Alternatives & Global Fixed Interest
Sector Lead	Rodney Sebire	Head of Alternatives & Global Fixed Interest
Authoriser	Grant Kennaway	Group Head of Research

Association & relationship

ASIC Regulatory Guide RG79.164 requires Research Houses to disclose certain associations or relationships that they may have with a product issuer. We may receive remuneration from an issuer or investment manager for subscription to our other research/ data services or the research/ data services of our related entities. Conflict management arrangements are in place where we or our related entities provide research services to the product issuer or financial advisory businesses who provide financial planning services to investors and are also associated entities of product issuers. This is in accordance with the Zenith Group's Conflict of Interests Policy. Further details in relation to our relationships and associations are available on request.

Rating history

As At	Rating
30 Sep 2026	Highly Recommended
30 Sep 2025	Highly Recommended
25 Sep 2024	Recommended
28 Sep 2023	Recommended
29 Sep 2022	Recommended
30 Sep 2021	Recommended
19 Jan 2021	Recommended

Last 5 years only displayed. Longer histories available on request.

In March 2021, Zenith implemented a new ratings methodology for products classified as Traditional Index. Any rating issued from this date forward for Traditional Index products only reflect this change in methodology, with the relevant Traditional Index ratings being Index Approved, Index Recommended and Index Highly Recommended. Ratings issued for Traditional Index products prior to March 2021 are retained for historical purposes in line with our regulatory requirements and were issued in line with Zenith's Fund Research Methodology. Further information in relation to Zenith's Traditional Index Research Methodology and Traditional Index Ratings can be found on the Zenith website.

Disclaimer and disclosure

Zenith Investment Partners (ABN 27 103 132 672) is the holder of Australian Financial Services Licence 226872 and is authorised to provide general financial product advice. This Product Assessment Report (report) has been prepared by Zenith exclusively for Zenith clients and should not be relied on by any other person. Any advice or rating contained in this report is limited to General Advice for Wholesale clients only, based solely on the assessment of the investment merits of the financial product. This report is current as at the date of issue until it is updated, replaced or withdrawn and is subject to change at any time without notice in line with Zenith's regulatory guidelines. Zenith clients are advised to check the currency of reports and ratings via Zenith's website for updates and should also verify information in relation to the fund with the relevant Fund Manager. Any advice contained in this report has been prepared without taking into account the objectives, financial situation or needs of any specific person who may read it, including target markets of financial products, where applicable. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek their own independent financial or tax advice, obtain a copy of, and consider any relevant PDS or offer document and consider the appropriateness of this advice in light of their own objectives prior to making any investment decision. Zenith charges an upfront flat fee to the Product Issuer, Fund Manager or other related party to produce research on funds that conform to Zenith's Research Methodology. Zenith's fee and Analyst remuneration are not linked to the rating outcome in any way. Views expressed in Zenith reports accurately reflect the personal, professional, reasonable opinion of the Analyst who has prepared the report. Zenith may also receive a fee for other non-research related services such as subscription fees for Zenith's research services and/or for the provision of investment consultancy services. Conflicts management arrangements are in place where Zenith provides research services to financial advisory businesses who provide financial planning services to investors and are also associated entities of the product issuers, with any such conflicts of interest disclosed within reports as appropriate. Full details regarding such arrangements are outlined in Zenith's Conflicts of Interest Policy.

Zenith's research process seeks to identify investment managers considered to be the 'best of breed' through a comprehensive, multi-dimensional selection process. Zenith utilises both quantitative and qualitative factors in its ratings models. Models maximise commonality across different asset classes while retaining flexibility for specialist asset classes and strategies. The selection process is rigorous in both its qualitative and quantitative analysis and each component is equally weighted. Zenith does not manage any proprietary assets and as such Zenith is able to choose investment managers with absolute independence and objectivity. More detailed information regarding Zenith's fund research methodology and Zenith's traditional index research methodology, coverage and ratings is available on Zenith's website at Fund Research Methodology and Traditional Index Research Methodology.

This report is subject to copyright and may not be reproduced, modified or distributed without the consent of the copyright owner. The information contained in this report has been prepared in good faith and is believed to be reliable at the time it was prepared, however, no representation, warranty or undertaking is given or made in relation to the accuracy or completeness of the information presented in this report. Except for any liability which cannot be excluded, Zenith does not accept any liability, whether direct or indirect arising from the use of information contained in this report. Past performance is not an indication of future performance.

Third Party data may be sourced from Financial Express, Refinitiv, Bloomberg and/or MSCI. Third party data and content used in this document has not been independently verified by Zenith and Zenith provides no warranty, representation or responsibility to update this document. Third Party data is the intellectual property of that third party and must not be reproduced, stored or transmitted without their consent.

Full details regarding the methodology, ratings definitions and regulatory compliance are available at Fund Research Regulatory Guidelines.

Zenith is not required to be licensed under New Zealand law or be registered on the FSPR. Zenith has not engaged or authorised any party to provide financial advice on its behalf to New Zealand investors.

Zenith ratings and research are prepared by Zenith and are not connected in any way to research and ratings prepared by any of our related entities.

This report refers to the Australian unit trust for the fund, and the fund and benchmark returns are all in AUD.

© 2026 Zenith Investment Partners. All rights reserved.

Zenith has charged MLC Asset Management a fee to produce this report.