

MLC Premium Model Portfolios

Portfolio changes

Effective date: 11 June 2025

We continually review the model portfolios to ensure they remain appropriately structured to meet their objectives and are well-positioned for the future market environment. These updates provide investment rationale for adding a new holding, removing an entire holding, or making a significant change to a Model Portfolio. Details of Portfolio re-weightings or re-balances occur normally in the course of managing the Portfolio and are included in our portfolio updates.

What changes have we made?

Increase	Portfolio change	Rationale
BHP Group Ltd (BHP)	High Growth 98: +0.30% Growth 85: +0.30% Moderate 50: +0.30% Conservative 30: +0.30%	We have added to the position in BHP Group Ltd (BHP) . Iron ore companies have underperformed the market in recent months on the back of Trump tariffs and concerns over Chinese growth. We see the stock as being at an attractive valuation, with positive 'Long Term Direction' and 'Quality scores'. It is our analyst's best iron ore stock pick on iron ore price bottoming out. We now move to a more pronounced 'Resources super-sector' exposure.
CSL Ltd (CSL)	Balanced 70: +0.30%	We have added to our position in CSL Limited (CSL) . CSL is a high-quality global biotechnology manufacturer that has underperformed more recently and now trades at a more attractive valuation. We move to a modest overweight, which will improve the growth and 'Long Term Direction' characteristics of the strategy, given its high R&D to sales ratio and strong ESG momentum. CSL now offers positive 'Mispricing' and increases our healthcare sector exposure. We have added CSL to the Premium Balanced 70 portfolio as the starting position for CSL was slightly more underweight than BHP. We are comfortable with the current weight of BHP in the portfolio.
Reduction	Portfolio change	Rationale
Commonwealth Bank of Australia (CBA)	High Growth 98: -0.30% Growth 85: -0.30% Balanced 70: -0.30% Moderate 50: -0.30% Conservative 30: -0.30%	We have trimmed our position in Commonwealth Bank (CBA) further reducing our position in banks. CBA has benefitted from the influence of high index-related buying and low annual turnover to push the stock to extremely high valuation levels. With CBA's valuation in the fifth quintile of our universe and 'Long Term Direction' unattractive as well, our mispricing signals warrants a reduced position. This will incrementally increase our active share in the ASX 20 securities.

The approximate portfolio change amount is not a guarantee of a change to a client's portfolio. There may be differences between the Model Portfolio and a client's portfolio due to the timing and transaction prices for portfolio changes, client investments and withdrawals during the period, timing of receipt of dividends and income distributions, platform administration fees, transactional costs associated with the client's portfolio, and any portfolio exclusions required by the client.

Important Information

Portfolio changes outlined in this document are expected to be implemented by the client's platform, in due course.

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