

MLC FirstChoice Managed Accounts

*An Introduction to MLC Asset Management
and our CFS FirstChoice Portfolios*

October 2023



Why MLC Managed Accounts?



One of Australia's most experienced investment managers

MLC Asset Management is one of Australia's most experienced investment managers, with over 35 years' experience designing and managing multi-asset portfolios and with over \$145 billion assets under management.¹



The right hands on the wheel

We provide you and your clients with access to one of the best-resourced teams in the managed accounts market.

What's more, our award-winning institutional investment team isn't just on the brochure, they have full responsibility and accountability for our managed account portfolios.



A singular focus

MLC does not market standalone research, consulting or product ratings services.

Asset management isn't just 'a' business, it is our business.



Investment thinking that makes a difference

Through MLC Managed Accounts Strategies, you can access our deep asset allocation insights and portfolio construction expertise.

Our powerful and proprietary Investment Futures Framework helps make sure our portfolios are strong, risk-adjusted and prepared for many possible global investment scenarios and market conditions.

We focus on opportunities for return and managing risk, carefully designing the asset allocation and selecting the long-term strategies and specialist investment managers to help our portfolios defend and grow.

It's not just set and forget – we actively monitor and adjust our portfolios to give investors what we believe are the best investment opportunities.

We believe that by applying this philosophy and approach, we can deliver more reliable returns to investors.



Better client engagement and communication

We share portfolio and market insights with you, so you can have informed discussions with your clients.

Our client-friendly reporting gives you a clear view of the performance of the portfolios and of the individual investments within them. Our investment insights are based on global market intelligence from our experienced investment team.



Accountability through transparency

We believe that delivering a high-quality managed account experience requires a commitment to accountability and transparency.

There is perhaps no better demonstration of that commitment than a willingness to open one's doors to third party scrutiny.

That's why for well over a decade, we have welcomed specialist, independent reviews and ratings of our multi-asset investment team and their investment approach.²

The same team and investment approach that drives our managed account portfolios.

¹ MLC Asset Management is a business division in the Insignia Financial group of companies. It includes a range of businesses and partners that in aggregate manage over A\$145bn assets under management as at 31 December 2022.

² At the time of publication, no independent research or ratings assessment is available specifically for the MLC FirstChoice portfolios. The ratings process referred to above is in reference to MLC's multi-asset managed fund and wrap-based managed accounts products. Please contact your MLC Asset Management representative should you wish to discuss or review that ratings material or its relevance to this offer.

Our core investment principles

All successful investment programs begin with a clear, logical and defensible investment philosophy. That philosophy is defined by a set of key beliefs on the drivers of financial markets and investor behaviour as well as the key principles applied to navigating those markets as an investor. MLC's core investment principles are summarised below and form the foundation of our approach to designing, constructing and implementing managed account portfolios.

1 Acknowledge the unknowable

The behaviour of global economic and financial markets is both complex and subject to unavoidable uncertainty. Our process is grounded in this reality and so we don't forecast the unforecastable; rather, we focus our efforts on building a comprehensive understanding of the many possible future investment environments that could impact investor portfolios.

2 Risk managers, not avoiders

Achieving attractive returns almost always requires exposure to some risk, but not all risks are likely to provide attractive returns. Our role is to assess potential market outcomes and position portfolios so as to maximise the chance of meeting investor return expectations while minimising exposure to unnecessary or unrewarded risks.

3 Diversification matters but must be intelligent

We believe that sensible diversification is an important source of portfolio risk reduction. However, avoiding the pitfalls of excessive or ineffective diversification requires a deep and detailed understanding about the source and nature of potential risks, including how they may vary through time.

4 A pragmatic approach to active management

We believe that uncertain and imperfect markets provide value-add opportunities for various forms of active management. However, while inefficiencies clearly exist, some are easier to access and exploit than others and we must account for this when selecting investments and building portfolios.

5 Seek robust, not 'optimal' portfolios

We believe portfolios should be constructed with the aim of maximising risk and return trade-offs across multiple possible future investment environments, rather than 'optimising' a portfolio for the environment deemed most likely to occur.

6 Conviction and commitment

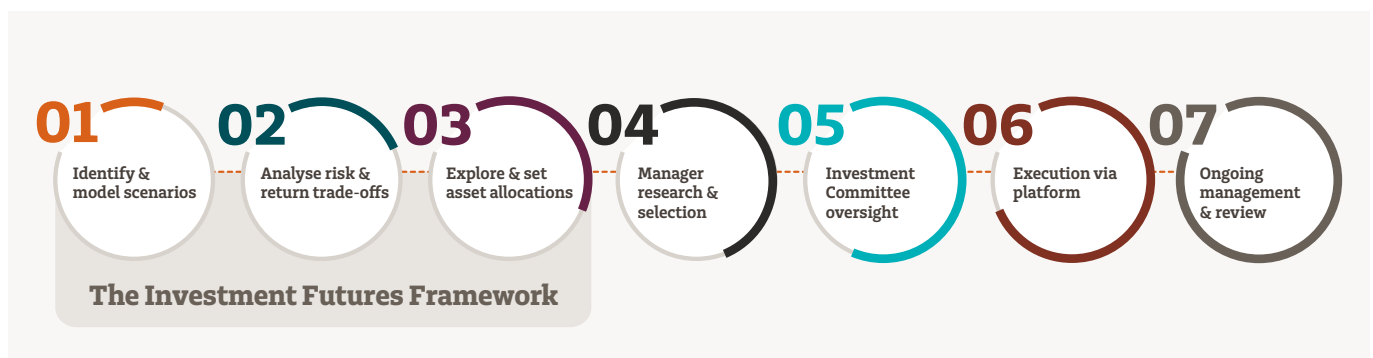
Successfully achieving excess returns from active management isn't easy. It requires a long-term focus and the right investor temperament, supported by structures and incentives that reward patience and often perseverance.

7 Execution last but not least

Even the best ideas from the most talented of investment staff can ultimately count for naught without a well-structured process for timely and efficient execution. This is particularly acute for the operation of managed accounts.

8 Good governance a sail, not an anchor

We believe in the value of good governance and decision-making structures – ones that promote healthy debate, discourage groupthink, favour decisive decision-making and embed accountability.



Our team

Our award-winning, multi-asset investment team provides institutional-grade expertise and experience in asset allocation and portfolio construction as well as in the equity, fixed income and alternative asset markets.

In combination with multiple specialist operations, risk and administration support functions, MLC boasts more than 100 investment professionals across 10 teams.



Our key staff

Capital Market Research and Asset Class Teams



Daniel Farmer
CIO
30 years' experience



Stanley Yeo
Deputy CIO
23 years' experience



Ben McCaw
Co Head of Capital
Markets Research
17 years' experience



Peter Sumner
Aust Equities & REITs
32 years' experience



Grant Mizens
Co Head of Capital
Markets Research
15 years' experience



Osvaldo Acosta
Fixed Interest
19 years' experience



Anthony Golowenko
Portfolio Manager
21 years' experience



Liam Wilson
Global Equities
17 years' experience



Kerry Gill
Fund Strategist
19 years' experience



Gareth Abley
Alternative Assets
22 years' experience

Distribution Support Team



Tanya Diaz
Director Multi-asset
Distribution (VIC & TAS)
21 years' experience



Tim Higgins
BDM NSW & VIC
24 years' experience



Michael Carroll
BDM WA & SA
22 years' experience



Megan Bonke
BDM QLD
17 years' experience

Investment Consulting Team



Brent Bevan
Head of Investment
Consulting
19 years' experience



Ritesh Prasad
Senior Consultant
16 years' experience



Daryn Lu
Consultant
13 years' experience

Portfolios at a glance

Our investment experts invest each portfolio in a combination of asset classes including equities, fixed income, property and cash while carefully selecting specialist, predominantly active investment managers to implement the underlying investments in each asset class.

- Actively managed at all levels including asset allocation, manager selection, style and currency exposure (via hedged vs unhedged)
- Portfolio asset allocation driven by our proprietary Investment Futures Framework
- Professionally managed by MLC Asset Management's award-winning institutional investment team

	MLC Conservative 30	MLC Moderate 40	MLC Moderate 50	MLC Balanced 60	MLC Balanced 70	MLC Growth 80	MLC High Growth 98
Investment objective (after fees)	To deliver RBA Cash +1.25% pa	To deliver CPI +1.25% pa	To deliver CPI +1.75% pa	To deliver of CPI + +2.25% pa	To deliver CPI +2.75% pa	To deliver CPI +3.5% pa	To deliver CPI +4.5% pa
Recommended investment timeframe	3+ years	3+ years	3+ years	5+ years	5+ years	7+ years	7+ years
Average growth exposure	30%	40%	50%	60%	70%	80%	98%
Average defensive asset exposure	70%	60%	50%	40%	30%	20%	2%
Minimum investment amounts	Super: No minimum Pension: \$20,000						
Total investment and administration fees (pa)¹	Super: 0.81% Pension: 0.81%	Super: 0.87% Pension: 0.87%	Super: 0.90% Pension: 0.90%	Super: 1.00% Pension: 1.00%	Super: 0.95% Pension: 0.94%	Super: 1.06% Pension: 1.06%	Super: 1.15% Pension: 1.15%

¹ Fees and investment minimums are derived from the Colonial First State FirstChoice PDS dated: 23 May 2023

Where do the portfolios invest?



Australian shares

- Dedicated large, mid/small and small cap strategies
- Blended to balance market cap, sector and style exposures



Global shares

- Developed and emerging market allocations
- Blended to balance region, market cap, style and currency exposures



Real assets

- Exposure to global listed property and infrastructure assets



Fixed income

- Allocations encompassing core bonds, credit and specialist income across both domestic and global markets



Cash

- Platform cash holdings
- Managed to balance required liquidity and minimise performance drag

How we keep you informed

Our client-friendly reporting gives you a view of the performance of the portfolios and each individual investment within them.



Monthly reports

Our monthly reports include the latest performance, performance drivers, asset allocation, holdings and commentary on positioning.



Quarterly performance reports

Our quarterly reports include performance and commentary on how the portfolios are performing relative to their objectives, what's driving performance, how they're positioned and recent portfolio activity.



Market insights

We provide regular presentations, articles, videos and webinars on the latest investment and economic thinking from our team of investment experts.



Portfolio activity reports

When we add to or remove an investment from the portfolios, we will provide detailed information of the stock or fund change, the portfolios impacted and the rationale for the change.



Client reporting

In addition to the reports prepared by us, you can also access client reporting provided by the CFS FirstChoice platform.



**For more information, call
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anywhere in Australia on 1300
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contact your MLC representative.**

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The MLC FirstChoice portfolios are only available to members of the Colonial First State FirstChoice Superannuation Trust (Fund). A person should obtain and consider the most up to date FirstChoice Wholesale Personal Super and Pension Product Disclosure Statement and any target market determinations before deciding whether to acquire, continue to hold or dispose of interests in the Fund or the MLC FirstChoice portfolios.

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