

FirstChoice Pension

MLC Moderate 40 Portfolio

A diversified, multi-asset portfolio managed by
MLC Asset Management
Monthly Report | 31 March 2025



Portfolio details

MLC's Moderate 40 Portfolio is a complete investment solution aimed at providing investors with above-inflation returns through actively managed and extensively diversified portfolios.

The Portfolio is expected to maintain an average exposure to growth assets (shares, property, infrastructure & alternative growth assets) of approximately 40% over time.

Portfolio Objective	Aims to deliver a return of inflation +1.25% p.a. over 3 years (after Model Manager fees).	Indicative holdings	5-15 Managed funds
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Portfolio performance inception

	1m	3m	6m	1 yr	Inception ⁴
Total Return ¹	-1.5%	-0.1%	0.1%	4.2%	8.9%
Income ²	0.0%	0.0%	0.0%	0.0%	0.0%
Growth	-1.5%	-0.1%	0.1%	4.2%	8.9%
CPI + 1.25%	0.3%	1.0%	1.6%	3.5%	3.8%
Peer Category ³	-0.9%	0.3%	0.9%	4.3%	7.8%

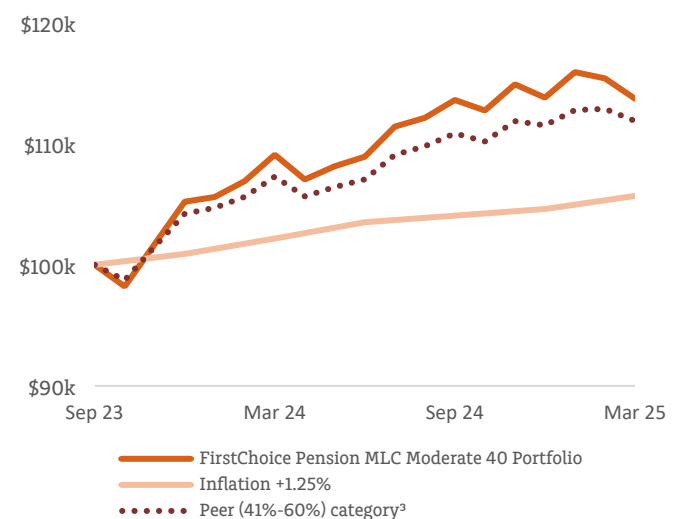
¹ Assumes distributions are reinvested. Returns are net of model manager fee, rebates and indirect costs. Returns greater than 1 year are annualised.

² Managed fund income is included when we receive the distribution.

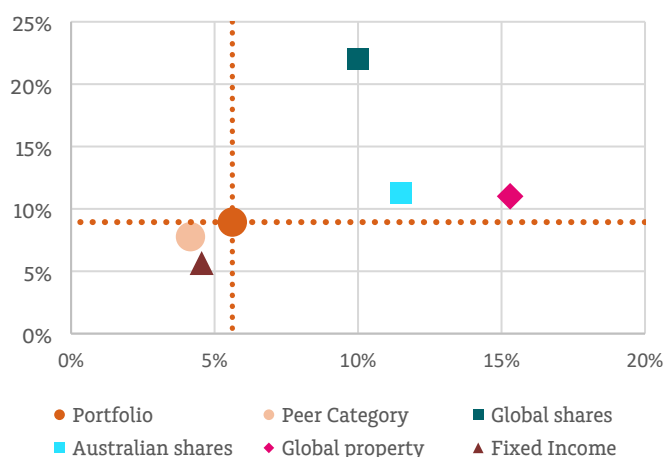
³ Morningstar Multisector Balanced (41% - 60%) category average

⁴ Portfolio inception date is 29 September 2023

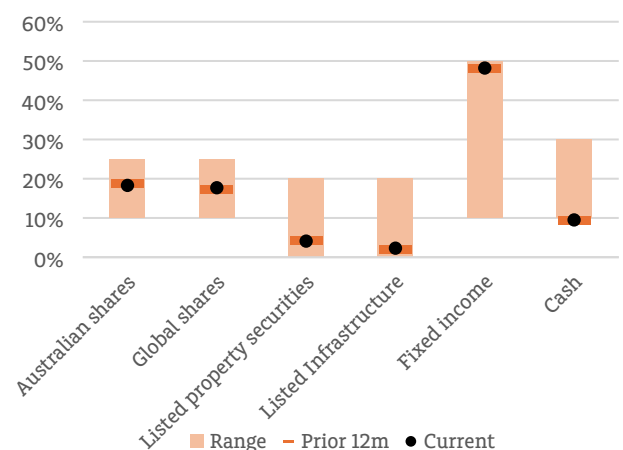
Growth of \$100k invested since



Portfolio risk & return since inception



Portfolio asset allocation



The performance and holdings in this document are for the Model Portfolio and are not a guarantee or an indication of the actual performance or holdings of a client's portfolio due to differences in 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. Past performance is not a reliable indicator or guarantee of any future performance. The value of an investment may rise or fall with the changes in the market. Inflation is measured by the Consumer Price Index (CPI). We use the most recent CPI as an estimate until the actual CPI is available from the Australian Bureau of Statistics.

FirstChoice Pension MLC Moderate 40 Portfolio

Monthly Report | 31 March 2025



What happened in markets over the month?

- US share prices were in a tailspin with President Trump intensifying the tariff war. President Trump proposed a 25% tariff on automobile imports and the imposition of “reciprocal tariffs” on those countries that impose any taxes that challenge US exports. This was perceived as a threat to global trade relationships as well as raising prices for American consumers. US consumers are starting to respond with rising inflation expectations and a slowdown in spending this year. European shares fell in sympathy despite the European Central Bank cutting interest rates by 0.25% in early March. Chinese shares provided a positive surprise by making strong gains. Better than expected Chinese industrial production and retail spending data in the opening months of the year were encouraging despite the headwinds of a weak Chinese property sector and tariffs imposed by the Trump Administration.
- Australian shares slipped in line with global shares. Australia’s economic data remains modest. There was positive news with the monthly inflation indicator showing annual inflation declining to 2.4% in February. Consumer sentiment in March also posted an encouraging rise in response to milder inflation and the Reserve Bank cutting interest rates in February. However, the previous strength in the labour market appears to be fading with February recording a sharp decline in jobs. Notably the business surveys also suggest subdued confidence and caution over Australia’s prospects with a Federal election on May 3rd.
- Global government bond yields were buffeted by President Trump’s tariff agenda and varying assessments of economic growth and inflation risks. Credit markets spreads increased given the volatility in global share markets.

Global market returns	1m	3m	1yr
Shares			
ASX200	-3.4%	-2.8%	2.8%
MSCI AC World	-4.1%	-1.9%	12.7%
MSCI AC World (H)	-4.5%	-2.1%	7.5%
MSCI EM	0.4%	2.3%	13.5%
Listed property			
AU REITs	-4.9%	-6.8%	-5.4%
Global REITs (H)	-2.8%	0.7%	3.6%
Infrastructure			
Global Infra (H)	1.3%	5.2%	15.8%
Fixed income & Cash			
Aus Bond Comp	0.2%	1.3%	3.2%
Aus Bond Credit	0.3%	1.5%	5.6%
90 Day bank bills	0.3%	1.1%	4.5%
Global Agg (H)	-0.4%	1.1%	3.7%
Global Credit (H)	-0.5%	1.6%	4.2%
Global High Yield (H)	-1.0%	1.1%	8.3%

Source: MLC Asset Management

All returns are total returns stated in AUD terms

(H) signifies the index is currency hedged

AusBond Comp, AusBond IG, Global Agg and Global Agg IG Credit are all 0+ year indexes. provided by Bloomberg.

What happened in the Portfolio?

The Portfolio generated a negative return for the March quarter, global share markets are now facing considerable global political risks. March provided a sharp ‘wake-up call’ with the realisation that US President Trump is threatening a ‘global trade war’, announcing a sequence of ‘on again - off again’ tariffs.

- The Realindex Global Share Value fund performed strongly over the month, outperforming its benchmark by 2.21%. The funds tilt towards companies exhibiting undervalued earnings and strong dividend yield proved fruitful amidst a downward volatility in global equity market to open 2025.
- The Pendal Emerging Markets outperformed its benchmark by 1.45% over the month, benefiting from market rotation into less tariff exposed emerging markets, and strong benchmark relative stock selection.

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Monthly Report | 31 March 2025



What does the Portfolio hold?

Asset class		Weighting (%)
Australian shares		18.3
Active, large cap, style neutral	Solaris Wholesale Core Australian Equity	8.4
Active, large cap, slight growth focus	Ausbil Wholesale Australian Active Equity	7.8
Active, mid to small cap, style neutral	First Sentier Wholesale Australian Small Companies	2.0
Global shares		17.7
Active, slight value focus	Ironbark Royal London Wholesale Concentrated Global Share	4.7
Systematic, hedged	Realindex Wholesale Global Share – Hedged	4.6
Active, growth, unhedged	Intermede Wholesale Global Equities	2.6
Active, slight growth focus, hedged	T. Rowe Price Wholesale Global Equity – Hedged	3.8
Active, emerging markets, unhedged	Pendal Wholesale Global Emerging Market Opportunities	2.1
Listed property securities		4.1
Active, hedged	Resolution Capital Wholesale Global Property Securities	4.1
Listed infrastructure		2.3
Passive, hedged	Colonial First State Wholesale Index Global Listed Infrastructure Securities	2.3
Fixed income		48.2
Australian, active, all maturity	Western Asset Wholesale Australian Bond	11.9
Australian, active, flexible duration	Janus Henderson Wholesale Tactical Income	9.1
Australian, active, high-quality credit	Macquarie Wholesale Income Opportunities	7.7
Global, active, all maturity, hedged	PIMCO Wholesale Global Bond	10.6
Global, active, high yield, hedged	Bentham Global Income	8.9
Cash		9.5
Enhanced cash	First Sentier Wholesale Strategic Cash	9.5
Total		100

FirstChoice Pension MLC Moderate 40 Portfolio

Monthly Report | 31 March 2025



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