



ASSET MANAGEMENT

MLC Index Plus



Cost-effective access to global assets, and more

The MLC Index Plus funds give you access to returns from investment markets through an intelligent blend of index, enhanced index and active investment strategies.

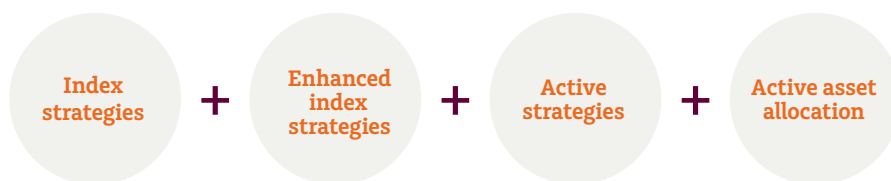
They're invested across a wide range of assets in and outside Australia.

Plus, the asset allocation of the funds is actively managed by MLC's experienced investment team.

Using the market-leading investment approach they apply to all of MLC's diversified funds, the investment team gains insights about the changing risks and returns of each asset class.

With these insights, they make active decisions about what mix of assets and strategies can best achieve the MLC Index Plus funds' objectives in constantly changing markets.

This effective combination: MLC's expertise in managing diversified funds, and carefully chosen index and active investment approaches, can provide market returns unimpeded by high investment costs.



Why invest in MLC Index Plus?



Complete diversified solutions

Exposure to a range of investment managers and asset classes, including Australian and global shares, infrastructure, fixed income and global property securities. Use as your complete investment portfolio or as its core.



Active management of the asset mix

Our investment experts can adjust the asset allocations, within defined limits, to help manage risk and returns as markets change.



Cost-effective investing

To keep costs effectively low, we use mainly index and index-based strategies to select investments. We use active managers in some asset classes, like fixed income, where an active approach can make a real difference and is worth paying for.



MLC's expertise

Benefit from the insights of the experienced investment team that manages all of MLC's diversified funds.

Our low cost, diversified investment solutions, plus more

The MLC Index Plus funds combine carefully selected index and active approaches with MLC's expert management of the asset mix.



Well-diversified funds

All investments involve some risk, so if you want to grow your wealth by investing, you have to take risk.

But there are smart ways to help manage risk, like diversification.

Diversification means investing across many different types of assets to spread your risk. It means you're less exposed to the ups and downs in performance of one asset class or one single investment. Diversification in a portfolio helps smooth out returns over time.

The MLC Index Plus funds are well diversified both across asset classes and the investment managers we appoint. Our managers invest in thousands of companies and securities around the world across Australian and global shares, infrastructure, global property securities and Australian and global fixed income.



Index investing to keep costs low

Many of the funds' investments are in cost-effective index or enhanced index strategies. We use these approaches for shares, listed infrastructure and property securities.



Active investing where it matters most

We use active managers in asset classes where it can make an important difference to returns or risks without substantially increasing fees.

Fixed income investments are a good example. If we simply invested in fixed income indices, the funds would be exposed to one of the main risks of fixed income investing: that if interest rates go up, the value of the investments will fall. By actively managing fixed income, we can lessen this risk while maintaining a well-diversified exposure to these assets.

Another key reason to actively manage fixed income is that some fixed income indices are heavily weighted to bonds issued by the most indebted countries. Rather than expose investors to this level of risk, we prefer to actively select fixed income investments.

In addition to our active management of fixed income, we use some other active strategies to increase diversification and smooth out returns over the long term.

We're always looking for ways to improve the funds, so the way we use active and index strategies may change over time.



Expert management of the asset mix

In the MLC Index Plus funds, our experienced investment team actively manages the asset allocation.

If we think the risk of an asset class is becoming too high, we can make adjustments within defined ranges to reduce its allocation and increase exposure to an asset class we think will deliver better returns for less risk.

You benefit from the asset allocation insights of MLC's expert Capital Markets Research team, which has managed MLC's diversified funds since 2005, for a much lower cost than in a fully active fund.



Investing with MLC

MLC is one of Australia's most experienced investment managers.

We've successfully managed diversified funds for more than 35 years and we've been managing the MLC Index Plus funds since 2017.

At 30 June 2023, MLC Asset Management had \$148 billion in funds under management.¹



Index or active management?

The MLC Index Plus funds' intelligent blend of index and active approaches gives you the best of both worlds at a lower cost.

Active managers

These managers analyse and select investments for a fund. They offer the potential for performance above the market through 'stock picking'.

Index, or 'passive', managers

These managers invest in the same securities, and in the same proportions, as a market index like the S&P/ASX 300. They offer the potential for returns close to the index. Index funds usually have lower fees than active funds that invest in similar assets, as they don't need analysts to select investments and tend to trade less than active funds.

Enhanced index managers

These managers use aspects of both index and active investing.

¹ Source: MLC Asset Management Services Limited

Select the fund that meets your investment needs

Choose from three complete investment solutions.

Each MLC Index Plus fund has a different asset allocation, made up of **growth** and **defensive** assets and strategies.

These asset mixes are designed to deliver different levels of return and risk (that is, volatility of returns). The higher a fund's allocation to growth assets, the higher the expected level of both long-term returns and risk.

What are growth and defensive assets?

Generally, asset classes can be grouped as growth or defensive.

- **Growth assets**, like shares and property securities, are mostly used to provide capital growth in a portfolio. They're higher risk than defensive assets but usually provide higher returns over the long term.
- **Defensive assets**, like cash and fixed income, are generally included in a portfolio to help stabilise returns, as income is often a big part of the return from these assets. Defensive assets usually provide lower risk and lower returns over the long term.

The MLC Index Plus funds

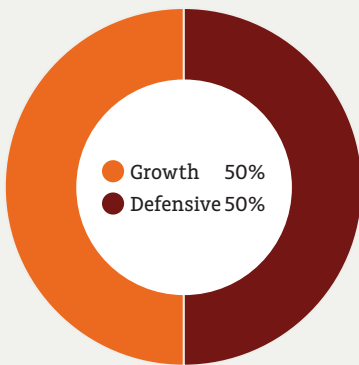
Each fund aims to:

- deliver returns that meet the fund's investment objective, and
- reduce risk in the fund when we consider risks are too high.

What are the risks?

All investments carry different levels of risk and these should be considered prior to investing. Many factors influence an investment's value. These include, but aren't limited to: investment market sentiment; economic conditions; changes in inflation, interest rates or the value of the Australian dollar; company specific issues; liquidity; risks associated with certain investment techniques, such as derivatives and currency management. For more information about the risks of investing in the funds, please refer to the relevant Product Disclosure Statement.

1 MLC Index Plus Conservative*

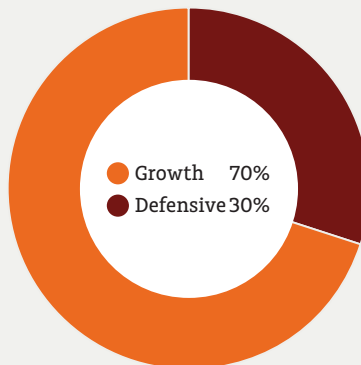


Total growth assets: 40–60%
Total defensive assets: 40–60%

May suit you if you

- want some long-term capital growth and therefore seek an investment that has similar weightings to growth and defensive assets;
- want to keep costs down by using mostly lower cost investment managers;
- understand that there can be moderate to large fluctuations in income and the value of your investment; and
- understand that the minimum suggested time frame to invest is at least five years.

2 MLC Index Plus Balanced*

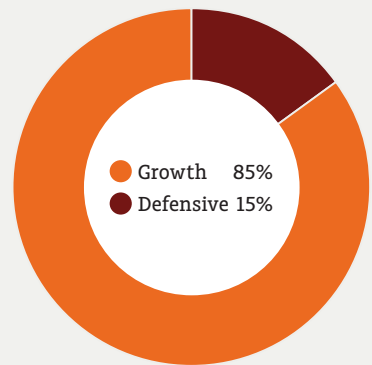


Total growth assets: 60–80%
Total defensive assets: 20–40%

May suit you if you

- want long-term capital growth and therefore seek an investment that has a strong bias to growth assets;
- want to keep costs down by using mostly lower cost investment managers;
- understand that there can be large fluctuations in income and the value of your investment; and
- understand that the minimum suggested time frame to invest is at least five years.

3 MLC Index Plus Growth*



Total growth assets: 75–95%
Total defensive assets: 5–25%

May suit you if you:

- want long-term capital growth and therefore seek an investment that invests predominantly in growth assets;
- want to keep costs down by using mostly lower cost investment managers;
- understand that there can be large fluctuations in income and the value of your investment; and
- understand that the minimum suggested time frame to invest is at least seven years.

This is only an indication of which fund may be suitable for you and you should seek advice and consider your own financial situation, objectives and needs before determining which fund to invest in.

* Benchmark asset allocations at 30 November 2023 for the MLC Index Plus Conservative, MLC Index Plus Balanced and MLC Index Plus Growth.



For more information call us from
anywhere in Australia on **132 652**
or contact your financial adviser.

mlcam.com.au
mlc.com.au

Important information

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