MLC Premium Managed Accounts

Portfolio Changes

Effective Date: 26th October 2026

What changes have we made?

We have increased the allocation to Realm Short Term Income, funded from Bentham Global Income and Janus Henderson Australian Fixed Interest, across four risk profiles in the MLC Premium and Value series.



What is the rationale for these changes?

- Reduce interest-rate duration where the risk-reward balance has become less favourable
- Reduce broad global credit exposure, with spreads offering limited compensation for refinancing risk
- Increase participation in elevated cash rates via Realm Short Term Income Fund
- Enhance the diversity and resilience of the Fixed Income program without materially sacrificing income.

These changes reflect disciplined risk management within the Fixed Income program and our view that the current compensation for interest-rate and credit risk has become less attractive relative to short-maturity income. Fiscal pressures, continuing government bond issuance and strong global demand for capital, including investment linked to AI, data centres and power, increase the likelihood that real yields and term premia remain elevated. In this environment, interest-rate duration offers a less favourable balance of risk and reward.

The comparison below highlights the central trade-off. Realm provides a comparable running yield with substantially less sensitivity to changes in government bond yields and credit spreads, which is intended to improve downside protection.

Yield and duration comparison

Strategy	Interest-rate duration	Credit spread duration	Running / current yield	Yield to maturity
Realm Short Term Income	0.10 yrs	1.49 yrs	5.95%	5.79%
Bentham Global Income	6.25 yrs	2.76 yrs	5.50%	6.41%
Janus Henderson Australian Fixed Interest	5.31 yrs	1.60 yrs	5.12%	5.55%

Source: Realm Short Term Income Fund Update (Aug 2026); Bentham Global Income Fund (Aug 2026); Janus Henderson Australian Fixed Interest Fund factsheet (Aug 2026). Janus Henderson reports modified duration, credit spread duration and current yield; metrics are manager-reported and not perfectly like-for-like.

From a manager selection point of view, Realm offers a low-duration, investment-grade-oriented portfolio with a cash-plus objective, an average credit rating of A, and meaningful liquidity. Importantly, this is a tactical reallocation rather than an exit. Both strategies are retained, preserving exposure to global credit opportunities and the potential benefit of longer-dated bonds if yields fall. The reduction to these funds reflect the current market environment rather than any concern with manager capability.

Overall, this change gives up some upside should bond yields fall sharply, in exchange for greater capital stability and a closer link between portfolio income and the RBA cash rate. We will continue to monitor the position against the RBA policy path, long-term real yields, credit spreads and Realm's liquidity and credit quality.

Summary of portfolio changes: building block-level

MLC Premium and Value series	Conservative 30	Moderate 50	Balanced 70	Growth 85
Realm Short Term Income	+3.0%	+3.0%	+3.0%	+3.0%
Bentham Global Income	-2.0%	-2.0%	-2.0%	-1.0%
Janus Henderson Australian Fixed Interest	-1.0%	-1.0%	-1.0%	-2.0%

The change reallocates 3% to the Realm Short Term Income Fund in the Conservative 30, Moderate 50, Balanced 70 and Growth 85 portfolios across both the Premium and Value series, funded from the Bentham Global Income Fund and the Janus Henderson Australian Fixed Interest Fund. The total Fixed Income allocation and the growth and defensive split of each portfolio are unchanged. High Growth 98, across the Premium and Value series, is unaffected as it holds no Fixed Income.

Portfolio fee impact

Given the relatively small change in portfolio weights, the impact on portfolio fees is negligible. The impact varies slightly by platform.

Important Information

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

This communication has prepared by MLC Asset Management Pty Ltd (MLCAM) (ABN 44 106 427 472, AFSL 308953), a part of the Insignia Financial group of companies (comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate) ('Insignia Financial Group'). The Insignia Financial Group is ultimately controlled by CC Capital Partners LLC and its affiliates (a New York based private equity firm) and OneIM GP LLC and its affiliates (a London based private equity firm). No member of the Insignia Financial Group guarantees or otherwise accepts any liability in respect of any financial product referred to in this information or MLCAM's services.

This publication is intended only for financial advisers. MLCAM provides this information to advisers and other Australian financial services licenses in connection with its distribution of MLC Managed Accounts Strategies. MLCAM does not provide and is not responsible for any financial product advice or service a financial adviser may provide or provides to its clients relying on this information, and any financial services or advice provided to clients by platform operators which include MLC Managed Accounts Strategies on its investment menu.

This information may constitute general financial advice. It has been prepared without taking account of an investor's objectives, financial situation or needs and because of that a financial adviser and investor should, before acting on the advice, consider the appropriateness of the advice having regard to the investor's personal objectives, financial situation and needs. Any opinions expressed in this communication constitute our judgement at the time of issue and are subject to change. We believe that the information contained in this communication is correct and that any estimates, opinions, conclusions or recommendations are reasonably held or made as at the time of compilation. In some cases, the information has been provided to us by third parties. While it is believed the information is accurate and reliable, the accuracy of that information is not guaranteed in any way.

Past performance is not a reliable indicator of future performance. The value of an investment may rise or fall with the changes in the market.

Any projection or other forward-looking statement (Projection) in this communication is provided for information purposes only. No representation is made as to the accuracy or reasonableness of any such Projection or that it will be met. Actual events may vary materially. Opinions constitute our judgement at the time of issue and are subject to change. Neither MLCAM nor any member of the Insignia Financial Group, nor their employees or directors give any warranty of accuracy, not accept any responsibility for errors or omissions in this publication.

MLC Managed Accounts Strategies are available via investment platforms. Please refer to the MLC Asset Management website (www.mlcam.com.au) for a full list of platform availability. You should obtain a Product Disclosure Statement relating to the investment platform and consider it before making any decision about whether to acquire or continue to hold interests in the Model Portfolios.

MLCAM may use the services of any member of the Insignia Financial Group where it makes good business sense to do so and will benefit customers. Amounts paid for these services are always negotiated on an arm's length basis.