

# MLC Premium Model Portfolios

## Portfolio changes

Effective date: 19 September 2023

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?

Addition/Increase	Portfolio change	Rationale
Goodman Group (GMG)	High Growth 98: +0.50%	We have initiated a new position in Goodman Group (GMG). GMG has enjoyed the tail winds of cap rate compression, elevated performance fees, and attractive development returns, bolstered by 3rd party client capital support. Strong global internet retailer demand (bolstered by COVID) for industrial sites and data centres has seen resilience in opportunities for logistics and expanded data centres. Pricing still looks full but momentum in the business model remains despite higher rates and inflation. Spot income yield is low given elevated multiple and low payout ratio.
	Growth 85: +0.45%	
	Balanced 70: +0.40%	
	Moderate 50: +0.40%	
	Conservative 30: +0.30%	
Brambles Ltd (BxB)	High Growth 98: +0.30%	We have added to the position in Brambles Ltd (BxB) as it continues to exhibit a strong mix of scores across our key investment process signal. With a strong outlook conveyed at the 2023 AGM, we consider it a good candidate to rise further within the industrials super-sector. With total revenue growth of 14%, and 19% profit before tax growth, highlighting strong pricing power. Our analyst believes cyclical factors and structural improvements have been at play in recent business performance. Management has tended to be conservative and are talking to increasing price and keeping the benefits of cost and efficiency normalisation.
	Growth 85: +0.25%	
	Balanced 70: +0.25%	
	Moderate 50: +0.15%	
	Conservative 30: +0.15%	
Removal/Reduction	Portfolio change	Rationale
Nine Entertainment Co Holdings Ltd (NEC)	High Growth 98: -0.47%	We have sold out of Nine Entertainment (NEC), which has been an insight-based position for a company with small index weight. After the 2023 final result highlighted a sluggish ad market, and only gradual progress in converting the digital and Domain asset opportunities to revenues, our analyst conviction has moderated.
	Growth 85: -0.48%	
	Balanced 70: -0.38%	
	Moderate 50: -0.38%	
	Conservative 30: -0.27%	
Telstra Group Ltd (TLS)	High Growth 98: -0.30%	We have reduced our position in Telstra Group (TLS) as the Factor Neutral Sector Neutral signal is no longer consistent with the current position size. TLS delivered a solid 2023 result and continues to score well in our process on Quality, which is somewhat negated by most lower beta names in the investment universe having valuation appeal. Direction and valuation are stable, and we see this as an opportune time to trim our position in favour of what we see as more attractive opportunities.
	Growth 85: -0.20%	
	Balanced 70: -0.25%	
	Moderate 50: -0.20%	
	Conservative 30: -0.20%	

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.

This communication has been prepared by MLC Asset Management Pty Ltd (**MLCAM**) (ABN 44 106 427 472, AFSL 308953), 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'). No member of the Insignia Financial Group guarantees or otherwise accepts any liability in respect of any financial product referred to in this communication 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](http://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.