

Value Moderate 50 Portfolio

A diversified, multi-asset portfolio managed by

MLC Asset Management

Monthly Report | 31 May 2025



Portfolio details

MLC's Value Moderate 50 Portfolio is a complete investment solution aimed at providing investors with above-inflation returns through expertly managed, low-cost portfolios that blend the strengths of active and index management.

The Portfolio is expected to maintain an average exposure to growth assets (shares, property, infrastructure & alternative growth assets) of approximately 50% over time.

Portfolio Objective	Aims to deliver a return of inflation +1.75% p.a. over 3+ years (after Model Manager fees).	Indicative holdings	20-25 Direct shares 5-15 Managed funds / ETF's
----------------------------	---	----------------------------	---

Portfolio performance inception

	1m	3m	1 yr	3 yrs	Inception ⁴
Total Return ¹	2.0%	1.4%	9.1%	7.2%	7.3%
Income ²	0.2%	0.7%	3.8%	2.7%	2.9%
Growth	1.8%	0.7%	5.4%	4.6%	4.4%
CPI + 1.75%	0.3%	1.1%	3.8%	5.8%	6.1%
Peer Category ³	2.3%	1.1%	9.0%	6.7%	6.6%

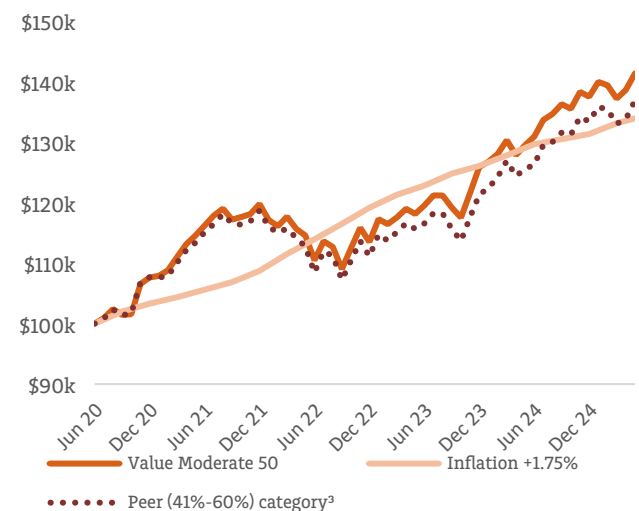
¹ Assumes distributions are reinvested. Returns are net of model manager fee, rebates and indirect costs. Returns greater than 1 year are annualised

² Managed fund income is included when we receive the distribution

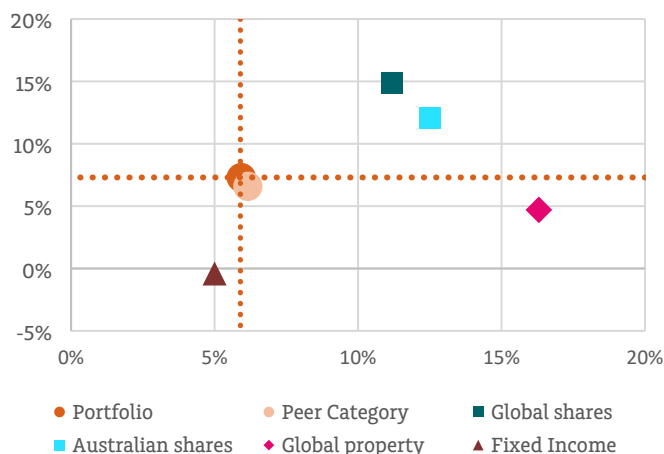
³ Morningstar Multisector Balanced (41% - 60%) category average

⁴ Portfolio inception date is 1 July 2020

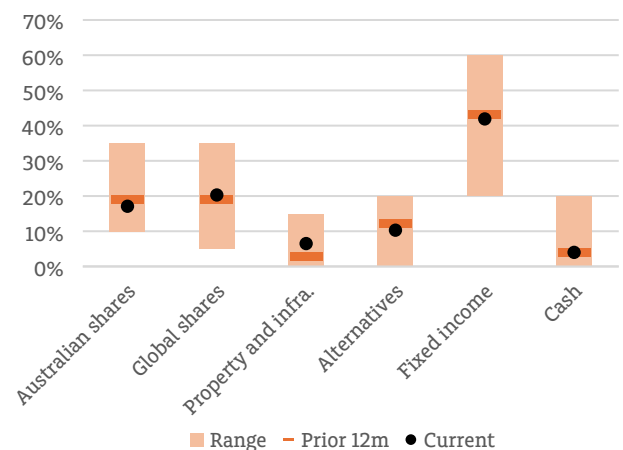
Growth of \$100k invested since



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.

Value Moderate 50 Portfolio

Monthly Report | 31 May 2025



ASSET MANAGEMENT

40
YEARS OF INVESTMENT
INNOVATION

What happened in markets over the month?

- US share prices continued their remarkable recovery from April lows. Investors have taken some comfort with the US President suggesting that tariffs deals are negotiable. However, President Trump has selectively threatened to raise tariffs on imported aluminium and steel from 25% to 50% and apply a 25% tariff on Apple iPhones in the final days of May. US economic activity has generally been modest with consumers cautious about retail spending despite a solid jobs market and lower energy prices. European shares also advanced on optimism that President Trump's tariff proposals were more bark than bite. President Trump did threaten to impose a 50% tariff on European goods but then agreed to delay these tariffs until July. Chinese shares rebounded with signs that China-US trade talks were making some progress. China has agreed to lower tariffs on US imports from 125% to 10% in response to the USA lowering their tariff rates from 145% to 30% while awaiting final negotiations.
- Australian shares tracked the upswing in global shares. The Information Technology sector made remarkable monthly gains of 19.8% with WiseTech rebounding on a US technology firm acquisition. The Energy sector surged by 8.6% which was led by Woodside on news that the Federal Government had extended approval for their gas export facility. There were also strong gains for Communication Services, Financials and Real Estate sectors which benefitted from the RBA cutting the cash interest rate by 0.25% to 3.85%. Australia's economic data provides a subdued profile. Both housing construction approvals and retail spending fell in April with consumers still very cautious given the 'cost of living'. However, there was a positive surprise with strong job gains in April and the unemployment rate remaining steady at 4.1%.
- Global government bond yields rose sharply with optimism that President Trump tariffs will not be as damaging to global economic activity as feared in April. Notably the US government credit rating was downgraded from AAA to Aa1 by Moody's Ratings given rising US budget and debt obligations. Credit markets spreads narrowed in May given an improving risk appetite by investors.

What happened in the Portfolio?

The Portfolio generated a positive return for the month, with global share prices making strong gains in May on hopes that President Trump's tariffs will prove more modest than April's announcements. President Trump agreed to a temporary tariff truce of 90 days in May with both China and Europe.

- Resolution Capital Global Listed Infrastructure Fund - The proposed acquisition of portfolio company TXNM Energy Inc. by US private equity firm Blackstone significantly impacted the stock price upwardly. This, combined with strong performance from renewable-oriented holdings, contributed positively to overall fund performance.
- MLC Real Return Fund - MLC Real Return Fund performed strongly. While performance was driven largely by equity allocations, meaningful equity-linked derivative exposure continues to provide the fund with downside protection should market continue to be highly volatility over calendar year 2025.

Global market returns	1m	3m	1yr
Shares			
ASX200	4.2%	4.3%	13.4%
MSCI AC World	5.2%	-0.8%	18.0%
MSCI AC World (H)	5.6%	0.5%	12.1%
MSCI EM	3.7%	2.7%	16.8%
Listed property			
AU REITs	5.0%	6.2%	12.4%
Global REITs (H)	2.5%	-0.7%	8.7%
Infrastructure			
Global Infra (H)	1.4%	2.8%	13.9%
Fixed income & Cash			
Aus Bond Comp	0.2%	2.0%	6.8%
Aus Bond Credit	0.6%	2.0%	7.6%
90 Day bank bills	0.3%	1.0%	4.4%
Global Agg (H)	-0.4%	0.1%	5.3%
Global Credit (H)	0.1%	0.1%	5.6%
Global High Yield (H)	1.6%	0.6%	9.6%

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.



ASSET MANAGEMENT

Monthly Report | 2

Value Moderate 50 Portfolio

Monthly Report | 31 May 2025



What does the Portfolio hold?

Asset class			Weighting (%)
Australian shares (directly held)			17.1
Commonwealth Bank of Australia	3.0	Woodside Energy Group Ltd	0.6
BHP Group Ltd	2.2	Rio Tinto Ltd	0.6
CSL Ltd	1.4	Telstra Corporation Ltd	0.5
National Australia Bank Ltd	1.2	Woolworths Group Ltd	0.5
Westpac Banking Corporation	1.1	Aristocrat Leisure Ltd	0.5
Wesfarmers Ltd	0.9	QBE Insurance Group Ltd	0.5
Macquarie Group Ltd	0.9	Coles Group Ltd	0.4
Australia & New Zealand Banking Group Ltd	0.9	Fortescue Metals Group Ltd	0.3
Transurban Group	0.6	Santos Ltd	0.3
Goodman Group	0.6	James Hardie Industries PLC	0.2
Global shares			20.3
Passive, developed markets, unhedged	iShares International Equity Index Fund		8.5
Passive, developed markets, hedged	iShares Hedged International Equity Index Fund		9.1
Active, emerging markets, unhedged	Walter Scott Emerging Markets Fund		2.7
Property and Infrastructure			6.5
Active, hedged	Resolution Capital Global Property Securities Fund		3.6
Active, hedged	Resolution Capital Global Listed Infrastructure Fund		2.9
Alternatives			10.3
Real return strategy	MLC Real Return Moderate		10.3
Fixed income			41.9
Australian, active, all maturity	Janus Henderson Australian Fixed Interest Fund		10.3
Australian, active, short maturity	Antares Income Fund		9.0
Australian, active, short maturity	Realm Short Term Income Fund		5.0
Global, active, all maturity, hedged	PIMCO Global Bond Fund Wholesale		7.5
Global, active, high yield, hedged	Bentham Global Income Fund		6.6
Global, active, high yield, hedged	Janus Henderson Diversified Credit Fund		3.4
Cash			4.0
Cash account			4.0
Total			100

Value Moderate 50 Portfolio

Monthly Report | 31 May 2025



Important Information

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.

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 Portfolios are available via investment platforms. Please refer to the MLC Asset Management website (www.mlc.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 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.

This information is directed to and prepared for Australian residents only.