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Media Release

MLC refines Australian Share Strategy

MLC has added boutique investment manager, Northward Capital, to its Australian shares strategy in the MLC Horizon portfolios, MLC Long Term Absolute Return Portfolio and MLC Australian Share Fund.

To facilitate the entry of Northward Capital, MLC has changed the weightings of the existing investment managers. The investment managers are now more consistently weighted so that the strategy is not overly reliant on any one individual manager's performance. The manager allocations are as follows:

	Manager Allocation
Balanced Equity Management	10% (-2%)
Concord Capital	5% (-3%)
Contango Asset Management	10% (-2%)
Dimensional	10% (-)
JF Capital Partners	10% (-3%)
Lazard Asset Management	15% (+1%)
Maple-Brown Abbott	15% (-1%)
Northcape	10% (+2%)
Northward Capital	5% (+5%)
Wallara Asset Management	10% (+3%)
Total	100%

Note: % change in brackets refers to the change to the previous strategy.

"The availability of exceptional Australian shares investment managers like Northward Capital who have capacity and are able to run a high conviction, tax aware portfolio, are becoming increasingly limited," said Michael Clancy, General Manager, MLC Investment Management.

“MLC has a long history of hiring quality managers during their start-up phase which has enabled us to secure access to excellent managers. History has shown that once an investment manager has been established and has demonstrated a reasonable period of outperformance, their funds under management usually grows quickly and, by this time, the ability to access these managers is reduced.

“MLC has the experience and resources needed to identify excellent managers with a competitive edge ahead of the market. We believe Northward Capital is an exceptional investment manager that will outperform the market return over the long term.”

Northward Capital was established in 2007 as a boutique Australian shares manager. Members of the Northward Capital team were previously part of Insurance Australia Group’s Australian equities funds management operation. Northward Capital currently has 7 clients and over \$1.5 billion in funds under management.

National Australia Bank’s direct investment management business, nabInvest has a 51% stake in Northward with the investment team holding the remaining 49%.

The high conviction portfolio Northward Capital is managing for MLC is different to the other investment managers in the strategy. Northward Capital is focused on identifying mis-priced companies with sustainable earnings growth, accelerating cash flows and a rising return on equity. Northward will hold approximately 30-50 stocks in the portfolio for MLC.

Implementation of this change is now complete.

For further information:

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