



Product Viewpoint

IOOF Balanced Investor Trust

ISSUE DATE 07-03-2022

Key information

APIR CODE	IOF0232AU
STATUS	OPEN
ASSET CLASS	MULTI-ASSET
SECTOR	61-80% GROWTH ASSETS
SUB SECTOR	LOW-COST DIVERSIFIED
PRODUCT TYPE	WHOLESALE
LEGAL TYPE	UNIT TRUST
PDS OBJECTIVE	TO PROVIDE CAPITAL GROWTH OVER THE MEDIUM TO LONG TERM BY INVESTING IN A DIVERSIFIED PORTFOLIO OF GROWTH AND DEFENSIVE ASSETS THROUGH A RANGE OF INVESTMENT MANAGERS.
FUND SIZE	\$3,455.05M
MINIMUM INITIAL / ADDITIONAL INVESTMENT	\$50,000 / \$5,000
MINIMUM INVESTMENT BALANCE	-
DISTRIBUTION FREQUENCY	BI-ANNUAL

Fees & costs

MANAGEMENT COSTS	0.5% P.A.
ICR % PA	0.5%
BUY SPREAD / SELL SPREAD	0.05% / 0.05%

Returns after fees (at 31-5-2022)

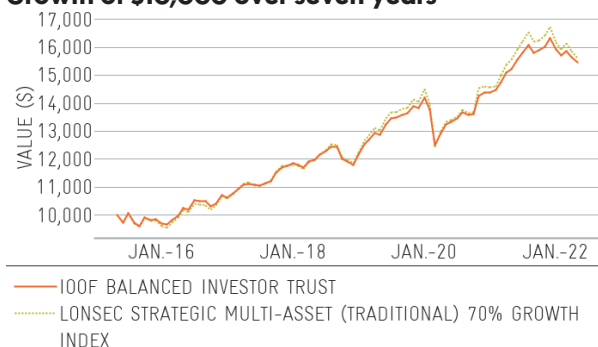
	1 YR	3 YR	5 YR	7 YR
TOTAL RETURN (% PA)	1.57	6.30	6.85	6.44
INCOME RETURN (% PA)	0.00	0.00	0.92	1.88
GROWTH RETURN (% PA)	1.57	6.30	5.93	4.55
LONSEC BENCHMARK (% PA)	0.37	6.21	6.94	6.58
EXCESS RETURN (% PA)	1.20	0.09	-0.09	-0.14

BENCHMARK USED: LONSEC STRATEGIC MULTI-ASSET (TRADITIONAL) 70% GROWTH INDEX

Asset allocation (at 30-6-2021)

	%ACTUAL	%MIN	%MAX	%TARGET
AUSTRALIAN EQUITIES	22.5	-	-	-
INTERNATIONAL EQUITIES	31.7	-	-	-
LISTED PROPERTY	3.1	-	-	-
UNLISTED PROPERTY	7.3	-	-	-
AUSTRALIAN FIXED INTEREST	18.0	-	-	-
GLOBAL FIXED INTEREST	11.1	-	-	-
OTHERS	1.6	-	-	-
CASH	4.7	-	-	-

Growth of \$10,000 over seven years



What this Rating means

The 'Recommended' rating indicates that Lonsec has strong conviction the financial product can generate risk adjusted returns in line with relevant objectives. The financial product is considered an appropriate entry point to this asset class or strategy.

Lonsec Opinion of this Fund

Overall

Lonsec has maintained the Trust's 'Recommended' rating following its most recent review. The rating reflects the high regard and conviction for the experience and calibre of the investment team. The rating is also underpinned by Lonsec's positive view of the Trust's robust and repeatable investment process. Notably, the increased resourcing post integration of the OnePath P&I team provides further depth of expertise within investment management, asset allocation and risk management.

In addition, Lonsec will be closely monitoring the progress of the MLC Wealth acquisition and its impact on the investment team and Trust performance.

Strengths

- The Trust is managed by an experienced and well-led investment team.
- IOOF implements a robust and consistently applied research process underpinning underlying manager selection and portfolio construction functions.
- Relatively strong alignment of interests of the investment team with end investors.
- Since the acquisition of MLC (June 2021) the IOOF Investment team have been selectively accessing the MLC team investment team and resources. This has been very measured and to complement the IOOF Investment process and manager selection.

Weaknesses

- Although the value proposition is strong, the Fund's fees are slightly higher compared to other low-cost peers.

Product Risk Characteristics

	LOW	MODERATE	HIGH
BUSINESS SUSTAINABILITY RISK		●	
CAPITAL VOLATILITY			●
CREDIT RISK	●		
FOREIGN CURRENCY RISK		●	
LEVERAGE RISK	●		
SECURITY CONCENTRATION RISK	●		
SECURITY LIQUIDITY RISK	●		
REDEMPTION RISK	●		

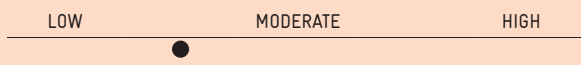
Risk categories are based on Lonsec's qualitative opinion of the risks inherent in the financial product's asset class and the risks relative to other financial products in the relevant Lonsec sector universe.

ANALYST: RAFIQ KHAN | APPROVED BY: ISRIN KHOR

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What is this Fund?

The IOOF Balanced Investor Trust (the Trust) is a 70%/30% growth / defensive Multi-Manager offering that has exposure to a broad range of asset classes (including equities, fixed interest, property and alternatives) and employs specialist investment managers to implement active, enhanced passive and passive strategies. The Trust aims to achieve total returns after fees in excess of the CPI +3.5% over a rolling 10-year basis, and to outperform the composite benchmark by 1.0% over rolling five year periods (after fees).

Using this Fund

Lonsec notes that the Manager has produced a Target Market Determination (TMD) which forms part of the Responsible Entity's Design and Distribution Obligations for the Fund. Lonsec has collected the TMD that has been provided by the Manager and notes that this should be referred to for further details on the Target Market Summary, Description of Target Market and Review Triggers.

Suggested Lonsec risk profile suitability



For guidance on appropriate asset allocations and risk profiles, refer to the latest Lonsec Strategic Asset Allocation Review and Risk Profile Definitions on our website.

Manager Profile

Insignia Financial Ltd ('Insignia Financial') is a wealth management company offering products and services across; financial advice and distribution, portfolio and estate administration and investment management. Insignia Financial is listed on the Australian Stock Exchange (ASX code: IFL.) As at 31 December 2021, Insignia Financial had \$325.8bn in Funds Under Management and Administration.

Top 10 holdings (at 31-3-2022)

NAME	WEIGHT %
BHP GROUP LIMITED	2.0
MICROSOFT CORP	1.3
AUSTRALIA (COMMONWEALTH BANK OF)	1.2
NATIONAL AUSTRALIA BANK LIMITED	1.1
CSL LIMITED (AUD)	1.0
APPLE INC	0.8
AMAZON.COM, INC.	0.8
TRANSURBAN GROUP	0.8
MACQUARIE GROUP LIMITED	0.8
UNITEDHEALTH GROUP INCORPORATED	0.6

SOURCE: FE FUNDINFO

Glossary

[Click here for the glossary of terms.](#)

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Lonsec Research Pty Ltd (Lonsec) is an investment research house with specialist areas of expertise, that was originally established in 1994 and the current entity was registered on 23 June 2011. From 1 July 2011, Lonsec became a fully owned subsidiary of Lonsec Fiscal Holdings Pty Ltd, a privately owned entity with a multi-brand strategy of providing leading financial services research and investment execution. Lonsec believes that professional financial advisers need informed opinions on the best investment strategies and financial products to provide real value for their clients. To meet this need, Lonsec has in place an experienced research team, which draws on a robust research process to undertake in-depth assessment of managed fund products.

Analyst Disclosure and Certification

Analyst remuneration is not linked to the research or rating outcome. Where financial products are mentioned, the Analyst(s) may hold the financial product(s) referred to in this document, but Lonsec considers such holdings not to be sufficiently material to compromise the rating or advice. Analyst holdings may change during the life of this document. The Analyst(s) certify that the views expressed in this document accurately reflect their personal, professional opinion about the matters and financial product(s) to which this document refers.

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