



Product Viewpoint

MLC Cash Management Trust

ISSUE DATE 10-05-2023

Key information

APIR CODE	PIM0002AU
STATUS	OPEN
ASSET CLASS	FIXED INTEREST
SECTOR	STRATEGIC CASH
PRODUCT TYPE	WHOLESALE
LEGAL TYPE	UNIT TRUST
PDS OBJECTIVE	TO PROVIDE INVESTORS WITH A STABLE INVESTMENT AND REGULAR INCOME BY INVESTING IN A RANGE OF CASH DEPOSITS AND SHORT-TERM MONEY MARKET SECURITIES. THE TRUST AIMS TO PROVIDE COMPETITIVE RETURNS FOR INVESTORS WITH A TOTAL INVESTMENT RETURN (BEFORE FEES) THAT EXCEEDS OR IS AT LEAST EQUAL TO THE BLOOMBERG AUSBOND BANK BILL.
FUND SIZE	\$2,399.41M
MINIMUM INITIAL / ADDITIONAL INVESTMENT	\$100,000 / \$0
MINIMUM INVESTMENT BALANCE	-
DISTRIBUTION FREQUENCY	N/A

Fees & costs (% per annum)

MANAGEMENT FEES AND COSTS	0.3
PERFORMANCE FEE COSTS	0
NET TRANSACTION COSTS	0
NET OF BUY SPREAD / SELL SPREAD	0 / 0
ANNUAL FEES AND COSTS (PDS)	0.3

WHERE MANAGEMENT FEES & COSTS IS NULL "-" NO DATA HAS BEEN PROVIDED AND THE ANNUAL FEES & COSTS (PDS) CANNOT BE CALCULATED. REFER TO THE PDS FOR THE FEE INFORMATION.

Returns after fees (at 31-12-2023)

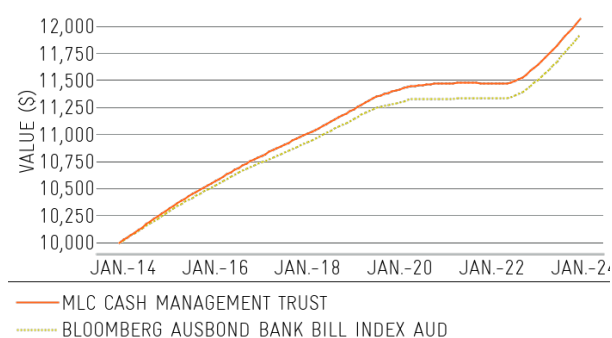
	1 YR	3 YR	5 YR	10 YR
TOTAL RETURN (% PA)	3.86	1.70	1.47	1.90
INCOME RETURN (% PA)	3.86	1.70	1.47	1.90
GROWTH RETURN (% PA)	0.00	0.00	0.00	0.00
LONSEC BENCHMARK (% PA)	3.89	1.71	1.40	1.77
EXCESS RETURN (% PA)	-0.03	-0.01	0.08	0.12

BENCHMARK USED: BLOOMBERG AUSBOND BANK BILL INDEX AUD

Asset allocation (at 30-11-2023)

	%ACTUAL	%MIN	%MAX	%TARGET
CASH	100.0	-	-	-

Growth of \$10,000 over 10 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 at its recent review. The rating reflects the high regard and conviction for the experience and calibre of the broader investment team. Furthermore, lead Portfolio Manager, Osvaldo Acosta and Senior Manager, Mark Nordio are considered sufficiently skilled and experienced to manage the Trust effectively. The rating is also underpinned by Lonsec's positive view of the Trust's robust and repeatable investment process. The increased resourcing from the combined heritage IOOF, OnePath and MLC businesses, provides further depth of expertise within investment management, asset allocation and risk management.

Lonsec remains cognisant of the fact that the Trust's 50% limit on term deposits and notice accounts is the highest in the peer group. Lonsec notes the Trust's overall fee load is considered high.

Strengths

- The Trust is managed by an experienced and well-led investment team.
- Increased breadth of resources and tools in particular manager research, asset allocation, performance analytics, governance and implementation teams.
- The Manager implements a robust and consistently applied investment process underpinning security selection and portfolio construction functions.
- Integration of the broader investment team has been progressing well to further enhance the Manager's investment capabilities.

Weaknesses

- Although the value proposition is strong, the Trust's overall fee load is relatively high in the peer group.

ANALYST: ISRIN KHOR | APPROVED BY: ALEC LEUNG

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Product Risk Characteristics

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

ESG BiMetric

	LOW	MODERATE	HIGH
		●	

What is this Fund?

The IOOF Cash Management Trust (the ‘Trust’) invests in a range of high-quality cash and short-term money market securities with the aim of providing investors with a stable investment, regular income and competitive returns. The Trust seeks to provide additional returns above the 90-day bank bill rate by forecasting the short-term direction of the interest rate cycle and positioning its portfolio accordingly. The Trust aims to outperform the returns of the Bloomberg AusBond Bank Bill Index (‘the Benchmark’) by 0.3% p.a. (before fees) over a rolling one-year period.

Using this Fund

Lonsec notes that the Manager has produced a Target Market Determination (‘TMD’) which forms part of its design and distribution arrangements for the Trust. Lonsec has sighted 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

SECURE	DEFENSIVE	CONSERVATIVE	BALANCED	GROWTH	HIGH GROWTH
●	●	●	●		

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’). As of 31 December 2022, Insignia Financial had \$285.1bn in Funds Under Management and Administration.

Top 10 holdings

NAME	WEIGHT %
NO TABLE DATA	

TOP 10 HOLDINGS DATA IS NOT AVAILABLE FOR THIS PRODUCT, PLEASE CONTACT THE PRODUCT PROVIDER.

Glossary

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

About Lonsec

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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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