



Refer to glossary for definition of the rating

### Product Viewpoint

#### About this Product

Investment manager	IOOF Investment Services Ltd
Benchmark	Lonsec Strategic Multi-Asset (Traditional) 70% Growth Index
Product structure	Managed Fund
Product size	\$1955.87m
Inception date	Apr 2008
Asset class	Multi-Asset
Sector	61-80% Growth Assets
Growth/defensive split	73/27
Peer group	Multi-Manager
Rated peers	15

#### Product Characteristics

Business Life Cycle	Mature
Product Wind-Up Risk	Low
Key Person Risk	Low
Tenure of Decision Makers	Medium
Complex (RG240)	No
Strategy Remaining Capacity	High
ESG Approach	Risk or Value
Peer Relative Fees and Costs	Above median

#### Annual Fees and Costs (% p.a.)

Management fees & costs	0.80
Performance fee costs	0.22
Net Transaction Costs	0.15
Buy/Sell Spread	0.10/0.10
<b>Annual fees and costs</b>	<b>1.17</b>

Source: FE fundinfo

#### Strengths

- The Fund 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.
- Robust and consistently applied investment process underpinning underlying manager 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 Fund's overall fee load is relatively higher in the peer group.
- The complexity of managing an extensive breadth of heritage products with varying objectives, but this is being managed by the continued alignment of asset class building blocks and objectives.

### Product Opinion

The Fund has retained its 'Recommended rating' at the most recent review. The rating reflects the high regard and conviction for the experience and calibre of the broader investment team and the lead Portfolio Managers and the 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.

The Fund's overall fee load is considered high in the peer group. The complexity of managing an extensive breadth of heritage products with varying objectives is addressed by the continued alignment of asset class building blocks and objectives.

#### Lonsec Rating Model

Rating key: ●●● Above ●●● In-line ●●● Below

Factor	Peer Rating	YoY Score Change
Business	●●●	—
Team	●●●	—
Process	●●●	—
ESG	●●●	—
Product	●●●	—
Fees	●●●	—
Performance	●●●	—

#### Allocation Profile

Core		
Satellite		
	Low Complexity	High Complexity

#### Return Profile

Income		
Capital		
	Defensive	Growth

### Key Facts

#### Key Objectives

Investment objective	To provide capital growth over the medium to long-term by investing in a diversified portfolio and to achieve a total return after fees in excess of the Trust's benchmark over a rolling five year period.
Internal return objective	CPI + 3.5% p.a. (after fees) over rolling seven year periods.
Internal risk objective	Tracking error between 1.5-2.0% p.a. over a rolling five year periods.
Non-financial objective	None

#### Rating History

21-Apr-2023	Recommended
30-Mar-2022	Recommended
15-Apr-2021	Recommended

#### Performance Analysis - annualised after fees at 31/10/2023

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	4.36	4.32	0.20	-1.30	5.70	5.28	6.33	4.98
Standard deviation	6.04	7.20	6.89	8.41	6.55	8.20	7.13	9.48
Excess return (% p.a)	0.39	0.34	1.26	-0.24	0.57	0.14	0.65	-0.71
Outperformance ratio (% p.a)	50.00	50.00	58.33	50.00	55.56	52.78	55.00	46.67
Worst drawdown (%)	-3.66	-4.61	-8.64	-12.41	-8.64	-12.41	-10.13	-15.38
Time to recovery (mths)	NR	-	10	NR	10	NR	8	11
Sharpe ratio	0.12	0.09	-0.29	-0.44	0.65	0.45	0.70	0.39
Information ratio	0.15	0.19	0.43	-0.11	0.20	0.04	0.22	-0.33
Tracking error (% p.a)	2.55	1.98	2.95	2.18	2.83	2.06	2.87	2.01

**Lonsec Peer Group:** Multi-Asset - 61-80% Growth Assets - Multi-Manager

**Product Benchmark:** Lonsec Strategic Multi-Asset (Traditional) 70% Growth Index

**Cash Benchmark:** Bloomberg AusBond Bank Bill Index AUD

**Time to recovery:** NR - Not recovered, dash - No drawdown during period

#### Product Distribution Profile

Frequency	Semi-annual
Last Missed Distribution	None
Number of Missed Distributions in the last 5 years	None
AMIT Election	Yes
TOFA Election	No

#### Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

### Latest Product Information

(as provided by the manager & sourced from third party data vendors. This data may differ from the data provided to Lonsec at the time of rating)

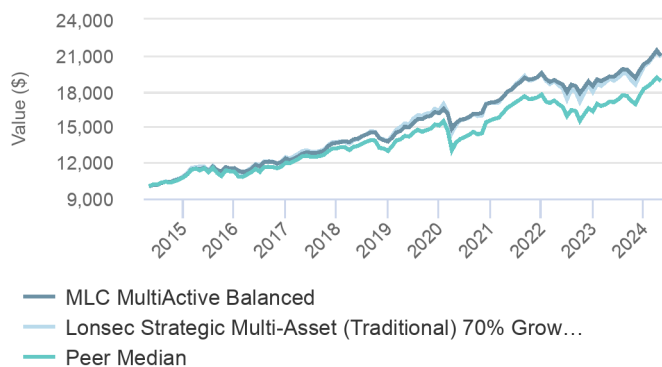
#### Returns after fees (as at 30/04/24)

	1yr	3yr	5yr	7yr
Total return (% p.a)	9.02	5.34	6.92	7.37
Income return (% p.a)	5.29	6.79	6.92	8.53
Growth return (% p.a)	3.72	-1.45	-0.01	-1.17
Lonsec benchmark (% p.a)	9.43	5.15	6.40	7.02
Excess return (% p.a)	-0.41	0.18	0.51	0.34

**Benchmark Used:** Lonsec Strategic Multi-Asset (Traditional) 70% Growth Index

Source: FE fundinfo

#### Growth of \$10,000 Over 10 Years



Source: FE fundinfo

#### Top 10 Holdings (as at 30/04/2024)

Name	%
MICROSOFT CORPORATION	1.5
BHP GROUP LIMITED	1.4
CSL LIMITED (AUD)	1.1
NVIDIA CORP	.8
NATIONAL AUSTRALIA BANK LIMITED	.8
MACQUARIE GROUP LIMITED	.7
TRANSURBAN GROUP	.6
AMAZON.COM, INC.	.6
TELSTRA GROUP LIMITED	.5
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	.5

Source: FE fundinfo

#### Annual Fees and Costs (% p.a.) (as at 30/04/2024)

Management fees & costs	0.92
Performance fee costs	0.35
Net Transaction Costs	0.11
Buy/Sell Spread	0.10/0.10
<b>Annual fees and costs</b>	<b>1.38</b>

Source: FE fundinfo

#### 3 Year Risk and Return



Source: FE fundinfo

#### Asset Allocation (%) (as at 30/04/2024)

Australian Equities	23.99
International Equities	28.75
Listed Property	2.34
Unlisted Property	3.12
Australian Fixed Interest	11.15
Global Fixed Interest	15.25
Alternative Assets	12.42
Cash	2.97
Total	100.00

Source: FE fundinfo

## LONSEC RECOMMENDS THIS DOCUMENT BE READ IN CONJUNCTION WITH THE PRODUCT REVIEW.

### Ratings

'**Highly Recommended**' rating indicates that Lonsec has very strong conviction the product can meet its investment objectives.

'**Recommended**' rating indicates that Lonsec has strong conviction the product can meet its investment objectives.

'**Investment Grade**' rating indicates that Lonsec has conviction the product can meet its investment objectives.

'**Approved**' rating indicates that Lonsec believes the product can meet its investment objectives.

'**Not -Approved**' rating indicates that Lonsec does not believe the product can meet its investment objectives.

'**Closed / Wind Up**' status is applied when the product has been closed.

'**Fund Watch**' status is applied when a rating is under review due to the occurrence of a significant event relating to the product.

The '**Redeem**' rating indicates Lonsec no longer has sufficient conviction that the product can meet its investment objectives.

The '**Screened Out**' rating indicates Lonsec was unable to attain sufficient conviction that the product can meet its investment objectives.

'**Discontinued Review**' status is applied where a product issuer withdraws the product from the review process prior to completion, for any reason other than the product being closed or unavailable to investors.

The '**Ceased Coverage**' status is applied when a rated product is withdrawn from the research process by the product issuer.

### General

**Excess return:** Return in excess of the benchmark return.

**Information ratio:** Relative reward for relative risk taken (Excess Returns / Tracking Error).

**Sharpe ratio:** Excess return earned for additional volatility experienced when holding riskier assets versus risk-free asset.

**Standard deviation:** Volatility of monthly Absolute Returns.

**Stewardship Policies:** the strength of a manager's proxy voting and engagement policies with respect to ESG.

**Time to recovery:** The number of months taken to recover the Worst Drawdown.

**Total return:** 'Top line' actual return, after fees.

**Tracking error:** Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns).

**Worst drawdown:** The worst cumulative loss ('peak to trough') experienced over the period assessed.

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## Lonsec Research FSG Financial Services Guide Lonsec Research 9 June 2023

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This FSG's purpose is to provide you with important information regarding services offered by Lonsec Research. You should read this FSG prior to using our services. This document was prepared to inform you about:

- who we are and our contact details;
- the financial services we provide;
- the remuneration that may be paid to us and other persons in relation to the financial services we provide;
- how we deal with conflicts of interest; and
- how we deal with complaints

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### Contact Details

Lonsec Research Pty Ltd  
Level 39, 25 Martin Place  
Sydney NSW 2000

**Tel:** 1300 826 395

**Email:** [info@lonsec.com.au](mailto:info@lonsec.com.au)

[www.lonsec.com.au](http://www.lonsec.com.au)

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- deposit and payment products limited to basic product products
- derivatives
- interests in managed investment schemes including investor directed portfolio services
- superannuation
- retirement savings accounts
- foreign exchange products
- life products including:
- investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
- life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

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## Lonsec Research FSG (continued)

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#### Complaints Manager

Level 39, 25 Martin Place

Sydney NSW 2000

Tel: 1300 826 395

Email: [complaints@lonsec.com.au](mailto:complaints@lonsec.com.au)

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Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678

#### Mail:

Australian Financial Complaints Authority

GPO Box 3

Melbourne, Victoria, 3001.

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This FSG was prepared on 9 June 2023.