



MLC MultiActive Australian Shares

IOF0092AU Author: Isrin Khor Published: 14 May 2024

Data is provided by the manager at 31 Jul 2023, and currency in AUD, unless otherwise stated

Refer to glossary for definition of the rating

Product Viewpoint

About this Product

Investment manager	IOOF Investment Services Ltd
Benchmark	S&P/ASX 300 TR Index AUD
Product structure	Managed Fund
Product size	\$549.00m
Inception date	Apr 2008
Asset class	Australian Equities
Sector	Australian Large Cap
Peer group	Multi-Manager
Rated peers	11

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	0.73
Performance fee costs	0.43
Net Transaction Costs	0.09
Buy/Sell Spread	0.20/0.20
Annual fees and costs	1.25

Source: FE fundinfo

Strengths

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

Weaknesses

- Although the value proposition is strong, the Fund's overall fee load is relatively high in the peer group.
- Performance has lagged the Benchmark and peers over the short and intermediate term.
- 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 maintained its 'Recommended' rating at its recent review. There is high regard and conviction for the experience and calibre of the broader investment team and Portfolio Manager, Peter Sumner. The Fund's rating is also driven by 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 to be high relative to peers.

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 long term by investing in a diversified portfolio of Australian shares, and to achieve a total return after fees in excess of the S&P/ASX 300 Accumulation Index over a rolling seven-year period.
Internal return objective	Outperform the S&P/ASX 300 Accumulation Index by 2.0% p.a. (before fees) over rolling five years periods.
Internal risk objective	Tracking Error of less than 3.0% p.a. over rolling five-year periods.
Non-financial objective	N/A

Asset Allocation (%)

Australian Equities	99.54
Cash	0.46
Total	100.00

Source: FE fundinfo

Rating History

19-Apr-2023	Recommended
11-Apr-2022	Recommended
15-Apr-2021	Recommended

Product Distribution Profile

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

Top 10 Holdings (as at 31/07/2023)

	Weight (%)
BHP Group Ltd	5.73
CSL Limited	3.59
National Australia Bank Limited	3.00
Transurban Group Ltd.	2.80
Macquarie Group, Ltd.	2.78
Telstra Group Limited	2.62
Commonwealth Bank of Australia	2.35
ANZ Group Holdings Limited	2.13
QBE Insurance Group Limited	2.07
James Hardie Industries PLC Chess Units of Foreign Securities	1.70

Source: FE fundinfo

Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

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

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	-1.09	0.89	-2.67	-0.56	5.99	8.41	7.16	6.04
Standard deviation	10.18	11.69	13.27	13.95	12.45	13.09	15.43	16.39
Excess return (% p.a)	-3.61	-1.52	-2.60	-0.48	-2.69	-0.47	0.01	-1.13
Outperformance ratio (% p.a)	41.67	41.67	45.83	47.92	38.89	44.44	48.33	44.17
Worst drawdown (%)	-7.76	-7.61	-11.59	-11.41	-11.59	-11.41	-25.73	-28.23
Time to recovery (mths)	NR	-	13	-	13	-	8	-
Sharpe ratio	-0.47	-0.23	-0.37	-0.19	0.36	0.51	0.38	0.28
Information ratio	-1.10	-1.08	-0.77	-0.28	-0.87	-0.30	0.00	-0.66
Tracking error (% p.a)	3.29	1.51	3.37	1.93	3.09	2.02	3.44	2.06

Lonsec Peer Group: Australian Equities - Australian Large Cap - Multi-Manager

Product Benchmark: S&P/ASX 300 TR Index AUD

Cash Benchmark: Bloomberg AusBond Bank Bill Index AUD

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

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)

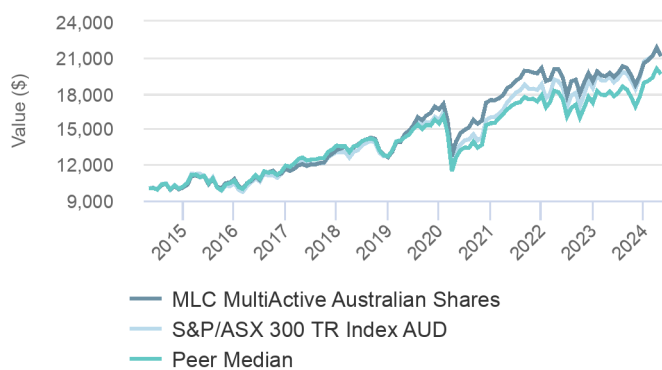
Returns after fees (as at 30/04/24)

	1yr	3yr	5yr	7yr
Total return (% p.a)	7.10	4.61	7.68	8.34
Income return (% p.a)	2.76	5.24	7.41	8.11
Growth return (% p.a)	4.35	-0.63	0.27	0.23
Lonsec benchmark (% p.a)	9.04	7.05	7.98	7.98
Excess return (% p.a)	-1.94	-2.44	-0.30	0.35

Benchmark Used: S&P/ASX 300 TR Index AUD

Source: FE fundinfo

Growth of \$10,000 Over 10 Years



Source: FE fundinfo

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

Name	%
BHP GROUP LIMITED	5.7
CSL LIMITED (AUD)	4.5
NATIONAL AUSTRALIA BANK LIMITED	3.2
MACQUARIE GROUP LIMITED	2.9
TRANSURBAN GROUP	2.5
TELSTRA GROUP LIMITED	2.3
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	2.1
COMMONWEALTH BANK OF AUSTRALIA	2.0
VENTIA SERVICES GRP LTD	1.9
MEDIBANK PRIVATE LIMITED	1.6

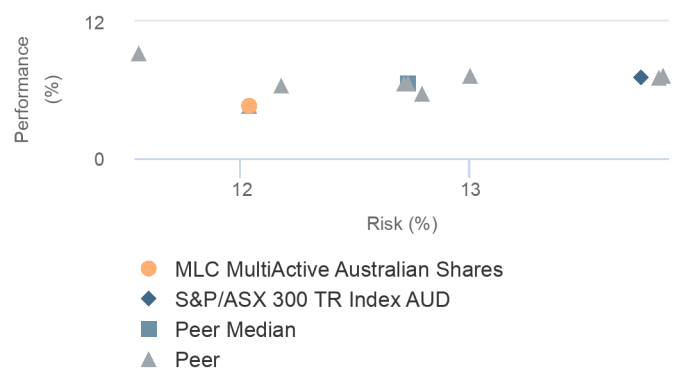
Source: FE fundinfo

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

Management fees & costs	0.80
Performance fee costs	0.43
Net Transaction Costs	0.09
Buy/Sell Spread	0.20/0.20
Annual fees and costs	1.32

Source: FE fundinfo

3 Year Risk and Return



Source: FE fundinfo

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

Australian Equities	99.72
Cash	0.28
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

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Level 39, 25 Martin Place
Sydney NSW 2000

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Email: info@lonsec.com.au

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

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Online: www.afca.org.au

Email: 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.