



## MLC MultiActive Global Shares

IOF0098AU 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	MSCI AC World ex Australia NR Index AUD
Product structure	Managed Fund
Product size	\$322.00m
Inception date	Apr 2008
Asset class	Global Equities
Sector	Global Large Cap
Peer group	Multi-Manager
Rated peers	8

#### 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	In line with median

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

Management fees & costs	0.86
Performance fee costs	0.00
Net Transaction Costs	0.19
Buy/Sell Spread	0.10/0.10
<b>Annual fees and costs</b>	<b>1.05</b>

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.
- Robust and consistently applied investment process underpinning underlying manager selection and portfolio construction.
- Integration of the broader investment team has been progressing well to further enhance the Manager's investment capabilities.

#### Weaknesses

- The Fund has underperformed its benchmark and peers over the medium and longer 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. This rating is underpinned by high regard and conviction for the experience and calibre of the broader investment team and Lead Portfolio Manager 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.

Further performance improvement is required to build further conviction in the Fund.

#### 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 international shares, and to achieve a total return after fees in excess of the Benchmark over a rolling seven-year period.
Internal return objective	MSCI All Country World ex Australia Index (\$A) plus 2.0% p.a. (before fees) over rolling five-year periods.
Internal risk objective	Tracking error less than 4.0% p.a. over rolling five-year periods.
Non-financial objective	N/A

#### Asset Allocation (%)

International Equities	99.55
Cash	0.45
<b>Total</b>	<b>100.00</b>

Source: FE fundinfo

#### Rating History

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

#### Product Distribution Profile

Frequency	Semi-Annually
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 (%)
Microsoft Corporation	4.22%
Alphabet Inc. Class A	1.61%
Amazon.com, Inc.	1.57%
Apple Inc.	1.17%
Visa Inc. Class A	1.17%
Alphabet Inc. Class C	1.11%
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	1.11%
UnitedHealth Group Incorporated	0.96%
Linde PLC	0.95%
Zoetis, Inc. Class A	0.94%

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)	12.10	12.10	0.71	1.92	8.33	10.74	8.79	9.06
Standard deviation	8.82	9.13	10.85	11.33	10.38	11.15	10.46	11.67
Excess return (% p.a)	0.37	0.37	-1.72	-0.52	-2.10	0.31	-1.18	-0.86
Outperformance ratio (% p.a)	50.00	50.00	45.83	45.83	44.44	44.44	46.67	45.00
Worst drawdown (%)	-4.34	-4.91	-17.29	-17.21	-17.29	-17.21	-17.29	-17.21
Time to recovery (mths)	NR	2	10	10	10	10	10	10
Sharpe ratio	0.96	0.95	-0.14	-0.03	0.66	0.83	0.71	0.71
Information ratio	0.14	0.14	-0.66	-0.11	-0.82	0.10	-0.48	-0.43
Tracking error (% p.a)	2.64	2.27	2.62	2.62	2.56	2.56	2.45	2.45

**Lonsec Peer Group:** Global Equities - Global Large Cap - Multi-Manager

**Product Benchmark:** MSCI AC World ex Australia NR 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)

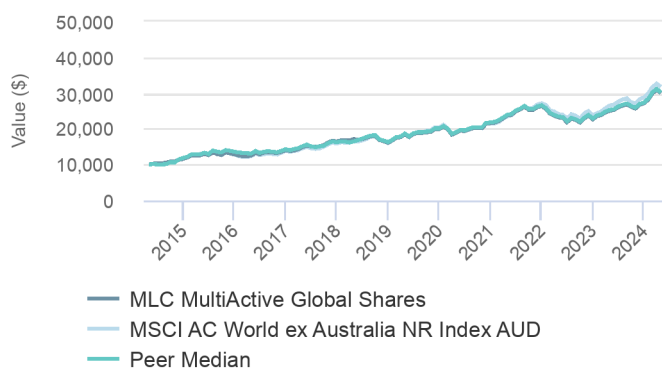
#### Returns after fees (as at 30/04/24)

	1yr	3yr	5yr	7yr
Total return (% p.a)	19.63	8.10	10.15	10.49
Income return (% p.a)	6.68	9.78	8.77	13.87
Growth return (% p.a)	12.96	-1.68	1.38	-3.38
Lonsec benchmark (% p.a)	19.72	10.52	11.28	11.77
Excess return (% p.a)	-0.09	-2.41	-1.12	-1.28

**Benchmark Used:** MSCI AC World ex Australia NR Index AUD

Source: FE fundinfo

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



Source: FE fundinfo

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

Name	%
MICROSOFT CORPORATION	5.1
NVIDIA CORP	2.7
AMAZON.COM, INC.	2.1
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	1.4
UNITEDHEALTH GROUP INCORPORATED	1.3
ALPHABET INC	1.3
APPLE INC.	1.2
LINDE PUBLIC LIMITED COMPANY	1.2
ALPHABET INC. CLASS C	1.1
NOVO NORDISK A/S	1.1

Source: FE fundinfo

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

Management fees & costs	0.91
Performance fee costs	0.00
Net Transaction Costs	0.19
Buy/Sell Spread	0.10/0.10
<b>Annual fees and costs</b>	<b>1.10</b>

Source: FE fundinfo

#### 3 Year Risk and Return



Source: FE fundinfo

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

International Equities	99.61
Cash	0.39
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.

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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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- 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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[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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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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Online: [www.afca.org.au](http://www.afca.org.au)

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.