



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) 30% Growth Index
Product structure	Managed Fund
Product size	\$659.00m
Inception date	Oct 2016
Asset class	Multi-Asset
Sector	21-40% Growth Assets
Growth/defensive split	30/70
Peer group	Multi-Manager
Rated peers	13

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	Below median

Annual Fees and Costs (% p.a.)

Management fees & costs	0.41
Performance fee costs	0.00
Net Transaction Costs	0.05
Buy/Sell Spread	0.03/0.04
Annual fees and costs	0.46

Source: FE fundinfo, PDS Date: 30/Sep/2024

Strengths

- The Fund is managed by an experienced and well-led investment team.
- Breadth of resources and tools pertaining to 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 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.
- Across several rolling time periods, the Fund has not consistently outperformed its CPI-plus target on a net of fees basis.
- Although processes are in place, using a related party creates the potential for conflicts of interest, which remains a watchpoint.

Product Opinion

The Fund has maintained its 'Recommended' rating. This rating reflects the high regard and conviction in the experience and calibre of the broader investment team and their ability to execute the investment process. The continued consolidation of the heritage businesses provides depth of expertise across the investment process.

However, across several rolling periods, the Fund has not consistently outperformed its CPI-plus objectives on a net of fees basis. There remains an extensive breadth of heritage products with various objectives, although these continue to be aligned. Although there are processes in place, the utilisation of related party capabilities and perceived conflicts remains a watchpoint.

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 stable returns over the medium term by investing in a diversified portfolio of mostly defensive assets with some growth asset exposure and to achieve total returns after fees in excess of the benchmark over rolling three-year periods.
Internal return objective	To outperform CPI by 1.5% p.a. after fees over rolling three year periods and to outperform the composite benchmark by 1.0% to 1.5% p.a. before fees over rolling five year periods.
Internal risk objective	Tracking error of 0.5% to 1.0% p.a. over five year periods.
Non-financial objective	N/A

Rating History

08-May-2024	Recommended
17-Apr-2023	Recommended
07-Mar-2022	Recommended

Performance Analysis - annualised after fees at 31/12/2024

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	6.87	6.87	7.30	7.30	3.07	2.42	3.88	3.28
Standard deviation	3.08	3.12	3.98	4.03	4.64	4.78	4.50	5.30
Excess return (% p.a)	-1.38	-1.38	-0.89	-0.89	-0.03	-0.67	0.12	-0.49
Outperformance ratio (% p.a)	33.33	33.33	33.33	41.67	41.67	44.44	46.67	46.67
Worst drawdown (%)	-1.33	-1.34	-2.28	-2.51	-5.87	-6.24	-7.10	-8.96
Time to recovery (mths)	2	2	1	2	10	10	15	11
Sharpe ratio	0.78	0.75	0.78	0.78	-0.03	-0.17	0.42	0.25
Information ratio	-1.91	-1.91	-1.13	-0.91	-0.02	-0.40	0.09	-0.36
Tracking error (% p.a)	0.72	0.94	0.79	1.13	1.39	1.40	1.38	1.72

Lonsec Peer Group: Multi-Asset - 21-40% Growth Assets - Multi-Manager

Product Benchmark: Lonsec Strategic Multi-Asset (Traditional) 30% 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-Annually
Last Missed Distribution	N/A
Number of Missed Distributions in the last 5 years	0
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 30/05/25)

	3mth	1yr	3yr	5yr	7yr
Total return	1.22	7.26	5.55	4.37	4.70
Income return	-0.00	3.78	2.73	3.62	3.72
Growth return	1.22	3.49	2.83	0.74	0.98
Lonsec benchmark	-0.12	6.81	5.38	4.15	4.46
Excess return	1.34	0.45	0.17	0.22	0.24

Benchmark Used: Lonsec Strategic Multi-Asset (Traditional) 30% Growth Index

Source: FE fundinfo



Source: FE fundinfo

Annual Fees and Costs (% p.a.) (as at 20/09/2024)

Management fees & costs	0.41
Performance fee costs	0.00
Net Transaction Costs	0.05
Buy/Sell Spread	0.03/0.04
Annual fees and costs	0.46

Source: FE fundinfo



Source: FE fundinfo

Asset Allocation (%) (as at 30/04/2025)

Australian Equities	8.02
International Equities	9.83
Listed Property	2.91
Unlisted Property	1.95
Australian Fixed Interest	25.76
Global Fixed Interest	23.49
Alternative Assets	6.23
Cash	21.81
Total	100.00

Source: FE fundinfo

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

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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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.

Lonsec Research FSG Financial Services Guide

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1.1 What is a Financial Services Guide?

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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Email: info@lonsec.com.au

www.lonsec.com.au

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- 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;

Lonsec Research is also authorised to deal in a financial product by arranging for another person to apply for, acquire, vary, or dispose the above types of products for or by retail and wholesale clients.

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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:

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Melbourne, Victoria, 3001.

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This FSG was prepared on 1 August 2024.