



Refer to glossary for definition of the rating

## Product Review

### About this Product

Investment manager	IOOF Investment Services Ltd
Benchmark	Lonsec Strategic Multi-Asset (Traditional) 90% Growth Index
Product structure	Managed Fund
Product size	\$285.00m
Inception date	Oct 2016
Asset class	Multi-Asset
Sector	81-100% Growth Assets
Growth/defensive split	90/10
Peer group	Multi-Manager
Rated peers	20

### 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	0.55
Performance fee costs	0.00
Net Transaction Costs	0.07
Buy/Sell Spread	0.07/0.07
<b>Annual fees and costs</b>	<b>0.62</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.
- 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 the asset class building blocks and objectives.
- The Fund has not consistently outperformed the CPI+ objective on a net basis.

## 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 has not consistently delivered its investment objective over the medium to longer term. 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 long term by investing in a diversified portfolio of predominantly growth assets and to achieve total returns after fees in excess of the benchmark over a rolling seven year period.
Internal return objective	To outperform CPI + 4.0% after fees over rolling ten year periods and to outperform the composite benchmark by 1.0-1.5% p.a before fees over rolling five year periods.
Internal risk objective	Tracking error of 0.5-1.0% over five year periods.
Non-financial objective	N/A

#### Asset Allocation (%)

	SAA Benchmark %	Min %	Max %	Current Allocation %
Australian Equities	31.00	20.00	45.00	30.25
International Equities	37.00	25.00	50.00	36.03
Listed Property	5.00	0.00	25.00	4.83
Unlisted Property	11.00	0.00	25.00	4.41
Australian Fixed Interest	2.00	0.00	15.00	1.42
Global Fixed Interest	2.00	0.00	15.00	4.21
Alternative Assets	16.00	0.00	40.00	13.88
Cash	1.00	0.00	15.00	3.66
Others	0.00	0.00	0.00	0.00
Total				100.00

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

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	6.00	5.36	0.89	-0.99	7.36	7.00	6.90	5.98
Standard deviation	8.21	9.03	9.50	10.51	8.99	10.38	9.91	11.42
Excess return (% p.a)	0.83	0.19	1.38	-0.49	0.06	-0.30	-0.19	-1.10
Outperformance ratio (% p.a)	50.00	41.67	58.33	50.00	55.56	47.22	46.67	44.17
Worst drawdown (%)	-4.49	-5.88	-10.80	-14.04	-10.80	-14.08	-15.06	-18.44
Time to recovery (mths)	NR	NR	9	10	9	-	9	-
Sharpe ratio	0.29	0.16	-0.14	-0.33	0.66	0.55	0.56	0.42
Information ratio	0.47	0.11	0.66	-0.18	0.03	-0.11	-0.09	-0.43
Tracking error (% p.a)	1.78	2.51	2.08	2.31	2.06	2.25	2.17	2.34

**Lonsec Peer Group:** Multi-Asset - 81-100% Growth Assets - Multi-Manager

**Product Benchmark:** Lonsec Strategic Multi-Asset (Traditional) 90% 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	None
Number of Missed Distributions in the last 5 years	None
AMIT Election	Yes
TOFA Election	No

#### Rating History

17-Apr-2023	Recommended
07-Mar-2022	Recommended
15-Apr-2021	Recommended

#### Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

### Business



#### Facts

% Staff Ownership	0-10%
Inception Date	01/01/1846
Investment Manager	IOOF Investment Services Ltd
Ultimate Parent Company	Insignia Financial Ltd
Headquarters	Australia

#### Governance

% Independent board members	60
CEO as Chair	No
Seperate Audit Committee	Yes
% Female board members	40
Independent chair	Yes

#### Who is the Manager?

The Manager is part of the Insignia Financial Group of companies, comprising Insignia Financial Ltd and its related bodies corporate ('Insignia Financial'), which is listed on the Australian Stock Exchange (ASX code: IFL). Insignia Financial is a leading provider of wealth management services including superannuation, platform administration and investment management and the Manager has a long heritage in multi-asset investing. Insignia Financial had total assets under management of \$138.9bn as at 31 July 2023.

Over recent years, the Manager has expanded their business through acquisitions and integration of the heritage IOOF, OnePath and MLC multi-manager businesses.

## Lonsec Opinion

#### Profitability

The Manager is a large, profitable, and well-capitalised business. The Manager is considered a leading Australian provider of wealth management services and is one of the largest Australian multi-managers in Lonsec's universe. The Manager is considered to be in a strong financial position at these levels of AUM.

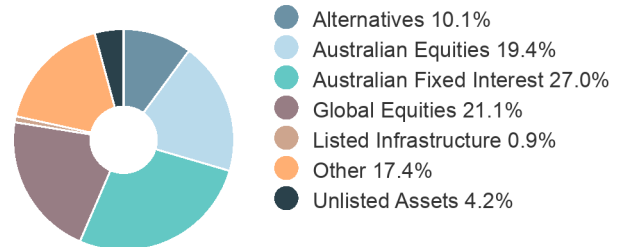
#### Business Track record

The Manager has a long and respected heritage in multi-asset investing. The Manager has expanded their business through acquisitions and has demonstrated success in integrating the heritage IOOF, OnePath and MLC multi-manager businesses in recent years, which is viewed positively.

#### Metrics

Investment Management Headcount	200
Sales & Service	50
Total AUM	\$19,474m
Investment Professionals	48
Distributor	Internal

#### AUM



#### Business Ownership

The Manager is 100% owned by ASX-listed IFL. The market capitalisation of IFL was \$1.5bn as at December 2023. Senior members own equity in the business, which is viewed positively.

#### Business Governance

The Manager has demonstrated multiple layers of compliance and risk monitoring, with oversight from multiple trustee boards, external board directors and separate audit committees. The Manager has not reported any regulatory findings in recent years.

### Team



#### Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Daniel Farmer	CIO	No	2013	28/14	28
Ben McCaw	Portfolio management	No	2021	20/16	20
Grant Mizens	Portfolio management	No	2021	18/18	18
Stanley Yeo	Portfolio management	No	2013	24/14	24
Kerry Gill	Fund Strategist	No	2021	22/19	1

#### KDM Change\*

No changes.

\* Last 3 years

#### Profile

Structure	Decentralised
Size	48
Turnover	Medium

#### Alignment

KDM equity held in manager	No
Performance-Based bonus	Yes
KDM co-investment in strategy	No
Long Term investment plan	No

#### Resources

	Number	Average Years Experience
Key decision makers	4	23
Portfolio Managers	21	27
Hybrid portfolio manager/ analysts		
Dedicated analysts	24	19
Dedicated dealers	8	18
Quantitative	4	16
ESG/Sustainability	2	29
Macro		
Investment Specialists	11	

#### Who is the Team?

The broader MLC Asset Management Investment Team ('Investment Team') consists of 48 members in total with responsibilities broadly segmented by Portfolio Construction, Portfolio Enablement and Special Capabilities functions. The key decision makers responsible for asset allocation across all portfolios are supported by the Sector Portfolio Management ('SPM') team for sector-specific manager research, the Derivatives team and the Investment Portfolio Analytics team.

The Investment Management Committee ('IMC') is responsible for overseeing and approving all investment decisions in the Fund including inclusions and exclusions of underlying managers. The IMC comprises of Anthony Hodges (Chairman, External member), Denise Allen, Mary-Anne Nunan (external), Dan Farmer, Stanley Yeo and Osvaldo Acosta.



## Lonsec Opinion

### Skill

The senior team members including CIO Dan Farmer, are highly experienced and have the appropriate skillset to manage the multi-asset and single sector portfolios. There are meaningful synergies realised from the breadth of resources and significant collective industry experience of the combined businesses. The integration of the broader investment team has provided further depth of expertise within investment management, asset allocation and risk management capabilities.

### Team Size

The Investment Team is well-resourced and is considered one of the largest teams compared to Lonsec peers. Resourcing has benefited from the combination of the heritage IOOF, OnePath and MLC businesses.

The Investment Team also leverages the research capabilities of its asset consultants which enhances the team's resourcing and provides support to the broader research offering.

### Track Record/Co-Tenure

The senior members have long co-tenure at their respective heritage businesses. Although the co-tenure of the combined investment team is considered relatively short following the recent acquisitions, the team's integration has been progressing well with early encouraging signs of stability. Moreover, the combined heritage businesses can leverage the large scale and resourcing available to the investment team to assist in the transition process. The Investment Committee members have remained largely the same through the combinations and have a long co-tenure between them.

### Alignment

The alignment of interest to investors is considered to be moderate and in line with peers. The majority of the remuneration is directly linked to the three to five year performance of the multi-manager range of funds, with a deferral component which promotes further alignment across the team.

### Key Person Risk

Key person risk is considered to be low to moderate and centered primarily on the KDMs due to their extensive experience and leadership of investment strategies. Positively, the risk is partially mitigated by the team-based decision making approach and extensive resources and the utilisation of the deeply resourced asset consultant capabilities.



### What is the Investment Process?

A formal review of the strategic asset allocation ('SAA') is conducted annually. Scenario testing is also applied to review performance under various macroeconomic conditions. Enhancements to the SAA framework in 2023 introduced non-normal distribution, upside and tail risk modelling and associated climate change impacts and continued refinement to the scenario testing capabilities.

Dynamic asset allocation ('DAA') process, or 'Strategic Tilting' whereby occasional deviations from SAA can also be used when markets are at extremes, as assessed by the Manager. The Manager utilises consulting services from Mercer and JANA when formulating individual strategies, and ad-hoc advice in SAA, strategic tilting and stress testing,

The Sector Portfolio Management ('SPM') team is responsible for conducting research with input from JANA and Mercer. This 'double' layer of manager research typically ensures that final funds in the portfolios have undergone a rigorous review process. The Manager undertakes a mix of both qualitative and quantitative research on managers. All investment proposals need to be approved by the Investment Committee.

## Lonsec Opinion & Supporting Facts

### Philosophy and Universe

Sector Exposure	Active
Available Universe	Cash and short-term securities, diversified fixed interest, property, Australian and International shares, alternatives defensive and alternatives growth.
Investment Style	Multi-manager
Asset Allocation Approach	Strategic AA Dynamic AA

A fully diversified investment approach of combining high quality active and passive managers to provide optimal returns in the long term and passive management to lower costs and active risk in certain asset classes fully reflects their philosophy and risk and return objectives.

### Research Process

Idea generation	Investment Team, Asset Consultants, Economic Research, Third-Party Resourcing
SAA review frequency	Quarterly
DAA/TAA signals	Macroeconomic Outlook, Economic data, Valuations, Behavioural factors (sentiment, technical)
Managers actively tracked	None
External consultant	Mercer, JANA

A robust and consistently applied investment process underpinning manager selection and portfolio construction functions is used. The SAA process is reasonably intuitive and employs an active 'Strategic Tilting' framework, which is expected to improve the risk/return outcome for investors. The manager research process which considers both quantitative and qualitative factors is considered to be detailed and transparent. The Manager makes use of their asset allocation breadth and can access a wide range of investment opportunities to deliver wider sources of alpha.

There is an ongoing flow of ideas from the individual sector specialists who are responsible for constructing the individual sleeves of the portfolio, portfolio managers and their consultants, Mercer and JANA. The underlying funds have undergone a rigorous review and multiple layers of oversight from the investment team, asset consultants, with the IMC ultimately approving manager inclusions. The depth and breadth of Mercer and JANA's asset allocation capabilities and manager coverage are viewed positively. The Manager has access to sophisticated tools and systems to manage these multi-manager portfolios.

### Process (continued)



#### Portfolio Construction

Approach to benchmark	Benchmark aware
Typical number of managers	40-50
Use of unlisted assets	Yes
Allocation to related/affiliated exposure	Yes
Portfolio decision making	Team based
Targeted tracking error	0.5%-1.0%
Use of mandates	Yes
Use of alternatives	Yes

Diversification is adequate given the breadth of asset classes and sources of alpha being accessed including unlisted assets and alternatives.

Underlying fund managers are typically accessed via separately managed accounts enabling the Manager to tailor mandates to its requirements. In addition, this can facilitate tighter portfolio construction, efficient implementation, better product design control, better pricing opportunity and improved tax efficiency for investors.

The Manager employs a strong buy/sell discipline in fund manager selection where capabilities undergone a rigorous review process by the MLC, Mercer and JANA investment teams and received approval from the IMC. The Manager has in the past demonstrated the willingness to terminate related capabilities where warranted.

#### Capacity Management

Although the AUM is considered large, capacity is not a concern for this Fund given the wide investable universe for multi-asset strategies.

#### Investment Risk Management

Rebalancing bands	+/-3%
Max illiquid	30%
Monitoring external to investment team	Yes
Frequency of monitoring	Daily
Primary risk management system	FactSet and Barra
Security Limits (Min./Max.)	N/A
Gross exposure range	N/A

The structure of the risk management functions is well embedded within the investment process. While continually evolving, the Manager has integrated compliance systems that enable ongoing monitoring of underlying mandates to be implemented to ensure compliance with their predefined guidelines. The Manager closely monitors manager portfolios and weightings on a daily basis and investigates daily any excess return outliers exceeding the 99% confidence level, which adds rigour. The monitoring and compliance functions conducted by separate teams are considered to be thorough and at the higher end of the peer group.

The Fund's investment guidelines, well-defined asset class ranges and limits are well-suited to ensuring the portfolio maintains appropriate diversification.



### ESG



#### Manager Positioning

ESG approach	Risk or Value
Sustainability thematic	Low Carbon or Climate
Responsible investment style	ESG Integration
Non-financial objective	N/A

#### What is the Manager's ESG approach?

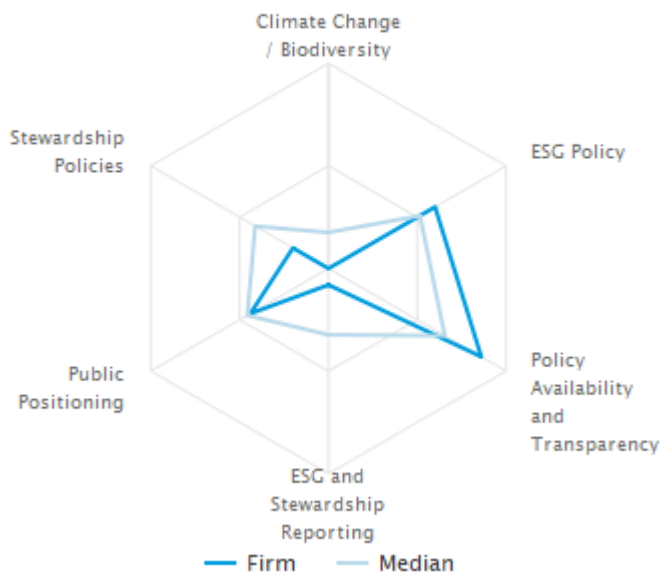
The Manager has indicated that their Responsible Investment style is "Ethical". Lonsec highlights that this ESG review is not a measure of how ethical the ultimate portfolio is but is an assessment of the process the Manager undertakes. With a primary ESG style of "Risk or Value" Managers will determine inclusion based on the balance of overall risk (including ESG risk) and potential return. As a result this approach may mean that lower quality ESG companies may be included if the return potential is sufficient and this may conflict with some clients perception of what a strong ESG process would deliver.

## Lonsec Opinion & Supporting Facts

#### Overview

ESG Process Score	ModLow
Responsible Investment strategy risk: Clarity, measurability & reporting	N/A

#### ESG Snapshot



#### Product Level Approach

ESG integration assessment for multi asset funds such as this, reviews only the ESG components of the selection underlying strategies or managers, and not the ESG integration of each of the underlying funds or strategies. While the Manager does have some minimum standards for Manager selection and monitoring they are seen by Lonsec as being very light touch. There are no signs that company engagement on ESG issues is a component of the Manager's current investment approach for this Fund.

While ESG does not form a component of the compliance framework, portfolio disclosure is leading.

#### Strategy: Clarity, Measurability & Reporting

This product does not make any specific claim to being a sustainable, ethical or impact offering. As such Lonsec does not apply its alignment review to the product and thus scores its risk of misalignment as N/A.

#### Manager Level Approach

The Manager's overall ESG policy framework and disclosure are significantly lagging peers. The Manager has articulated a commitment to the integration of ESG within their investment process, however, there is little evidence in their public positioning. The Manager does not appear to have ESG related policies publicly available, nor has the Manager provided any policy frameworks. No reporting on voting or engagement outcomes is publicly available.



### Product



#### Service Providers

Investment manager	IOOF Investment Services Ltd
Sub-investment manager	N/A
Custodian	J.P. Morgan
Administrator	IOOF Service Co
Responsible entity	IOOF Investment Services Ltd
Fund Auditor	KPMG
Change in Key Providers? (Over last 12 months )	No

#### Product Details

Product size	\$285.00m
Fund 12-month net flows	Positive
Distribution model	Internal
Buy/sell spreads	0.07%/0.07%
Net transaction costs	0.04
Product type	Managed Fund
Unlisted asset valuation frequency	Quarterly
Valuation externally audited	Yes

#### What is the Product Structure?

The Fund is a multi-asset, multi-manager strategy that invests across a range of growth and defensive asset classes via several underlying managers. The Fund is a registered managed investment scheme ('MIS') for which IOOF Investment Services Ltd is the responsible entity (the 'RE'), a related entity. The RE is responsible for operating and managing the MIS, holds an AFSL and as such is required to comply with its AFSL and RE obligations as outlined under the Corporations Act.

### Lonsec Opinion

#### Service Providers

The Manager employs high quality 'tier 1' service providers. The RE has built experience in operating and managing a number of schemes over an extended period of time and is expected to have a governance framework in place to deal with any perceived conflicts of interest.

#### Operational 'Red Flags'

The multi-manager strategy is not considered to be operationally challenging to implement.

The Fund has recently included allocations to other diversifying assets including insurance related investments, which are likely to increase the proportion of illiquid assets in the Fund. However, the Manager has appropriate safeguards in place to manage illiquidity risk.

#### Wind-up Risks

The wind-down risk of the Fund is considered low at current levels of AUM.

## Fees

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

Management fees & costs	0.55
Performance fee costs	0.00
Net Transaction Costs	0.07
Buy/Sell Spread	0.07/0.07
<b>Annual fees and costs</b>	<b>0.62</b>

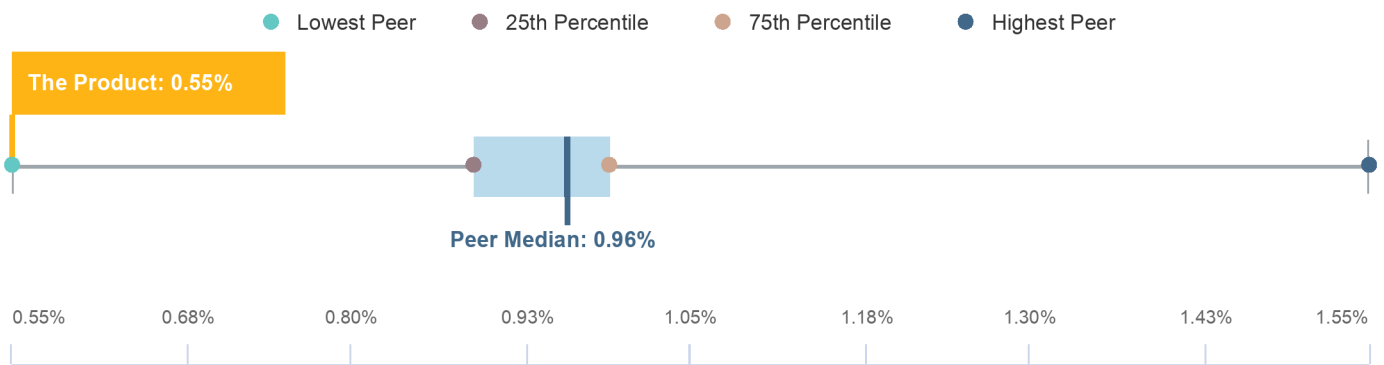
Source: FE fundinfo

### Performance Fees

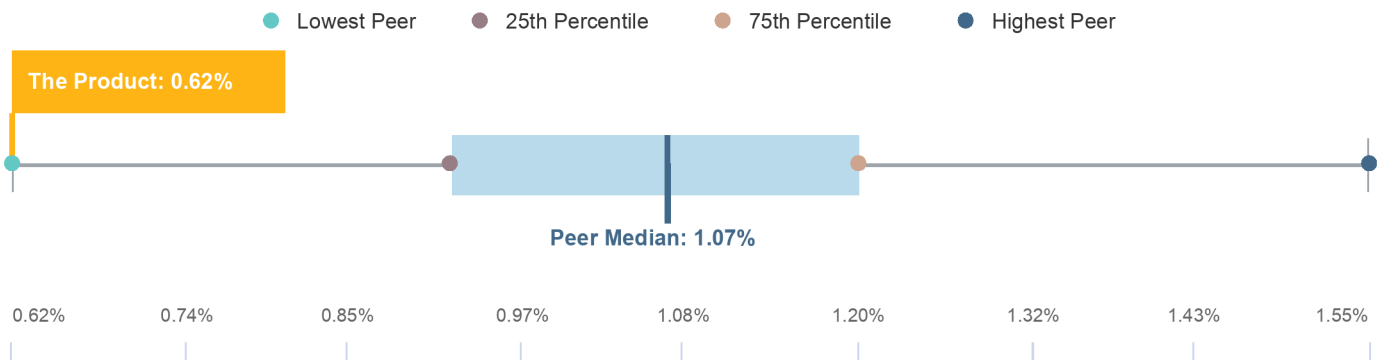
Applicable	No
------------	----

## Fees Explained

### Management Fees and Costs Peer Comparison (31/07/2023)



### Annual Fees and Costs Peer Comparison (31/07/2023)



## Lonsec Opinion

### Annual Fees and Costs

The annual fees and costs are considered low compared to peers.

### Fairness

The fees are considered reasonable given the active managers in the portfolio include additional asset classes such as direct property, insurance-related investments and alternatives.

Performance data is as at 31 October 2023

### Performance

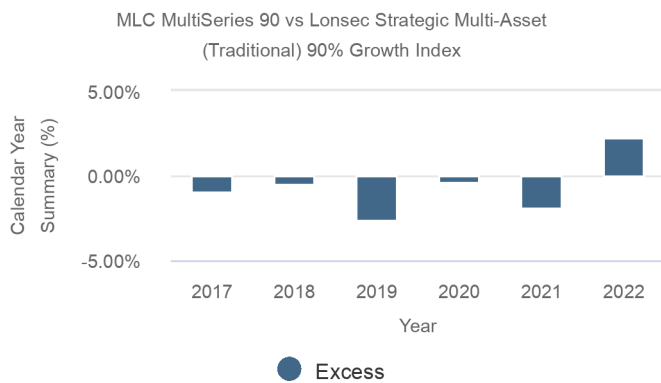
#### Performance Summary

PDS return objective	To provide capital growth over the long term by investing in a diversified portfolio of predominantly growth assets with minimal defensive asset exposure and to achieve total returns after fees in excess of the benchmark over a rolling seven year period.
Internal return objective	To outperform CPI + 4.0% after fees over rolling ten year periods and to outperform the composite benchmark by 1.0-1.5% p.a. before fees over rolling five year periods.
Internal risk objective	Tracking error of 0.5-1.0% over five year periods.
Product benchmark	Lonsec Strategic Multi-Asset (Traditional) 90% Growth Index
Lonsec peer group	Multi-Manager

#### Alpha Generation

Over the medium term, the Fund has not delivered above the internal objectives. The Fund has outperformed the internal composite benchmark on a gross basis, but not on a net basis on rolling five years. Against peers, the Fund has outperformed the peer median over three and five years.

#### Calendar Year Excess Return



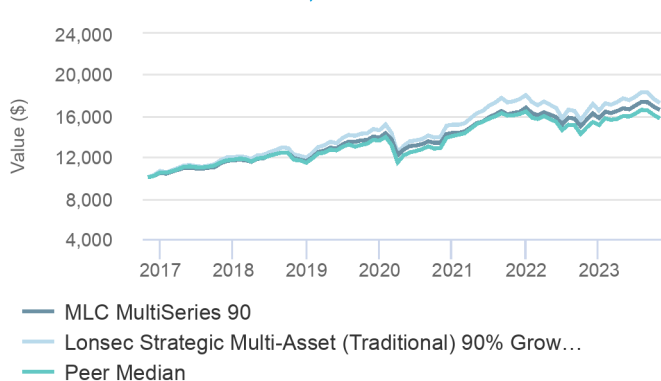
#### 3 Year Risk and Return



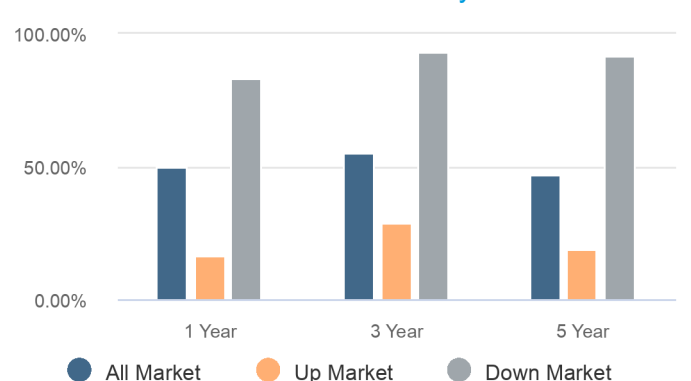
#### Alpha Consistency

Against peers, the Fund has consistently delivered in top and second quintile in most rolling periods. However, the Fund has not consistently met its internal CPI+ objective (after fees). The Fund has higher consistency in delivering excess returns during down markets.

#### Growth of \$10,000 Over 7 Years



#### Returns Consistency



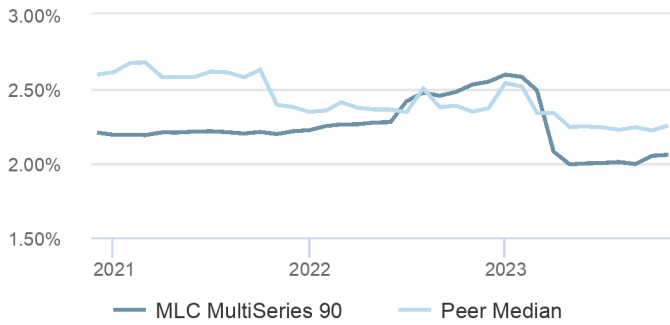
Performance data is as at 31 October 2023

### Performance (continued)

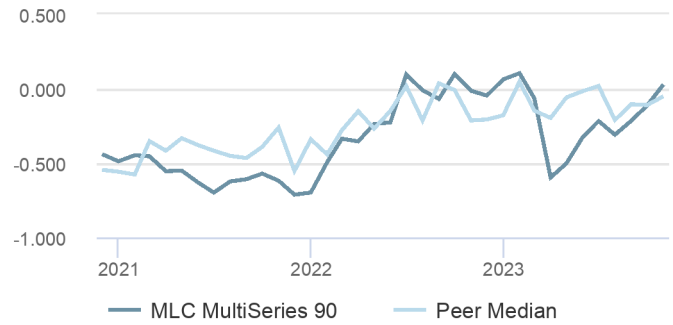
#### Benchmark Relativity

The Fund's tracking error has been broadly lower than the peer median in most periods. However, the information ratio (reward for active risk) has been mixed over time.

3 Year Rolling Tracking Error Over 3 Years



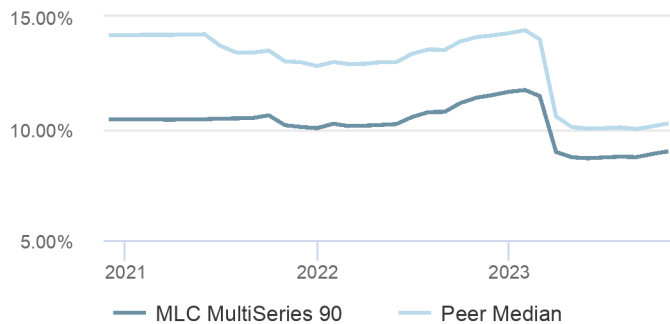
3 Year Rolling Information Ratio Over 3 Years



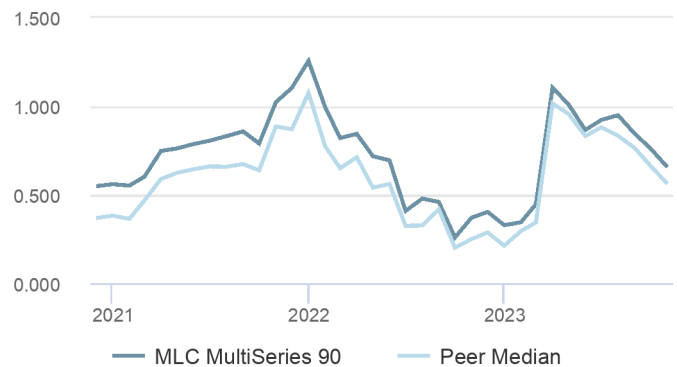
#### Return Volatility

The Fund has recorded volatility lower than the peer median over the medium to longer term and improved risk-adjusted outcomes as seen from the Sharpe Ratio (reward for absolute risk).

3 Year Rolling Standard Deviation Over 3 Years



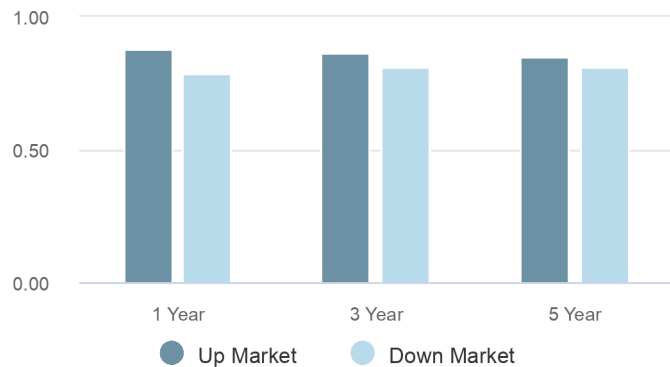
3 Year Rolling Sharpe Over 3 Years



#### Product Defensiveness

The Fund has recorded drawdowns which were lower than the peer median over the medium to longer term. The Fund has lower market capture during down markets which demonstrates the Fund's defensive characteristics.

Market Capture Ratio



Drawdowns



## 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

**Climate Change / Biodiversity:** the extent to which a manager has a leading climate and biodiversity policies.

**ESG and Stewardship Reporting:** the transparency, accessibility and usefulness of a manager's reporting.

**ESG Policy:** the strength of commitment to ESG as ascertained by a review of a manager's ESG policies.

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

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

**Key decision maker (KDM):** A nominated investment professional who has portfolio decision making discretion for a Fund, e.g. 'buy' or 'sell' decisions.

**Market capture ratio:** A product's performance during either 'up' or 'down' market trends relative to an index.

**Policy Availability / Transparency:** the ease of public access to, and transparency of, a manager's overall ESG policy suite.

**Public Positioning:** the resolve of a manager's commitment to ESG as ascertained by their public positioning.

**Returns consistency:** The proportion of a product's monthly outperformance during a period relative to the benchmark when it was rising, falling and in aggregate.

**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.

## Lonsec Group Disclaimers

Issued by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec, we/our) a subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) and (Lonsec Group). This document is not a prospectus, any other form of disclosure document or product disclosure statement within the meaning of the Corporations Act 2001. Any advice contained in this document is General Advice only and has been prepared without taking into account investors' objectives, financial situation or needs. Prior to acting upon any information contained in this document, investors must do their own investigation and analysis of the appropriateness of the information or seek independent financial and/or tax advice, having regard to their objectives, financial situation and needs. Investors must consider reading any relevant Product Disclosure Statement (PDS) or offer document to assess the appropriateness of this advice in light of their own objectives before making a decision to obtain a financial product. Past performance is not a reliable indicator of future performance. © 2024 Lonsec Research. All rights reserved. You may not reproduce, transmit, disseminate, sell or publish this information without our written consent.

Except for any liability which cannot be excluded, no representation, warranty or undertaking, express or implied is made and no responsibility or liability is accepted by Lonsec Research, its directors, officers, employees and agents for any error or inaccuracy, misstatement or omission from this document or any loss or damage suffered by the recipient or any other person as a consequence of relying upon it.

Lonsec Research makes no representation, warranty or undertaking in relation to the accuracy, reasonableness or completeness of the information presented in this document which is compiled from information from public and third-party sources. We assume no obligation to update this document after publication. Lonsec Research provides this document for the exclusive use by the recipient to whom it is provided and should not be used or relied upon by any other person unless express permission is obtained from us. Additional fees and charges may apply. Please verify from the offer documents for the relevant financial product. In line with industry practice, returns may be estimated. To access verified returns please refer to the product issuer. This document may also contain third party material that is subject to copyright. To the extent that copyright subsists with a third party, it remains with the original owner and permission may be required to reuse the material.

The product rated in this publication may have related financial products or be associated with other financial products and platforms. Our rating applies to the financial product outlined in this publication. You should seek professional advice before you make an investment decision on related or associated financial products and platforms. You should be aware that the mandate, fees, underlying investments, the issuers of the related and associated financial products and platforms may be different from the financial product specified in this publication.

## Disclosures

Lonsec Research does not hold the financial product(s) referred to in this document.

## Disclosures (continued)

Lonsec Research representatives and/or their associates may hold the financial product(s) referred to in this document, however we consider such holdings not to be sufficiently material to compromise the rating or advice. Lonsec Research receives a fee from the financial product issuer(s) for researching the financial product(s), using objective criteria. Lonsec Research's rating(s) outcome is not linked to the fee. Lonsec Research and its associates do not receive any other compensation or material benefits from product issuers or third parties in connection with the report. LIS Consulting, a related party to Lonsec Research, has provided Consulting Services to IOOF Investment Services Ltd. SuperRatings, a related party to Lonsec Research, has provided Corporate Client Services to IOOF Investment Services Ltd. Lonsec Research's research process relies upon the participation of the financial product issuer(s). Should the financial product issuer(s) no longer participate in our research process, we reserve the right to withdraw the document at any time and discontinue future coverage. This is a summary of the research report, you can access the full research report via Lonsec Research. For information about our associations and/or relationships with product issuers, please refer to our Conflict of Interest Statement accessible here <https://www.lonsec.com.au/wp-content/uploads/2020/12/Lonsec-Group-Conflicts-of-Interest-Statement-Dec-2020.pdf>

## Lonsec Research FSG

### Financial Services Guide

#### Lonsec Research

9 June 2023

This Financial Services Guide (FSG) has been prepared and issued by Lonsec Research Pty Ltd ABN 11 151 658 561 (Lonsec Research, we, us, our), holder of Australian Financial Services Licence (AFSL) No. 421445, to assist you in determining whether to use our financial services and products. This is an important document, and you should read it carefully. The contents of this FSG are general information only and does not take into account your personal needs or objectives. Lonsec Research provides no warranty as to the suitability of the services of this FSG for any particular person.

### 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

### 1.2 About Lonsec Research and its related parties

Lonsec Research provides in-depth, investigative investment research across a broad range of listed and unlisted investments. Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings). Other subsidiaries of Lonsec Holdings include SuperRatings Pty Ltd (ABN 95 100 192 283), Implemented Portfolios Pty Limited (ABN 36 141 881 147) and Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583).

All employees of the Lonsec group entities, including Lonsec Research, are employed by Lonsec Fiscal Pty Ltd (ABN 94 151 658 534).

### 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)

### 1.3 What kind of financial services can Lonsec Research provide?

Lonsec Research is authorised under its Australian Financial Services Licence to provide general financial product advice to retail and wholesale clients on the following types of financial products:

- securities
- 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;

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.

### 1.4 Provision of general advice

Any advice that Lonsec Research provides is of a general nature and does not take into account your personal financial situation, objectives or needs. You should, before acting on the information, consider its appropriateness having regard to your own financial objectives, situation and needs and if appropriate, obtain personal financial advice on the matter from a financial adviser. Before making a decision regarding any financial product, you should obtain and consider a copy of the relevant Product Disclosure Statement or offer document from the financial product issuer.

### 1.5 How Lonsec Research is paid

Lonsec Research receives fees from Fund Managers and/or financial product issuers for researching their financial product(s) using comprehensive and objective criteria. Lonsec receives subscriptions fees for providing research content to subscribers including financial advisers, fund managers and financial product issuers. Lonsec Research's fees are not linked to the financial rating outcome of a particular financial product.



## Lonsec Research FSG (continued)

Lonsec Research fees are determined by private agreement with its clients depending on a number of criteria including the number of financial advisors who access Lonsec Research publications, the range of publications accessed and the complexity of a specific research assignment. Due to the specific nature of its charges, disclosure of Lonsec Research fees may not be ascertainable when you receive this FSG, but you are able to request this information in writing before a financial service is provided to you. The fees received by Lonsec Research do not have an effect on the inclusion (or otherwise) of a financial product in portfolios managed by Lonsec Investment Solutions; or in approved product lists as a result of Lonsec Investment Solutions consulting activities. We do not have any direct employees as all employees are contracted, for employment purposes, with Lonsec Fiscal, a subsidiary of Lonsec Holdings. All employees of Lonsec are paid a salary and may receive a discretionary bonus which is not guaranteed. Sales employees may have a sales commission plan, relevant for sales to Wholesale clients, as offered by Lonsec Research from time to time at its discretion.

### 1.6 How do we manage our compensation arrangements?

Lonsec Research has Professional Indemnity insurance arrangements in place to compensate clients for loss or damage because of breaches of any relevant legislative obligations by Lonsec Research or its representatives which satisfy section 912B of the Corporations Act 2001.

### 1.7 What should you do if you have a complaint?

Lonsec Research's internal complaints handling process is designed to ensure that your concerns are treated seriously, addressed promptly and fairly. A complaint may be lodged either verbally or in writing and will be dealt with in strict confidence. If you have a complaint relating to Lonsec Research's products, services, its employees, the complaint should be addressed to:

#### Complaints Manager

Level 39, 25 Martin Place  
Sydney NSW 2000

Tel: 1300 826 395

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

An individual may request further information about Lonsec Research's internal complaints handling procedure at any time. If an individual is not satisfied with the outcome of their complaint or has not received a response within 30 days from Lonsec Research, the individual can complain to the Australian Financial Complaints Authority (AFCA). AFCA provides an independent dispute resolution service and can be contacted on:

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.

### 1.8 Conflicts of Interest

Lonsec Research is aware of the inherent potential conflicts of interest associated with the provision of ratings and how we are remunerated for our services.

There are a comprehensive set of policies, and procedures in place at Lonsec Holdings that apply to its subsidiaries including Lonsec Research. Information barriers (both permanent and temporary) consistent with our regulatory obligations under Regulatory Guide 79 are in place to manage either perceived or actual conflicts of interest. Employees of Lonsec also have to abide by Personal Trading and Gifts and Entertainment requirements and are trained on these requirements from time to time.

Generation Development Group Limited (ACN 087 334 370), a shareholder of Lonsec Holdings, is the parent company of Generation Life Ltd who issue a series of products rated by Lonsec Research. Lonsec Research manages this potential conflict by disclosing to investors accessing our research of Generation Life related products, and implementing our comprehensive ratings process, information barriers and monitoring program. For more information refer to Lonsec Research Ratings Methodology available on our platform iRate or by contacting us on 1300 826 395.

Lonsec Holdings has appointed Australian Retirement Trust Pty Ltd ABN 88 010 720 840, AFSL 228975 as the provider of default superannuation services to its Group employees. Lonsec Holdings appointment of Australian Retirement Trust is not an endorsement of, or opinion on, the Fund.

Australian Retirement Trust is a subscriber to our services and pays a fee to us for this subscription service. Australian Retirement Trust rating and report is issued by an analyst who is aware of Australian Retirement Trust's appointment as default superannuation fund provider but who does not have a personal investment in the fund.

This FSG was prepared on 9 June 2023.