



Product Review

IOOF Cash Management Trust

ISSUE DATE 14-04-2021

About this Review

ASSET CLASS REVIEWED	FIXED INTEREST
SECTOR REVIEWED	STRATEGIC CASH
TOTAL FUNDS RATED	11

About this Fund

ASIC RG240 CLASSIFIED	NO
FUND REVIEWED	IOOF CASH MANAGEMENT TRUST
APIR CODE	PIM0002AU
PDS OBJECTIVE	TO PROVIDE INVESTORS WITH A STABLE INVESTMENT AND REGULAR INCOME BY INVESTING IN A RANGE OF CASH DEPOSITS AND SHORT-TERM MONEY MARKET SECURITIES.
INTERNAL OBJECTIVE	TO OUTPERFORM THE RETURNS OF THE BLOOMBERG AUSBOND BANK BILL INDEX (AFTER FEES) OVER A ROLLING ONE-YEAR PERIOD.
STATED RISK OBJECTIVE	NIL
DISTRIBUTION FREQUENCY	MONTHLY
FUND SIZE	\$117M AS AT 31 DECEMBER 2020
FUND INCEPTION	17-09-2003
MANAGEMENT COSTS	0.3% P.A.
RESPONSIBLE ENTITY	IOOF INVESTMENT SERVICES LTD

About the Fund Manager

FUND MANAGER	IOOF INVESTMENT SERVICES LTD
OWNERSHIP	100% OWNED BY IOOF HOLDINGS LTD (ASX CODE :IFL)
ASSETS MANAGED IN THIS SECTOR	\$3.8BN AS AT 31 DECEMBER 2020
YEARS MANAGING THIS ASSET CLASS	27

Investment Team

PORTFOLIO MANAGER	OSVALDO ACOSTA
INVESTMENT TEAM SIZE	2
INVESTMENT TEAM TURNOVER	LOW - MOD
STRUCTURE / LOCATION	PM / MELBOURNE & SYDNEY

Investment process

BENCHMARK	BLOOMBERG AUSBOND BANK BILL INDEX
MAX. AVERAGE DURATION	90 DAYS
MAX. SUB-INVESTMENT GRADE	NOT PERMITTED
MIN. CREDIT QUALITY AT PURCHASE	A2/BBB-
MAX. SINGLE ISSUER LIMIT	DEPENDENT ON ISSUER CREDIT RATING
CURRENCY EXPOSURE	NON-AUD EXPOSURE NOT PERMITTED
GEARING / ECONOMIC LEVERAGE	NOT PERMITTED
MAX. ALLOCATION TO TERM DEPOSITS AND NOTICE ACCOUNTS	50%

Fund rating history

APRIL 2021	RECOMMENDED
APRIL 2020	RECOMMENDED
JUNE 2019	RECOMMENDED

What this Rating means

The 'Recommended' rating indicates that Lonsec has strong conviction the financial product can generate risk adjusted returns in line with relevant objectives. The financial product is considered an appropriate entry point to this asset class or strategy.

Strengths

- IOOF implements a robust research process underpinning underlying manager selection and portfolio construction functions.
- The Trust has met it's investment objective over all assessed time periods.

Weaknesses

- The Trust may be susceptible to 'runs' given it offers daily redemptions but can be significantly invested in relatively illiquid term deposits and notice accounts (max. 50%). However, Lonsec believes some of this risk is mitigated as other IOOF managed trusts are typically the largest investors in the Trust (c.90%). This affords the Portfolio Manager increased visibility to better forecast and manage the cash flow needs of the Trust.
- Upcoming MLC Wealth and IOOF merger may serve as a distraction to the investment team.

Fund Risk Characteristics

	LOW	MODERATE	HIGH
BUSINESS SUSTAINABILITY RISK		●	
CAPITAL VOLATILITY	●		
CREDIT RISK	●		
FOREIGN CURRENCY EXPOSURE	●		
INTEREST RATE RISK	●		
LEVERAGE RISK	●		
REDEMPTION RISK	●		
SECURITY CONCENTRATION RISK	●		
SECURITY LIQUIDITY RISK	●		

Risk categories are based on Lonsec's qualitative opinion of the risks inherent in the financial product's asset class and the risks relative to other financial products in the relevant Lonsec sector universe.

BIometrics

Aggregated risks

	1	2	3	4	5	6	7
STD RISK MEASURE		●					

A Standard Risk Measure score of 2 equates to a Risk Label of 'Low' and an estimated number of negative annual returns over any 20 year period of 0.5 to less than 1. This is a measure of expected frequency (not magnitude) of capital losses, calculated in accordance with ASFA/FSC guidelines.

	LOW	MODERATE	HIGH
RISK TO INCOME	●		

We strongly recommend that potential investors read the product disclosure statement Lonsec Research Pty Ltd ABN 11 151 658 561 • AFSL No. 421 445 • This information must be read in conjunction with the warning, disclaimer, and disclosure at the end of this document. This report supersedes all prior reports.

ANALYST: ROBBIE LEW | APPROVED BY: SEBASTIAN LANDER

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Features and benefits

	LOW	MODERATE	HIGH
COMPLEXITY		●	
ESG		●	

Fee profile

	LOW	MODERATE	HIGH
FEES VS. UNIVERSE			●
FEES VS. ASSET CLASS		●	
FEES VS. SUB-SECTOR			●

Fee BIometrics are a function of expected total fee as a percentage of expected total return.

What is this Fund?

- The IOOF Cash Management Trust ('the Trust') aims to provide investors with a stable investment, regular income and competitive returns. The Trust aims to outperform the returns of the Bloomberg AusBond Bank Bill Index by 0.30% p.a. (before fees) over a rolling one-year period.
- The Trust predominantly invests in high quality short-term money market and bank based securities issued or guaranteed by the Commonwealth Government or Rated A-1+, A-1 or A-2 by Standard & Poor's; the Trust is able to invest in securities which are rated BBB- and upwards. Typical securities held include floating rate notes (FRNs), negotiable certificates of deposits (NCDs), commercial paper (CPs), term deposits, notice accounts and overnight cash.
- IOOF's investment philosophy is predicated on the belief that active management of duration positioning can provide incremental value-add against the 90-day bank bill rate. The investment strategy is driven by forecasts of the short-term direction of the interest rate cycle. Active return is expected to be sourced from duration (20%) and yield curve (30%) positioning, with the remainder from issuer selection (20%) and relative value (30%).
- As per the PDS dated 30 November 2019 the ongoing annual fees and cost to investors in the Trust includes management fees and costs of 0.30% p.a. which comprise a 0.30% p.a. management fee. The net transaction costs for the Trust which were 0.00% p.a. for the 12-month period ended 30 June 2020. Transaction costs include explicit (e.g. brokerage, stamp duty, clearing) and implicit (buy/ sell spreads in multi-asset) costs of buying and selling underlying assets (like shares or fixed income) and the cost of hedging/protection strategies incurred in managing the Trust. These costs are not paid to the Manager. Some transaction costs may be incurred due to investor activity (e.g. buying securities when new application money flows into the Trust and selling securities to meet Trust redemptions) and these may be recouped via the Trust's buy/sell spreads (an investor activity fee). As at the time of this review, the Trust's buy/sell spreads were 0.00%/0.00% but as these can change frequently depending on market conditions, please refer to the Manager for the latest information.

Using this Fund

This is General Advice only and should be read in conjunction with the Disclaimer, Disclosure and Warning on the final page.

- Cash, Enhanced Cash and Deposit products are typically managed with the aim of generating returns that exceed cash (or a cash proxy such as the RBA Cash Rate or Bloomberg AusBond Bank Bill Index). Product risk expectations (Standard Deviation, credit risk and Interest rate risk) are generally positioned as low, barring periods of exceptional market circumstances. Lonsec suggests that the Trust should only be considered for those clients who are (a) seeking yields greater than those available in cash or cash-like instruments (e.g. bank bills) and, more importantly, (b) those prepared to accept low volatility in the unit price.
- Cash, Enhanced cash and deposit trusts are generally able to be liquidated in normal market conditions, though exposure to term deposits and notice accounts may result in delays processing withdrawals in stressed conditions or if the withdrawal requests exceed the level of securities able to be liquidated overnight. As at December 2020, the Trust's exposure to term deposits and notice accounts was 23.6% (Term deposits: 1.4% and Notice Accounts: 22.2%). The maximum level in ordinary conditions for the Trust is 50%.
- The Trust may be suitable for investors seeking a regular monthly income stream but wishes for capital stability and protection, particularly in rising interest rate environments.

Suggested Lonsec risk profile suitability



For guidance on appropriate asset allocations and risk profiles, refer to the latest Lonsec Strategic Asset Allocation Review and Risk Profile Definitions on our website.

Changes Since Previous Lonsec Review

- In August 2020, IOOF Holdings Ltd (ASX Code: IFL) announced it had entered into a transaction agreement with National Australia Bank (ASX Code: NAB) to acquire 100% of the MLC Wealth business for \$1.4bn. IOOF has received acceptance from the Australian Competition and Consumer Commission (ACCC) in December 2020, the acquisition is expected to be finalised before 30 June 2021, subject to approval by the Australian Prudential Regulation Authority (APRA).
- IOOF Holdings Ltd sold a portion of its equity stake in Australian Ethical Investment Limited (ASX Code: AEF) in August 2020.
- Lorna Stewart was appointed as Chief Risk Officer (CRO) in June 2020.
- The Investment Management Committee (IMC) was appointed by OnePath Funds Management Limited (OPFM) to provide oversight in terms of investment management including manager selection proposals for the OnePath and Optimix suite of multi manager products.

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- Effective May 2020, Portfolio Manager of Smart Choice and Head of Alternatives Manish Utreja was appointed as a member of the IMC.
- Steve Merlicek has announced his retirement as a member of the IMC in March 2021.
- Following the completed integration of the OnePath P&I team into the IOOF Multimix team in October 2020, it has subsequently resulted in an expanded investment team including a number of senior additions namely:
 - Kerry Duce – Head of Asset Allocation.
 - Sidney Chong – Asset Allocation Manager.
 - Liam Wilson – Portfolio Manager Optimix & OnePath Trusts.
 - Manish Utreja – Portfolio Manager Smart Choice & Head of Alternatives.
 - Sean Robertson – Alternatives Investment Manager; and
 - Mark Nordio – Senior Manager Fixed Interest Assets & Strategy.
- The investment team has also experienced some departures including
 - Angus Knapman – Senior Property Manager departed the organisation in March 2020.
 - Peter Laity – Portfolio Manager Equities and ESG Integration departed the organisation in October 2020.
 - Emmanuel Gbe – Senior Risk Analyst departed the organisation in October 2020.
 - Jerry Hartono – Implementation Support Analyst departed the organisation in October 2020.
 - Juanita Escobar – Portfolio Manager Internal Management Credit and Cash departed the organisation in October 2020; and
 - Ray King is no longer Portfolio Manager Alternatives effective November 2020. King is presently a consultant to the investment team in the Alternatives sector.
- The Manager has commenced a comprehensive product range review with the aim to achieve alignment across OnePath, Optimix and IOOF MultiSeries strategies. The Manager will provide further guidance to Lonsec upon completion.
- In August 2020, IOOF Holdings Ltd (ASX Code: IFL) announced it had entered into transaction agreement with National Australia Bank (ASX Code: NAB) to acquire 100% of the MLC wealth management business. Lonsec is cognisant the significance of the deal between MLC and IOOF presents and highlights the scope for meaningful synergies due to the complementary segments both businesses operate in. Nevertheless, Lonsec will be closely monitoring the progress of the acquisition and its impact on the investment team.
- The investment team is led by CIO Dan Farmer and further succession planning efforts also saw the appointment of Stanley Yeo as Deputy CIO. Farmer previously managed the Australian equities portfolios at IOOF, and prior to joining the organisation, was Senior Executive Investments at Telstra Super. Farmer also serves on the IMC. Lonsec believes that Farmer possesses the appropriate experience and skills to lead the team and to navigate changes that may arise with the impending MLC/IOOF merger.
- The Trust is managed by Head of Fixed Interest Assets Osvaldo Acosta post recent departure of the previous Portfolio Manager Juanita Escobar. In addition to the Trust, Acosta also has responsibilities for fixed interest strategies, including the IOOF Diversified Fixed Interest Trust. Lonsec considers Acosta to be suitably qualified and adept at managing the Trust, exhibiting a high degree of awareness concerning liquidity constraints and seeking out opportunities that offer additional alpha without compromising on quality.
- Acosta is well supported by several members of the Investment Team. This includes his primary backup Senior Manager (Fixed Interest Assets & Strategy) Mark Nordio who possesses 25 years of experience.
- Lonsec views key person risk associated with Acosta as low to moderate given the support and back-up structure implemented.
- The alignment of interests between the Portfolio Manager and investors is adequate over the short- and medium-term. 70% (includes 20% for diversified funds performance) of the Portfolio Manager's variable remuneration is linked to the performance of the Trust relative to the sector benchmark and versus peers over rolling one and three-year returns. In the context of a strategy such as this, Lonsec would note that additional returns are often generated by assuming increased credit or liquidity risk.

Lonsec Opinion of this Fund

People and resources

- Effective October 2020, the OnePath P&I team was fully transitioned into IOOF. The team manages an expanded range of multi-manager products encompassing Optimix and OnePath funds on top of the existing suite of IOOF multi-manager funds. Lonsec considers the formation of the two investment teams offers complementary skill sets in key components of asset allocation, portfolio management and risk management. Nevertheless, as with any integration of two distinct investment teams, the potential for uncertainty increases markedly as roles and responsibilities are divided up. Whilst IOOF's historical track record in successfully consolidating investment teams provides an element of comfort, Lonsec will continue to monitor team cohesion in future reviews.

Research and portfolio construction

- The investment process appears to be logical, transparent and reasonably intuitive, given the defensive characteristics the Trust aims to exhibit. The Trust essentially invests in short-term money market securities that offer the highest expected returns, while adhering to a set of risk limits (e.g. minimum credit quality of issuers). It seeks to have the highest protection against losses from defaults.
- The Basel III liquidity reform introduced to the Australian financial system in early 2015 prevents ADIs from "breaking" term deposits prior to their maturity. Depositors must provide banks with at least 31 days notice if they wish to access their

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funds before the maturity date. Many banks now offer notice accounts, which allow depositors to access their funds with 31 days notice. The Trust's Investment Management Agreement defines notice accounts as illiquid. Together with term deposits, the Trust's total exposure to these illiquid securities is capped at 50%, which is the highest among Lonsec rated peers.

- While the ability to significantly invest in illiquid securities may seem at odds with the Trust's daily liquidity term, Lonsec draws some comfort from IOOF's visibility and control of cash flows. An advantage the Trust has over peers is that other IOOF managed trusts (i.e. feeder funds) interfund into the Trust (c.90% of the Trust). Given these are internally managed funds, Acosta is typically notified of their expectant cash flow movements (and arguably IOOF has some control over their movements), allowing him to better forecast the cash flow needs of the Trust with greater accuracy than peers.
- More recently ASIC released guidance pertaining to the definition of "cash" and instruments which were deemed to be liquid; as such the Trust now seeks to have 80% of the portfolio mature within 90 days.
- In Lonsec's view, management of the Trust is more reliant on public ratings than internal credit research compared to peers. This is considering the small team size, and that the Trust's investment universe comprises investment grade securities only. Lonsec, therefore, views this as pragmatic given the above reasoning.

ESG Integration

- The Manager has articulated a commitment to the integration of ESG within their investment process, with evidence of a policy framework and public positioning. The Manager has appropriate policies in place, however, they are not clearly accessible on the firm's website. Overall, Lonsec views the strength of this commitment to be in-line with peers.
- The level of disclosure with respect to the Manager's proxy voting policy and voting outcomes is inline with peers, with a limited policy framework. Reporting on voting decisions is publicly available and aligned with peers. The Manager does not provide any details on engagement policy or engagement outcomes.
- There is clear evidence of ESG incorporation in the manager selection process. High-level monitoring of ESG characteristics at the underlying manager level is evident. The Manager has a structured approach to performing detailed look-through ESG analysis of underlying holdings with adequate reporting. On a peer relative basis, Lonsec considers the overall level of ESG integration within this Trust to be low to moderate.

Risk management

- Risk management has strengthened over recent years with the introduction of a number of external risk and portfolio monitoring systems. The improved quantitative tools, and associated increased sophistication, allow risk to be monitored on an ex-ante basis with reduced reliance on internally generated spreadsheets. Risk Management is viewed with respect to asset quality, asset diversity and liquidity.
- In addition to using Bloomberg and FactSet to manage the Trust's holdings, these systems are also employed for risk management and attribution. The Trust's underlying portfolios (available in real-time) can now be loaded on to Bloomberg PORT and FactSet for risk factor and scenario analysis, enabling an improved understanding of their risk characteristics at the look-through level.

Performance

- The Trust seeks to exceed the returns of the Bloomberg AusBond Bank Bill Index by 0.30% p.a. (before fees) over a rolling one-year period. Pleasingly, the Trust has outperformed the index over all the time periods measured to 31 December 2020.
- The Trust typically relies on its higher combined allocation to term deposits and notice accounts to deliver on its return objective. The limit on these illiquid assets is 50% under normal conditions, which is double that of peers with the next highest allowable allocation of 25%. Lonsec notes the returns from term deposits have generally trended lower over the last two years, with the official cash rate at a historical low of 0.10%. Despite the relatively large allocation to these assets, Lonsec highlights the Trust has had reasonable performance against the peer median, with the Trust having matched or outperformed over all time periods to 31 December 2020.
- The Trust's risk (as measured by Standard Deviation) has been in-line with the peer median over all time periods assessed to 31 December 2020. Lonsec notes backward looking risk measures, such as Standard Deviation, do not capture all the inherent risks associated with strategies such as this, including credit risk and market liquidity risk.

Overall

- Lonsec has maintained the Trust's '**Recommended**' rating at the latest review. Lonsec believes that the Trust provides access to a well researched line-up of underlying managers and is supported by a robust and repeatable investment process. Lonsec believes that Acosta is of suitable experience to be managing the Trust. Lonsec remains cognisant of the fact that the Trust's 50% limit on term deposits and notice accounts is the highest in the peer group.
- Lonsec will be closely monitoring the progress of the MLC Wealth acquisition and its impact on the investment team and Trust performance.

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People and Resources

Corporate overview

IOOF is a wealth management company offering products and services across; financial advice and distribution, portfolio and estate administration and investment management.

IOOF is listed on the Australian Securities Exchange (ASX Code: IFL). As of 31 December 2020, IOOF had \$202bn in Funds Under Management, Administration and Advice.

These services are operated through a suite of brands including; IOOF, Shadforth, Lonsdale, Bridges Financial Services, Consultum Financial Advisers, M3 Financial Services, RI Advice, Financial Services Partners and Australian Executor Trustees.

Size and experience

NAME	POSITION	EXPERIENCE INDUSTRY / FIRM
DAN FARMER	CIO	25 / 11
OSVALDO ACOSTA	HEAD OF FIXED INTEREST ASSETS	20 / 4
MARK NORDIO#	SENIOR MANAGER - FIXED INTEREST AND STRATEGY	25 / 1

Primary back-up

The Investment Team is structured along specialist lines. Osvaldo Acosta assumed management of the Trust in October 2020. Acosta possesses 20 years of experience within fixed income and capital markets across a number of roles. Most recently he worked at Western Asset Management where he was part of the team responsible for portfolio management, trading and implementation of interest rate strategies across a variety of fixed income portfolios. Prior to that he oversaw multi-manager style portfolios at Australian Unity Investments and was a Treasury Manager at Westfield Group.

The Portfolio Manager conducts qualitative and quantitative research, and provides overall data support and recommendations to the seven member Investment Management Committee (IMC). The IMC considers and ultimately approves asset allocation decisions and manager changes.

The IMC meets bi-monthly or more frequently if required, and comprises of Anthony Hodges (Chairman and Independent Member), Denise Allen and Mary Anne Nunan (Independent Members), Daniel Farmer (CIO), Stanley Yeo (Deputy CIO) and Manish Utreja (Head of Alternatives). Osvaldo Acosta has been appointed as Secretary.

Back-office functions are performed by IOOF's Investment Operations Team. Compliance monitoring, custody, unit pricing, registry and financial reporting functions are outsourced to various parties including IOOF and BNP Paribas; while transition management and implementation are performed by a panel of transition managers including Citi, Macquarie and UBS.

Remuneration

The investment team is rewarded with a combination of fixed salary and variable bonus. 70% (including 20% related to diversified trust performance) of the bonus is

assessed on fund performance relative to the relevant peer group over one and three year periods, with the other 30% awarded on qualitative factors such as team contribution and client servicing. The magnitude of the bonus can be up to 100% of the fixed salary.

Research Approach

Overview

A structured investment process is employed:

- Macroeconomic research and yield curve analysis to determine the likelihood of short term activity from the RBA.
- Developing the investment strategy in terms of both duration and security selection.
- Portfolio construction in the context of the Trust's risk and return objective.
- Monitoring to ensure compliance with the investment parameters.

Credit research

IOOF relies on public credit ratings of issuers given the investment grade nature of the Trust.

Portfolio Construction

Overview

INVESTMENT PHILOSOPHY	INVESTORS ARE ABLE TO ACHIEVE MODEST RETURNS WHILST ASSUMING MINIMAL RISK BY ADOPTING A DEFENSIVE INVESTMENT STRATEGY
INTERNAL RETURN OBJECTIVE	TO OUTPERFORM THE BENCHMARK BY 0.30% P.A. (BEFORE FEES) OVER A ROLLING ONE-YEAR PERIOD.
FUND BENCHMARK	BLOOMBERG AUSBOND BANK BILL INDEX
SUB-INVESTMENT GRADE	NOT PERMITTED
TYPICAL NUMBER OF ISSUERS	15-25
TYPICAL NUMBER OF SECURITIES	50-100

The Trust seeks to invests in short-term money market securities that offer the highest expected returns, while adhering to a set of risk limits. It aims to have the highest protection against losses from defaults.

Risk Management

Risk limits

MAX. A1+	100%
MAX. A1	100%
MIN. PORTFOLIO TO MATURE WITHIN 7 DAYS	10%
MAX. AVERAGE DURATION	90 DAYS
MAX. SECURITY DURATION	1 YEAR
MIN. 'HIGHLY LIQUID'	50%

Issuer limits also apply:

- Max. 35% to A1+ issuers
- Max. 30% to A1 issuers
- Max. 20% to A2 issuers

Risk monitoring

Compliance oversight is performed both internally and by the appointed Custodian who monitor portfolio positions against the Trust's investment constraints on a daily basis. Breaches are reported by the Custodian to the Investment Operations Team, who then investigates and reports to the IMC.

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Bloomberg is used to manage holdings of the Trust, as well as for risk factor and scenario analysis. NeoLink, a web portal to holdings information by BNP Paribas, is also used for reconciliation purposes.

The Board of IISL has established the Board Audit and Risk Committee (the Committee) to provide an objective non-executive review of the effectiveness of IISL's financial reporting processes and undertake certain duties and responsibilities in relation to IISL in its capacity as a Responsible Entity of a Managed Investment Scheme. The Committee's activities relate to oversight of financial reporting requirements, compliance and risk management frameworks, professional accounting requirements; and internal and external audit. This committee operates separately to the Investment Team, under the terms of reference of the IISL Board.

Risks

An investment in the Trust carries a number of standard investment risks associated with investment markets. These include performance, liquidity, counterparty, market and tax risks. These and other risks are outlined in the PDS and should be read in full and understood by potential investors. Lonsec considers the following to be the major risks:

Interest rate risk

The Trust is exposed to movements in short term interest rates.

Company-specific (or credit) risk

The risk that an issuer of debt securities fails to meet its obligations. This creates an exposure to underlying borrowers and the financial condition of issuers of these securities. The Trust is not permitted to hold sub-investment grade debt.

Derivatives risk

Derivatives in the Trust may be used for more efficient and cost effective implementation of investment strategies. IOOF does not intend to leverage the Trust.

Liquidity risk

If a security cannot be bought or sold quickly enough to reduce or minimise a potential loss, the Trust may experience difficulty satisfying commitments associated with financial instruments. Up to 50% of the Trust may be allocated to illiquid assets of term deposits and notice accounts under ordinary conditions.

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IOOF Cash Management Trust

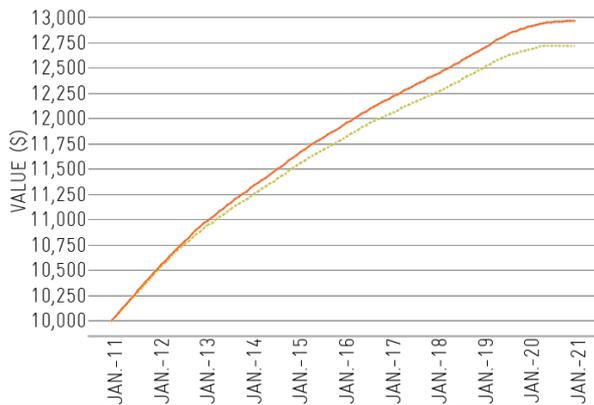
Quantitative Performance Analysis - annualised after-fee % returns (at 31-12-2020)

Performance metrics

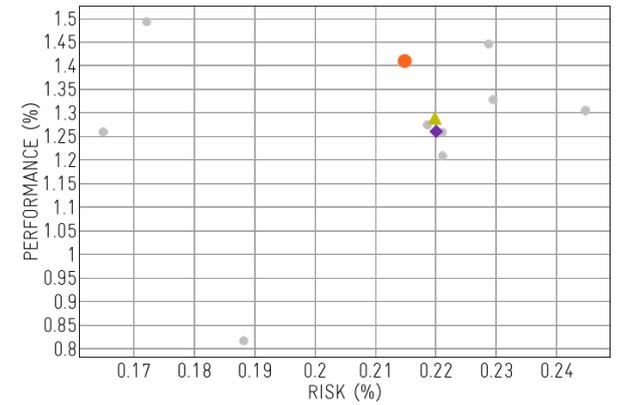
	1 YR		3 YR		5 YR		10 YR	
	FUND	PEER MEDIAN						
PERFORMANCE (% PA)	0.49	0.41	1.41	1.29	1.68	1.57	2.63	2.52
STANDARD DEVIATION (% PA)	0.11	0.12	0.21	0.22	0.19	0.20	0.36	0.36
EXCESS RETURN (% PA)	0.13	0.05	0.15	0.06	0.16	0.11	0.19	0.08
OUTPERFORMANCE RATIO (% PA)	83.33	75.00	91.67	69.44	91.67	78.33	90.83	70.00
WORST DRAWDOWN (%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TIME TO RECOVERY (MTHS)	-	-	-	-	-	-	-	-
SHARPE RATIO	1.18	0.32	0.69	0.12	0.82	0.24	0.53	0.21
INFORMATION RATIO	2.93	0.99	4.00	0.86	4.70	1.23	4.56	1.19
TRACKING ERROR (% PA)	0.04	0.04	0.04	0.04	0.03	0.04	0.04	0.05

PRODUCT: IOOF CASH MANAGEMENT TRUST
 LONSEC PEER GROUP: FIXED INTEREST - STRATEGIC CASH
 PRODUCT BENCHMARK: BLOOMBERG AUSBOND BANK BILL INDEX AUD
 TIME TO RECOVERY: NR - NOT RECOVERED, DASH - NO DRAWDOWN DURING PERIOD

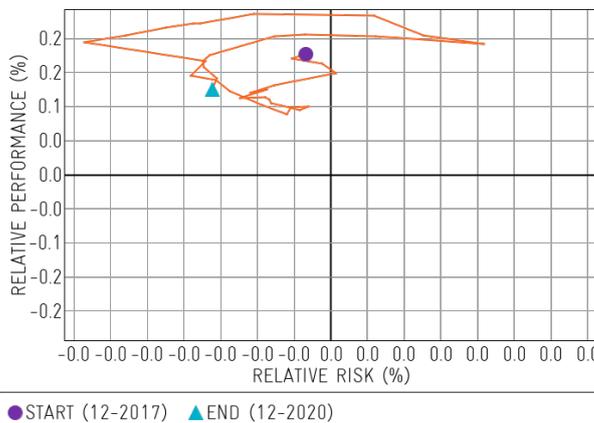
Growth of \$10,000 over 10 years



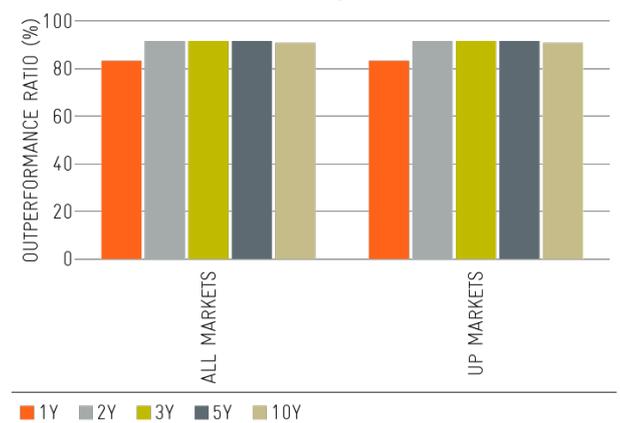
Risk-return chart over three years



Snail trail



Outperformance consistency



IOOF Cash Management Trust

Glossary

Total return ‘Top line’ actual return, after fees
Excess return Return in excess of the benchmark return
Standard deviation Volatility of monthly Absolute Returns
Tracking error Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns)
Sharpe ratio Absolute reward for absolute risk taken (outperformance of the risk free return (Bank Bills) / Standard Deviation)
Information ratio Relative reward for relative risk taken (Excess Returns / Tracking Error)
Worst drawdown The worst cumulative loss (‘peak to trough’) experienced over the period assessed
Time to recovery The number of months taken to recover the Worst Drawdown
Snail Trail A trailing 12-month relative performance and relative risk measurement over the benchmark. The trail is generated using a 12-month rolling window over the specified period

About Lonsec

Lonsec Research Pty Ltd (Lonsec) is an investment research house with specialist areas of expertise, that was originally established in 1994 and the current entity was registered on 23 June 2011. From 1 July 2011, Lonsec became a fully owned subsidiary of Lonsec Fiscal Holdings Pty Ltd, a privately owned entity with a multi-brand strategy of providing leading financial services research and investment execution. Lonsec believes that professional financial advisers need informed opinions on the best investment strategies and financial products to provide real value for their clients. To meet this need, Lonsec has in place an experienced research team, which draws on a robust research process to undertake in-depth assessment of managed fund products.

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