



IOOF

MULTI-MANAGER

INVESTMENTS

Our investment approach

The IOOF Multi-Manager Investment approach adds value on several fronts, those being through our:



When it comes to portfolio construction, our approach consists of two parts:



We are committed to providing, and have consistently delivered, strong risk-adjusted returns over the long term, allowing you to invest with confidence and accelerate ahead.

Our dynamic approach to managing asset allocation

Research-driven, disciplined approach

Investment performance is predominantly attributed to asset allocation. So, as you can imagine, we focus a lot of our time and energy on getting it right. Our approach to asset allocation is active as we believe these decisions can really add value to investors' portfolios.

The Strategic Asset Allocation (SAA) is regarded as the top level decision in investment management. This decision links the fund's objectives to investment opportunities and involves building an optimal exposure to the broad market asset classes. The SAA is set from a long-term perspective, and a detailed analysis carried out every three years and reviewed annually and/or when major market dislocations occur. We constantly re-test assumptions and stress test our strategic asset allocation to see how it would perform under different investment and economic conditions to ensure it's appropriate and to minimise risk.

Strategic tilting (or dynamic asset allocation) is the second stage and focuses on deviating from the long-term SAA. At times, markets can be extremely over or under valued, or extremely volatile, thus providing opportunities to buy assets cheaply or reduce risk by selling assets that are expensive. Our approach is dynamic, always evaluating market opportunities and is not a set and forget approach.

Our constant and ongoing research drives our asset allocation decisions. We seek input from several external research sources, including our asset consultant.

Our active approach to manager selection

The process

Our selection process is the responsibility of our portfolio managers and is both disciplined and transparent. The process involves intensive research combined with rigorous due diligence and risk management.

After identifying a need for a new addition to our portfolio manager line-up, we narrow the field of managers by applying an **initial filter** which looks at characteristics such as asset class, type of strategy being sought, capacity constraints and track record. This narrows the field of managers to a more manageable number and then we begin our **manager research and analysis** stage which involves a comprehensive review of documentation from both the manager and external ratings organisations.



This is followed by detailed analysis of the organisation, its people, process and performance. We also get a view from our asset consultant Mercer Investments.

The portfolio manager then prepares an extensive and detailed manager **recommendation** which is subject to full peer review, analysis and discussion. The recommendation is then finalised and the manager is proposed to the Investment Management Committee for **approval**.

The process however does not end there. The underlying investment portfolios are subject to **continual monitoring** to ensure that they continue to meet the needs of the fund.

Our robust approach to managing risk

Risk is considered at every stage of our investment process. From asset allocation to manager selection decisions and portfolio construction, our strong ongoing risk management practices give you confidence that we actively manage and consider risk.

For example, we recognise that currency can be a major component of risk for overseas investments. As such currency management is integral to our investment approach and is assessed on a case by case basis. Currency positions may be hedged in periods of currency volatility or where the Australian dollar is trading at significantly undervalued levels.

The due diligence process for assessing investment managers and investments incorporates a formal risk assessment where we assess and measure identified risk factors and their impact on the sources of investment returns.

For more information on IOOF Multi-Manager Investments, please go to www.ioof.com.au, where you can download the most recent fund profiles which outline details including the funds' strategies, objectives, underlying fund managers and performance. Our quarterly investment report is also available online and contains a detailed overview of the current positioning of the funds and the market outlook.

To find out more about an investment solution that's right for you, call 1800 002 217 or go to www.ioof.com.au.

Important Note: This document is issued by IOOF Investment Services Ltd (IISL) ABN 80 007 350 405, AFSL 230703, as Responsible Entity of the IOOF MultiSeries and IOOF MultiMix Trusts. IISL is a company within the IOOF group which consists of IOOF Holdings Ltd ABN 49 100 103 722 and its related bodies corporate. This document contains general advice only and does not take into account your taxation and financial circumstances, needs and objectives. Before making any investment decisions, you should assess your own circumstances or seek advice from a financial adviser. Before you acquire a financial product, you should obtain and consider the Product Disclosure Statement available from us at www.ioof.com.au, by calling 1800 002 217 or from your financial adviser. The information in this document is current as at 30 November 2019. Whilst this information is believed to be accurate and reliable at the time of publication, to the extent permitted by law, no liability is accepted for any loss or damage as a result of reliance upon it. Neither IISL nor any company in the IOOF group guarantees the performance of any fund or the return of an investor's capital. Past performance is not an indicator of future performance.