



IOOF

## INVESTMENTS SNAPSHOT

March 2021

- IOOF MultiSeries
- IOOF MultiMix
- IOOF Cash Management
- IOOF Balanced Investor

# IOOF Investments

## Investment management team

**Our impressive investment capabilities are driven by our investment team and structure.**

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Each asset class has a dedicated portfolio manager who enjoys strong support from a host of support staff including product and investment specialists team.



**Dan Farmer**  
Chief Investment Officer



**Stanley Yeo**  
Deputy Chief Investment Officer & Head of Equities



**Manish Utreja**  
Head of Alternatives



**Osvaldo Acosta**  
Head of Fixed Interest Assets



**Kerry Duce**  
Head of Asset Allocation



**Rhodri Payne**  
Head of Investment Execution



**Simon Gross**  
Head of Property



**David Djukanovic**  
Head of Portfolio Implementation



**Michele Streight**  
Head of Investment Governance

## Investment Specialist team



**Charles Kneale**  
Investment Specialist  
(VIC, SA, WA and TAS)



**Tim Casey**  
Investment Specialist  
(NSW, ACT and QLD)



**Jennifer McLean**  
Client Engagement Specialist



**Neil Armistead**  
Investment Specialist,  
IOOF Practice Management

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# Vaccine rollout shapes the path to reopening and economic recovery

**The first few months of 2021 saw an upward trend in COVID-19 infections, particularly in mainland Europe and various South American countries.**

India, where the problem of accurately classifying COVID-related deaths has been particularly acute, had a dramatic spike in infection rates and, tragically, a significant death rate as hospitals became overwhelmed with cases. India's devastating second wave highlights the possibility of more deadly and transmissible COVID mutations, which may disrupt the progress made by current vaccines.

Progress on the vaccine rollout was always set to be the central feature of economic reopening in 2021. While over 170 countries have started their COVID-19 vaccine programs, there is huge disparity in the rollout programs and levels of reopening with some emerging countries that have high rates of infections well behind.

The UK has led the way to reopening with the government stating that the country is on track to offer a first dose to all adults by the end of July 2021. In the US the rollout has been delivered rapidly with the very effective mRNA vaccines dominating the rollout. Confidence in reopening has improved with around 30% of the population already receiving one dose, a good sign when given how the US was tracking before their program started. In contrast, Europe remains plagued by a slower rollout than other developed countries with concerns over the AstraZeneca vaccine and ties to rare blood clots persisting. Australia's program is also lagging with signs that confidence in some vaccines has waned.

While vaccine rollout issues may continue, including supply and distribution, and levels of effectiveness, these challenges should ease in time, allowing economies to reopen and keep the unfolding global recovery on track.

## Inflation expectations lift but rates are unlikely to rise any time soon

Economic optimism has also been boosted by the passing of US President Biden's USD \$1.9 trillion stimulus package. We expect this will support consumer spending at a time when the US economy is already gaining momentum. In March 916,000 jobs were added, a figure that points to reopening and economic improvement and we expect this upward trend will continue.

In global news, the Global Composite PMI survey, a key indicator for economic activity, rose to a near seven-year high in March, suggesting the global economic recovery remains confidently underway, although likely peaking.

The more upbeat global economic outlook saw investors have more confidence in growth assets, like shares, which have powered ahead on the back of upward revisions to the earnings outlook. Conversely, investors fled from defensive assets, resulting in a huge sell-off in bond markets in February.

Increased economic confidence has led to concerns that inflation will rise, and that central banks, such as the Reserve Bank of Australia and the US Federal Reserve, may start to taper their extraordinary monetary support going forward. Central banks have largely pushed back against these expectations as it's actual inflation rather than expected inflation that's of most concern and drives their policy outlook.

While inflation is likely to rise in the coming months, due to higher oil prices and the effects of the 2020 pandemic slowing, it's expected that any spike will be temporary and central bankers want evidence that there's a sustained upward shift supported by a continued fall in unemployment before raising rates. However, the quantitative easing programs could be eased some time before rate increases commence. Overall, we expect central banks to keep monetary policies 'loose' to further support the economic recovery and jobs.

## What may be ahead?

The COVID-19 pandemic intensified trends that had been in place for some years, such as online retail sales, as more people were working and shopping from home. This saw growth stocks, primarily in the technology sector (including the 'FAANG' stocks - Facebook, Amazon, Apple, Netflix and Google), see huge gains in 2020.

In 2021 economies are beginning to heal and we've seen elevated returns from value stocks, such as banking, which tend to benefit most from reopening. While returns are unlikely to continue at the high levels we've seen in the year to date, we consider returns should remain robust going ahead as economies reopen and jobs recover.



**Dan Farmer**  
Chief Investment Officer

# Strategic tilting update

## Cash and fixed interest

### Position

For both MultiMix and MultiSeries, there is an overweight to cash/short duration strategies, underweight to fixed interest.

### Rationale

Our view is that Australian and US Government bond yields are very expensive. The US 10 year Government bond yield as at end of March was 1.75%, up from 0.92% at the end of December.

### Current status

Since inception, the tilt to cash has underperformed as global bonds continue to produce positive returns. However, the underperformance is somewhat mitigated by strong performance from the underlying cash managers, and strong returns from the IOOF Income Trust.

For MultiMix over the March quarter, the IOOF Income Trust returned 0.50% versus the diversified fixed interest strategic benchmark return of -2.87%.

For MultiSeries over the March quarter, the Metrics Credit Partners Diversified Australian Senior Loan Fund returned 0.82% and the Janus Henderson Income Fund returned 0.55% versus the MultiSeries Fixed Income strategic benchmark return of -2.87%.

## Currency

### Position

For MultiMix, the currency hedge remains at 10% of the developed equities portfolio versus the strategic benchmark of 25%. For MultiSeries, the currency hedge remains at 20% versus the strategic benchmark of 25%.

### Rationale

The key reason for this continued underweight position is because unhedged international equities provides a natural hedge in the event of an equity market correction. If equity markets fall, the Australian dollar tends to fall with it (as it is considered a risk asset), thus protecting the value for unhedged investors.

### Current status

For the March quarter, the unhedged developed international shares benchmark outperformed the hedged developed international shares benchmark by 0.18% (6.33% versus 6.15%).

# IOOF MultiSeries

## Summary

Full details of the investment strategy, objectives and underlying managers for each Trust are provided in the trust profile which can be downloaded from [www.ioof.com.au/forms/multiseries](http://www.ioof.com.au/forms/multiseries)

Trust	APIR code	Risk/return profile	Estimated management costs % pa*	Growth / Defensive
<b>MultiSeries diversified</b>				
<b>IOOF MultiSeries 30</b>	IOF0253AU	Low to medium	0.40	 <p>Growth 30% Defensive 70%</p>
<b>IOOF MultiSeries 50</b>	IOF0254AU	Medium	0.45	 <p>Growth 50% Defensive 50%</p>
<b>IOOF MultiSeries 70</b>	IOF0090AU	Medium to high	0.50	 <p>Growth 70% Defensive 30%</p>
<b>IOOF MultiSeries 90</b>	IOF0255AU	High	0.55	 <p>Growth 90% Defensive 10%</p>

\* The estimated management costs are based on the financial year 2020 actual figures. The estimated management cost includes the investment management fee and indirect costs. See the Fees and Costs section of the IOOF MultiSeries PDS for full details on fees and costs. The management costs are subject to change from time to time.

## Underlying investment managers

Over the last quarter the following changes were made to our underlying investment manager line-up.

**New inclusion in the trusts:** Vontobel, Royal London, Vaughan Nelson (international shares – note that Royal London and Vaughan Nelson assets are currently in transition), and William Blair & Berkeley Street in OptiMix Global Emerging Markets Share Trust (international shares emerging markets)

**Removal from the trusts:** TT International (international shares). Note also that TT Emerging Markets and Neuberger Berman Emerging Markets are now held in OptiMix Global Emerging Markets Share Trust.

	Manager	Style	
IOOF MultiSeries 30, 50, 70 and 90	IOOF Investment Services Ltd	Short-term money market securities	Cash and short-term securities
	Janus Henderson Investors (Australia) Funds Management Limited	Active Australian fixed interest	Diversified fixed interest
	Ardea Investment Management	Diversified fixed income and total return Australian fixed income	
	Metrics Credit Partners Pty Limited	Australian corporate loans	
	Western Asset Management Company	Australian bonds and global high-grade multi-asset credit	
	Stone Harbor Investment Partners LP	Emerging market debt	
	Brandywine Global Investment Management, LLC	Top-down, value-driven	
	Invesco Australia Limited	International core fixed income	
	IOOF Investment Services Ltd	Core	Property
	Macquarie Investment Management Limited	Passive listed Australian and global property securities	Australian shares
	Acadian Asset Management (Australia) Limited	Small companies	
	AllianceBernstein Investment Management Australia Limited	Concentrated value	
	The Northern Trust Company of Hong Kong Limited	Quantitative quality and momentum	
	Quest Asset Partners Pty Limited	Fundamental quality and growth	
	Northcape Capital Pty Ltd	Quality	
	IOOF QuantPlus	Enhanced passive	
	Alphinity Investment Management Pty Ltd	Quality with earnings leadership	International shares
	Brown Advisory Limited	Global quality growth	
	Challenger Limited	Index plus a margin	
	Vontobel Asset Management Australia Pty Ltd	High quality growth at sensible prices	
	OptiMix Global Emerging Markets Shares Trust	Core multi-manager emerging markets	
	Royal London Asset Management	Intrinsic value	
	Vaughan Nelson Investment Management	SMID cap value	
	Invesco Australia Limited	Global targeted return	Alternatives
	AllianceBernstein Investment Management Australia Limited	Diversified alpha	
	Macquarie Investment Management Limited	Passive listed global infrastructure	
	Metrics Credit Partners Pty Limited	Secured Australian private debt, real estate debt and mezzanine debt	

For more information about the changes, please view the [IOOF MultiSeries underlying manager changes flyer](#).

# IOOF MultiSeries diversified trusts

## IOOF MultiSeries 30

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	2.79	6.89	5.63	4.88	na	na
Growth	0.34	0.47	1.79	-0.09	0.96	na	na
Total	0.34	3.26	8.68	5.55	5.84	na	na
Benchmark	-0.21	1.99	5.74	3.89	4.84	na	na

### Comments

The international shares portfolio underwent a restructure as a result of greater scale from ANZ funds. Three new global active managers were appointed (Vontobel, Royal London and Vaughan Nelson), two emerging market managers (William Blair and Berkeley Street), and one global manager was terminated (TT International).

### Contributors and Detractors

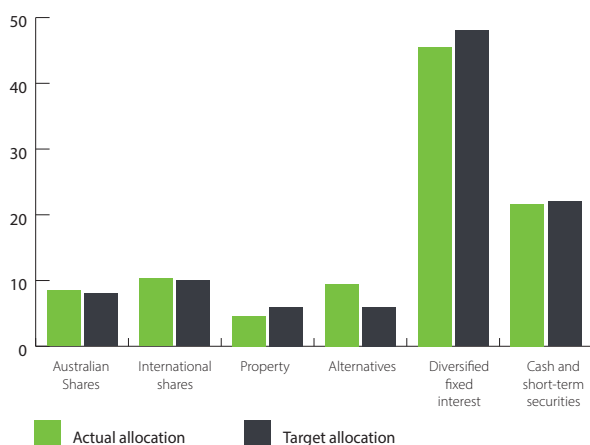
#### Contributors to performance

- Diversified fixed interest portfolio outperformed as a result of a short duration position in a rising yield environment.
- Alternatives portfolio also outperformed, with solid performance from private debt manager, Metrics.

#### Detractors from performance

- A slight underweight to global REITs detracted from performance as this was one of the best performing asset classes.

### Actual versus target allocation



## IOOF MultiSeries 50

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	2.54	6.92	5.66	5.32	na	na
Growth	1.41	3.31	6.25	1.22	1.80	na	na
Total	1.41	5.85	13.17	6.88	7.12	na	na
Benchmark	1.01	5.03	11.36	5.68	6.54	na	na

### Comments

The international shares portfolio underwent a restructure as a result of greater scale from ANZ funds. Three new global active managers were appointed (Vontobel, Royal London and Vaughan Nelson), two emerging market managers (William Blair and Berkeley Street), and one global manager was terminated (TT International).

### Contributors and Detractors

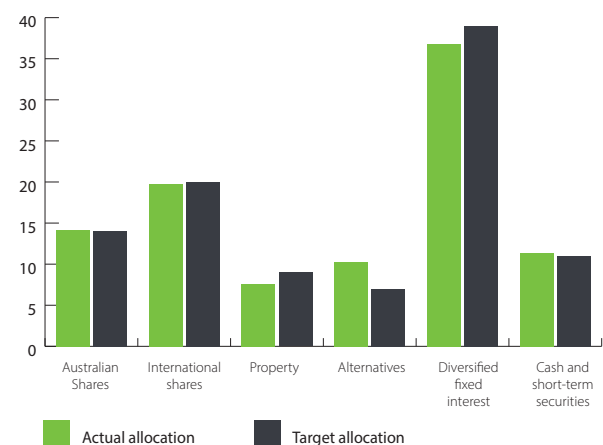
#### Contributors to performance

- Diversified fixed interest portfolio outperformed as a result of a short duration position in a rising yield environment.
- The international shares portfolio outperformed as a result of strong performance from the underlying managers.
- Alternatives portfolio also outperformed, with solid performance from private debt manager, Metrics.

#### Detractors from performance

- A slight underweight to global REITs detracted from performance as this was one of the best performing asset classes.

### Actual versus target allocation



## IOOF MultiSeries 70

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	2.29	6.41	5.50	5.71	6.98	7.66
Growth	2.57	6.27	11.69	2.65	2.64	1.56	0.23
Total	2.57	8.55	18.11	8.15	8.34	8.54	7.89
Benchmark	2.15	8.09	17.40	7.34	7.99	8.46	8.02

### Comments

The international shares portfolio underwent a restructure as a result of greater scale from ANZ funds. Three new global active managers were appointed (Vontobel, Royal London and Vaughan Nelson), two emerging market managers (William Blair and Berkeley Street), and one global manager was terminated (TT International).

### Contributors and Detractors

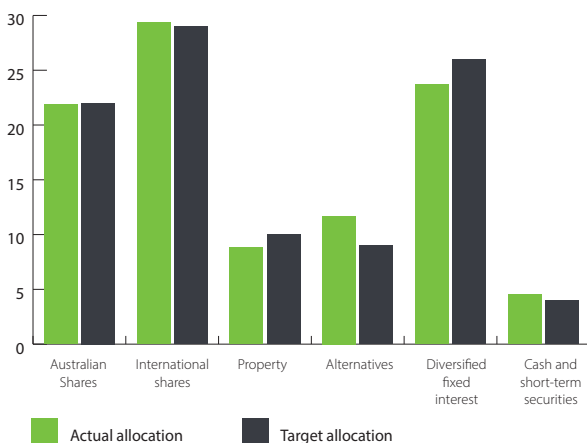
#### Contributors to performance

- Diversified fixed interest portfolio outperformed as a result of a short duration position in a rising yield environment.
- The international shares portfolio outperformed as a result of strong performance from the underlying managers.
- Alternatives portfolio also outperformed, with solid performance from private debt manager, Metrics.

#### Detractors from performance

- An overweight to Alternatives detracted value, as other asset classes produced high absolute returns.

### Actual versus target allocation



## IOOF MultiSeries 90

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	1.49	5.27	4.79	5.59	na	na
Growth	3.74	9.74	17.01	3.76	3.29	na	na
Total	3.74	11.23	22.28	8.55	8.88	na	na
Benchmark	3.55	11.21	22.74	8.48	9.08	na	na

### Comments

The international shares portfolio underwent a restructure as a result of greater scale from ANZ funds. Three new global active managers were appointed (Vontobel, Royal London and Vaughan Nelson), two emerging market managers (William Blair and Berkeley Street), and one global manager was terminated (TT International).

### Contributors and Detractors

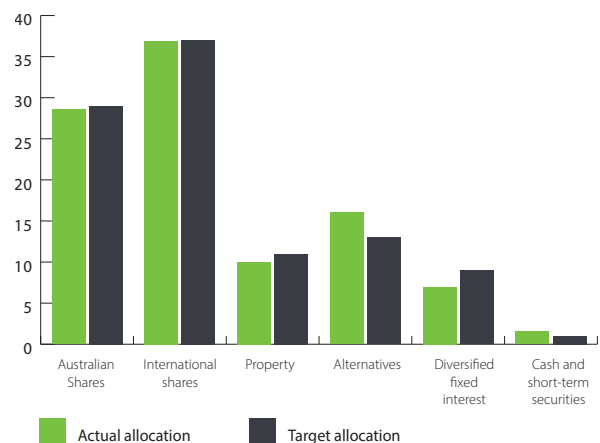
#### Contributors to performance

- The international shares portfolio outperformed as a result of strong performance from the underlying managers.
- Alternatives portfolio also outperformed, with solid performance from private debt manager, Metrics.
- An underweight to diversified fixed interest contributed to performance as this sector produced negative returns as a result of rising bond yields.

#### Detractors from performance

- An overweight to Alternatives detracted value, as other asset classes produced high absolute returns.

### Actual versus target allocation



# IOOF MultiMix

## Summary

Full details of the investment strategy, objectives and underlying managers for each Trust is provided in the trust profile which can be downloaded from [www.ioof.com.au/forms/multimix](http://www.ioof.com.au/forms/multimix)

Trust	APIR code	Risk/return profile	Estimated management fees %pa	Estimated performance fees %pa <sup>^</sup>	Total estimated management costs (including performance fees) % pa <sup>*1</sup>
<b>IOOF MultiMix single sector</b>					
IOOF MultiMix Cash Enhanced	IOF0091AU	Low	0.36	Nil	0.36
IOOF MultiMix Diversified Fixed Interest	IOF0096AU	Low/Medium	0.50	0.07	0.57
IOOF MultiMix Australian Shares	IOF0092AU	High	0.80	0.31	1.11
IOOF MultiMix International Shares	IOF0098AU	High	0.90	0.00	0.90
<b>IOOF MultiMix diversified</b>					
IOOF MultiMix Capital Stable	IOF0094AU	Low	0.52	0.04	0.56
IOOF MultiMix Conservative	IOF0095AU	Low/Medium	0.73	0.04	0.77
IOOF MultiMix Moderate	UFM0051AU	Medium	0.79	0.05	0.84
IOOF MultiMix Balanced Growth	IOF0093AU	Medium/High	0.92	0.10	1.02
IOOF MultiMix Growth	IOF0097AU	High	0.96	0.11	1.07
<b>IOOF Cash Management and Balanced Investor</b>					
IOOF Cash Management (Class A)	PIM0002AU	Low	0.30	N/A	0.30
IOOF Balanced Investor	IOF0232AU	Medium/High	0.50	N/A	0.50

\* The estimated management costs are based on the financial year 2020 actual figures. Total estimated management costs include the management fee and any applicable performance fees, and are subject to change from time to time. Refer to the applicable PDS for full details on fees and costs.

<sup>^</sup> Performance fees may be charged by underlying investment managers of the IOOF MultiMix Trusts from time to time and may vary.

## Underlying investment managers

Over the last quarter the following changes were made to our underlying investment manager line-up.

**New inclusions in the trusts:** None.

**Removal from the trusts:** None.

		Manager	Style			
IOOF MultiMix Growth Trust	IOOF MultiMix Cash Enhanced Trust	Janus Henderson Investors (Australia) Funds Management Limited	Active	Cash and short-term securities		
		Pendal Institutional Limited	Relative value credit			
		IOOF Investment Services Ltd	Short-term money market securities			
		IOOF MultiMix Diversified Fixed Interest Trust	IOOF MultiMix Diversified Fixed Interest Trust	Janus Henderson Investors (Australia) Funds Management Limited	Active Australian fixed interest	Diversified fixed interest
				Ardea Investment Management	Total return Australian fixed income	
				Metrics Credit Partners Pty Limited	Australian corporate loans	
				Stone Harbor Investment Partners LP	Emerging market debt	
				Brandywine Global Investment Management, LLC	Top-down, value-driven	
				PIMCO Australia Pty Ltd	Global bonds	
				T. Rowe Price	International core fixed income	
Bentham Asset Management Pty Ltd	Syndicated loans					
Western Asset Management Company	Australian bonds, Global Total Return and global high-grade multi-asset credit					
IOOF MultiMix Australian Shares Trust	IOOF MultiMix Australian Shares Trust			Fidante Partners Limited	Broad cap core	
		IOOF Investment Services Ltd	Core			
		Legg Mason Martin Currie Australia Limited	Small cap			
		Pendal Institutional Limited	Active, value-driven, risk-controlled			
		Cohen & Steers Capital Management, Inc.	Active, core, bottom-up			
		Resolution Capital Limited	High conviction, benchmark-unaware			
IOOF MultiMix International Shares Trust	IOOF MultiMix International Shares Trust	AllianceBernstein Investment Management Australia Limited	Managed volatility and concentrated value	Australian shares		
		Acorn Capital Limited	Micro-caps, active long only			
		Invesco Australia Limited	Quantitative, bottom-up, multi-factor approach			
		Quest Asset Partners Pty Limited	Fundamental quality and growth			
		Vinva Investment Management Limited	Quantitative			
		Legg Mason Martin Currie Australia Limited	Dynamic value			
		OC Funds Management Limited	Small cap and micro-cap			
		Northcape Capital Pty Ltd	Quality			
		Boutique Manager Portfolio	Diversified Australian shares			
		Defensive Equities Trust	Defensive equities			
IOOF MultiMix Alternatives	IOOF MultiMix Alternatives	EAM Global Investors LLC	Emerging markets small caps	International shares		
		Alphinity Investment Management Pty Ltd	Quality with earnings leadership			
		Wellington International Management Company Pte Ltd	Growth			
		The Northern Trust Company of Hong Kong Limited	Multi-factor			
		Antipodes Partners	Pragmatic value, absolute return			
		TT International	Growth at reasonable price and concentrated quality			
		Thomson Horstmann & Bryant, Inc.	Micro-caps			
		We have a large number of underlying managers for our exposure to alternative assets. These managers are not listed separately due to the size of the list and the fact that the allocation to each manager is small.			Alternatives	

For more information about the changes, please view the [IOOF MultiMix underlying manager changes flyer](#).

# IOOF MultiMix single sector trusts

## IOOF MultiMix Australian Shares

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	0.39	12.41	10.87	11.35	9.07	7.24
Growth	2.47	15.24	28.02	2.37	-0.53	2.24	1.54
Total	2.47	15.62	40.43	13.24	10.82	11.30	8.79
Benchmark	4.15	18.51	38.34	8.72	9.72	10.31	7.77

### Comments

There were no changes over the quarter.

### Contributors and Detractors

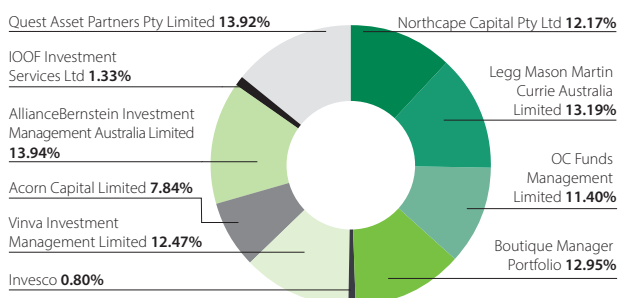
#### Contributors to performance

- Vinva outperformed the broader market largely driven by their valuation and behavioural signals.
- Martin Currie performed strongly due to a bias towards value.
- Alliance Bernstein outperformed as their value exposure was rewarded.

#### Detractors from performance

- Overweight to mid-, small- and micro-caps which underperformed the broader market.
- Strategies managed by Bioscience underperformed the broader market.
- Underperformance from micro-cap managers, Acorn and OC.

### Investment manager allocation<sup>#,3</sup>



## IOOF MultiMix International Shares

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	0.00	6.47	7.17	13.42	17.79	13.40
Growth	6.27	13.39	18.51	6.74	-2.36	-4.49	-0.72
Total	6.27	13.39	24.98	13.91	11.06	13.30	12.68
Benchmark	5.97	12.74	24.04	13.21	12.38	13.50	12.63

### Comments

There were no changes over the quarter.

### Contributors and Detractors

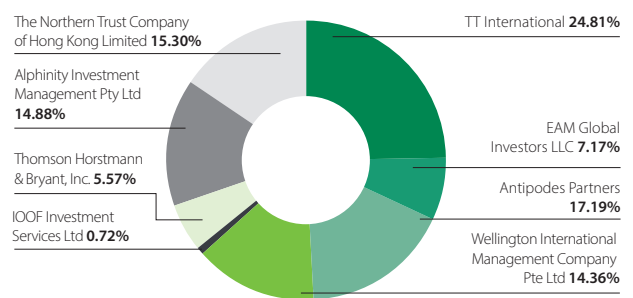
#### Contributors to performance

- Value outperformed Growth over the quarter and value manager Northern Trust performed well, in excess of 10%.
- Emerging market small caps was the best performing sector and EAM emerging market small cap strategy outperformed with a return of almost 10%.
- TT International Emerging Markets and Antipodes Global continued to outperform.

#### Detractors from performance

- Growth manager Wellington underperformed its benchmark.
- TT International (global equities) and THB International micro-cap both underperformed their respective benchmarks.

### Investment manager allocation<sup>#,3</sup>



# Please note the data is based on the actual underlying investment.

## IOOF MultiMix Diversified Fixed Interest

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.24	0.48	6.45	4.78	4.13	5.11	5.34
Growth	-2.21	-0.09	0.59	0.24	0.60	-0.69	-0.76
Total	-1.97	0.38	7.03	5.03	4.73	4.43	4.58
Benchmark	-2.87	-2.53	-0.33	2.88	3.87	3.37	4.36

### Comments

The short duration positions in the portfolio were the main factor that generated the outperformance as yields increased globally.

### Contributors and Detractors

#### Contributors to performance

- Managers with short duration tilts like Ardea Pure Alpha, Income Trust, Brandywine and Western Asset MAC were strong contributors.

#### Detractors from performance

- The duration managers like Janus Henderson, Western Asset Aus Bond and Stone Harbor were the main negative detractors.

## IOOF MultiMix Cash Enhanced

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.20	0.40	0.81	1.00	1.61	1.89	2.20
Growth	-0.24	0.10	1.04	0.44	0.08	0.08	-0.03
Total	-0.03	0.49	1.86	1.43	1.69	1.97	2.17
Benchmark	0.00	0.02	0.11	0.67	1.12	1.40	1.71

### Comments

The trust is continuing to generate strong value from its diversified allocation to high-quality interest bearing securities.

### Contributors and Detractors

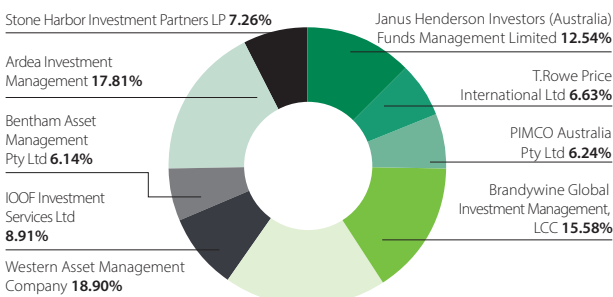
#### Contributors to performance

- Both managers, Janus Henderson and Pental, added value from credit sector selection and security selection.
- Pental's outperformance was in particular driven by financials, infrastructure and RMBS

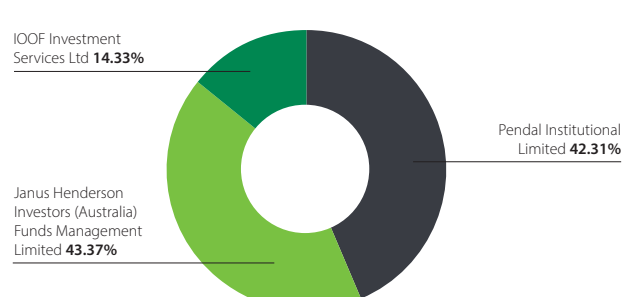
#### Detractors from performance

- Henderson's duration and yield curve positioning were negative contributors to performance.

### Investment manager allocation<sup>#,3</sup>



### Investment manager allocation<sup>#,3</sup>



# Please note the data is based on the actual underlying investment.

# IOOF Trust

## IOOF Cash Management

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Total	0.03	0.09	0.31	0.87	1.27	1.56	1.86
Benchmark	0.00	0.02	0.11	0.67	1.12	1.40	1.71

### Comments

The trust outperformed its benchmark (Bank Bill Index) in the March quarter. Money market yields are continuing to remain at suppressed levels as banks are flush with cash and not looking for new money from institutional cash funds. Despite this, the CMT is earning a running yield in excess of its benchmark.

### Contributors and Detractors

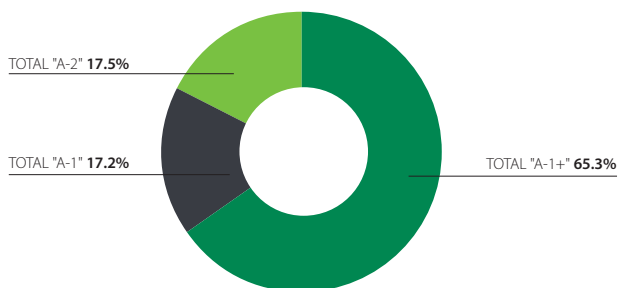
#### Contributors to performance

- Allocations to term deposits, NCDs and cash notice accounts have generated a yield and return that is in excess of the benchmark.

#### Detractors from performance

- No negative detractors.

### Allocation by Standards & Poors ratings<sup>3</sup>



# MultiMix wholesale single sector trusts

## Property

### Property – Australian

#### Comments

After recovering strongly over the past twelve months and generating a return of nearly 45% the index produced a small negative return this quarter. Both of our managers outperformed.

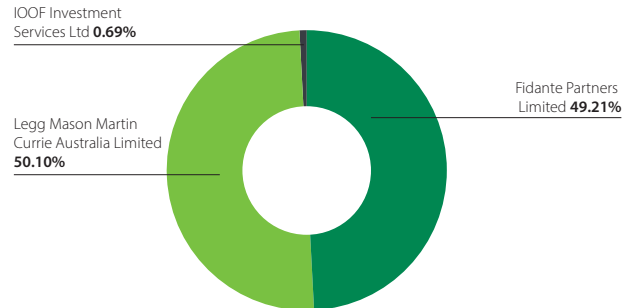
#### Contributors to performance

- Overweight allocations to Scentre Shopping Centres which had been heavily sold off during the height of COVID added value.
- An underweight allocation to Goodman industrial which generated a moderate return after a strong twelve month run also added value.

#### Detractors from performance

- Allocations to Charter Hall as the threat of higher interest rates became a headwind to the fund management structure detracted value.

### Investment manager allocation<sup>3</sup>



### Property – International

#### Comments

The GREIT sector generated a return of over 7% for the quarter. REIT investors became somewhat more comfortable with the likely availability of a COVID vaccine and took advantage of some oversold stocks. Our managers were not able to capture all the index increase.

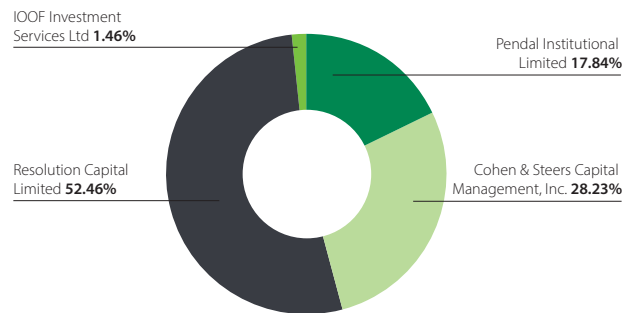
#### Contributors to performance

- Allocations to outperforming Japan and Hong Kong stocks added value.
- Underweight allocations to Continental Europe and the UK where economic recovery expectations were relatively flat added value.

#### Detractors from performance

- Currency fluctuations and allocations to Mirvac Australia which faces headwinds in the residential apartment sector detracted value.

### Investment manager allocation<sup>3</sup>



### Property – Direct<sup>^</sup>

#### Comments

The Australian direct property portfolio generated a positive return due to the consistent income stream and successful value-add initiatives and lease extensions, leading to some valuation growth.

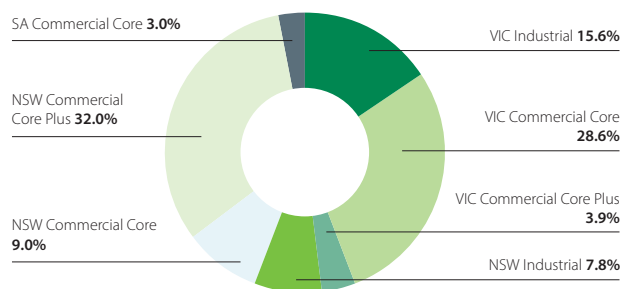
#### Contributors to performance

- A lease extension in relation to a major Sydney industrial tenant resulted in strong valuation growth.

#### Detractors from performance

- Vacancies created by COVID-19 related economic stress detracted value.

### Allocation by property type<sup>3</sup>



<sup>^</sup> Exposure via the IOOF MIM Property Plus Fund

# MultiMix wholesale single sector trusts

## Alternatives and Defensive Equities

### Alternative – Growth

#### Comments

With the AUD/USD exchange rate stable, the portfolio posted a strong positive return for the quarter.

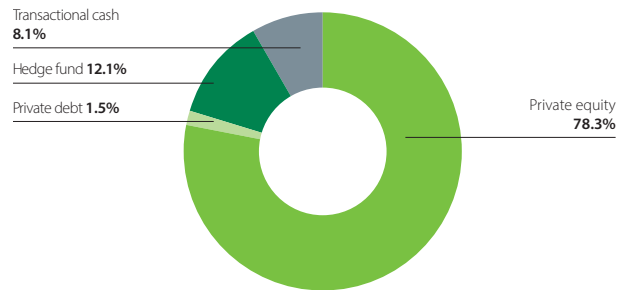
#### Contributors to performance

- The largest contributions to returns for the quarter came from an offshore, private equity “secondaries” manager (LGT), and a locally based domestic private equity manager (Continuity).

#### Detractors from performance

- A locally based private equity manager with a global mandate (MLC) was the primary detractor for the quarter.

### Investment manager allocation<sup>3</sup>



### Alternative – Defensive

#### Comments

The portfolio posted a positive return for the quarter, while global bonds fell.

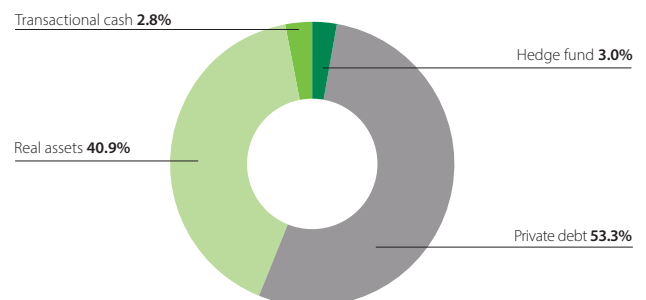
#### Contributors to performance

- As with the previous quarter, domestic mid-market infrastructure (Palisade), and local private corporate and real estate debt (Metrics) performed well.

#### Detractors from performance

- There were no meaningful detractors for the quarter.

### Investment manager allocation<sup>3</sup>



### Defensive Equities

#### Comments

There were no changes over the quarter.

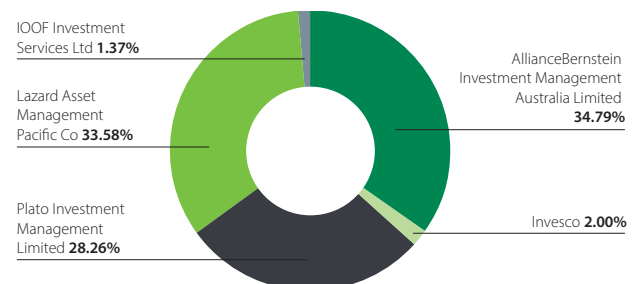
#### Contributors to performance

- Both Lazard and Plato delivered excess returns above the broader equity market as the value parts of the market outperformed.

#### Detractors from performance

- AB underperformed the broader equity market as the defensive parts of the market lagged.

### Investment manager allocation<sup>3</sup>



# IOOF MultiMix diversified trusts

## IOOF MultiMix Capital Stable

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	0.58	4.02	3.85	3.76	4.37	4.68
Growth	-0.07	2.19	3.90	0.79	1.05	0.44	-0.03
Total	-0.07	2.77	7.92	4.64	4.81	4.81	4.65
Benchmark	-0.90	0.64	3.78	3.13	3.94	3.77	4.20

### Comments

There were no changes over the quarter.

### Contributors and Detractors

#### Contributors to performance

- Diversified fixed interest portfolio outperformed as a result of a short duration position in a rising yield environment.
- An overweight to defensive equities and an underweight to fixed interest added value.

#### Detractors from performance

- Defensive equities portfolio underperformed as value-tilted managers underperformed.

## IOOF MultiMix Conservative

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	0.72	4.93	4.69	4.91	5.59	6.23
Growth	0.63	2.96	3.34	0.45	0.42	0.02	-0.82
Total	0.63	3.68	8.27	5.14	5.33	5.61	5.41
Benchmark	-0.01	2.81	7.72	4.48	5.26	5.21	5.52

### Comments

There were no changes over the quarter.

### Contributors and Detractors

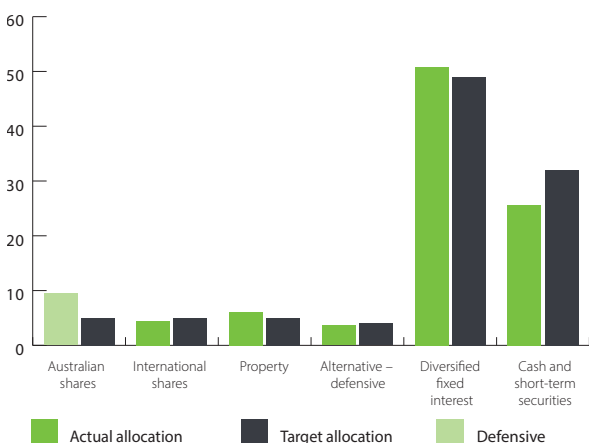
#### Contributors to performance

- Diversified fixed interest portfolio outperformed as a result of a short duration position in a rising yield environment.
- The Alternatives Defensive portfolio outperformed its fixed interest benchmark.
- An underweight to diversified fixed interest contributed to performance.

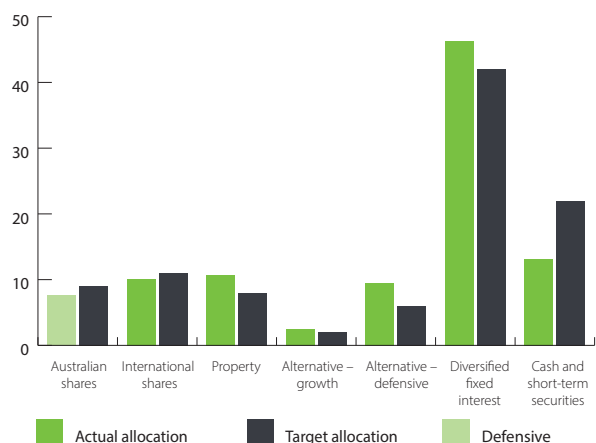
#### Detractors from performance

- Defensive equities portfolio underperformed as value-tilted managers underperformed.

### Actual versus target allocation



### Actual versus target allocation



# IOOF MultiMix diversified trusts

## IOOF MultiMix Moderate

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	0.66	5.18	5.28	5.83	6.95	6.16
Growth	1.99	6.17	8.17	1.52	1.03	0.36	0.70
Total	1.99	6.82	13.35	6.80	6.85	7.32	6.86
Benchmark	1.48	6.86	15.65	6.97	7.55	7.74	7.49

### Comments

There were no changes over the quarter.

### Contributors and Detractors

#### Contributors to performance

- An underweight to diversified fixed interest contributed to performance.
- The Alternatives Defensive portfolio outperformed its fixed interest benchmark.
- Diversified fixed interest portfolio outperformed as a result of a short duration position in a rising yield environment.

#### Detractors from performance

- Defensive equities portfolio underperformed as value-tilted managers underperformed.

## IOOF MultiMix Balanced Growth

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	0.58	6.82	7.12	8.74	10.15	9.27
Growth	2.70	8.24	11.00	2.15	-0.30	-1.00	-0.82
Total	2.70	8.83	17.82	9.26	8.44	9.15	8.45
Benchmark	2.80	9.94	21.27	8.46	8.82	9.25	8.52

### Comments

There were no changes over the quarter.

### Contributors and Detractors

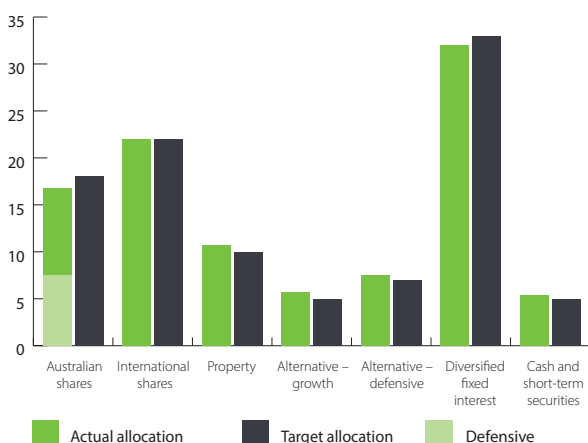
#### Contributors to performance

- An underweight to diversified fixed interest contributed to performance.
- The Alternatives Defensive portfolio outperformed its fixed interest benchmark.
- The international equities portfolio outperformed due to the majority of underlying managers performing well.

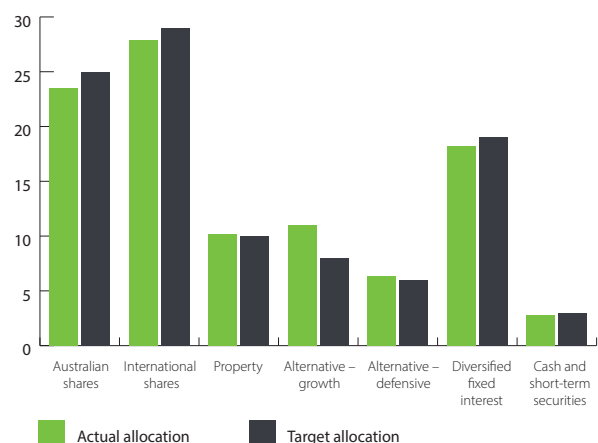
#### Detractors from performance

- The Australian equities portfolio underperformed as small and micro-caps underperformed.
- The Alternatives Growth portfolio underperformed its equities benchmark.

### Actual versus target allocation



### Actual versus target allocation



## IOOF MultiMix Growth

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	0.50	7.29	7.95	9.98	12.20	10.29
Growth	3.62	10.75	15.10	2.78	-0.58	-1.78	-0.73
Total	3.62	11.25	22.39	10.72	9.40	10.42	9.56
Benchmark	4.20	13.11	27.11	9.96	10.10	10.80	9.55

### Comments

There were no changes over the quarter.

### Contributors and Detractors

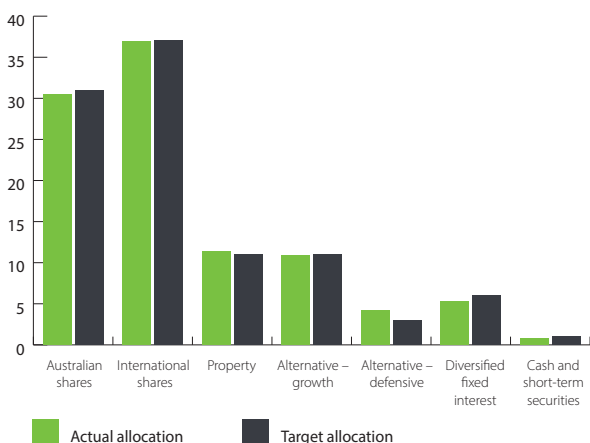
#### Contributors to performance

- The international equities portfolio outperformed due to the majority of underlying managers performing well.
- The Alternatives Defensive portfolio outperformed its fixed interest benchmark.

#### Detractors from performance

- The Australian equities portfolio underperformed as small and micro-caps underperformed.
- The Alternatives Growth portfolio underperformed its equities benchmark.

### Actual versus target allocation



## MySuper fund

## IOOF Balanced Investor

### Performance<sup>2</sup>

	3 mths %	6 mths %	1 year %	2 year % pa	3 year % pa	5 year % pa	7 year % pa
Distribution	0.00	0.00	0.00	0.00	0.00	1.68	2.29
Growth	2.61	8.59	18.13	7.77	8.05	6.76	5.83
Total	2.61	8.59	18.13	7.77	8.05	8.45	8.12
Benchmark	2.15	8.10	17.42	7.33	7.99	8.40	7.98

### Comments

The international shares portfolio underwent a restructure as a result of greater scale from ANZ funds. Three new global active managers were appointed (Vontobel, Royal London and Vaughan Nelson), two emerging market managers (William Blair and Berkeley Street), and one global manager was terminated (TT International).

### Contributors and Detractors

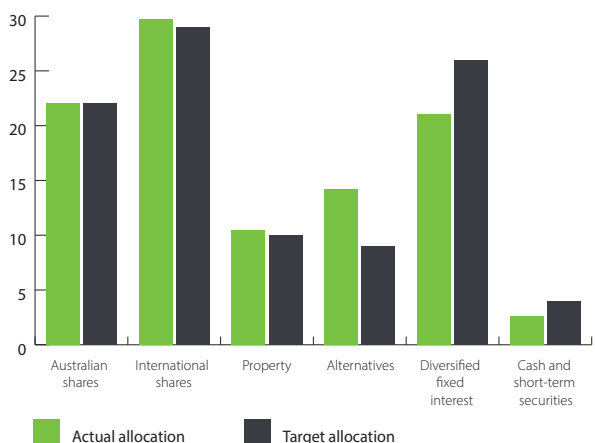
#### Contributors to performance

- Diversified fixed interest portfolio outperformed as a result of a short duration position in a rising yield environment.
- The international shares portfolio outperformed as a result of strong performance from the underlying managers.
- Alternatives portfolio also outperformed, with solid performance from private debt manager, Metrics.

#### Detractors from performance

- An overweight to Alternatives detracted value, as other asset classes produced high absolute returns.

### Actual versus target allocation



### Notes to the Snapshot

1. The actual management costs (and total management costs) are subject to change from time to time and may vary from the estimated management costs detailed in the applicable PDS' depending on changes to the Trusts' underlying assets, changes to underlying investment managers and their fees, if any performance fees are incurred (where applicable) and where any unusual or non-recurrent expenses are incurred or changes to other related expenses.
2. Performance is net of management costs and expenses. Performance is based on exit price to exit price for the period and assumes that all distributions are reinvested. Management costs and other expenses are accounted for in the exit price. Past performance is not a reliable indicator of future performance. Full details of the benchmarks used are provided in the relevant Trusts' PDS.
3. Allocations may not sum to 100% due to rounding.

### Important information

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