



Analyst(s): Andrew Yap; David Erdonmez

Standard & Poor's View (at May 10, 2011)

Standard & Poor's Fund Services rates this fund four stars. This reflects our high conviction that the manager will consistently generate risk-adjusted returns in excess of relevant investment objectives and relative to peers.

We have affirmed our rating on this fund. We consider it a sound investment proposition and suitable for investors seeking a one-stop solution to their domestic fixed interest needs.

Our high degree of conviction is testament to the talented investment team, robust core investment process, and highly risk-aware approach to fixed interest management. While the team remains smaller than others in our rated fixed interest peer group, we believe the balance, experience, and tenure of members largely mitigates any perceived shortcoming. Individual expertise is wide-ranging and spans a number of fixed interest capabilities, something that is conducive to this fund's structure and flexible mandate.

A differentiating feature remains the fund's tactical approach to fixed interest management, with the investment manager permitted to rotate portfolio positions between cash, fixed interest, and credit in an attempt to take advantage of existing market conditions. Such an approach deviates from that of other mainstream fixed-interest offerings and places greater reliance on the team's ability to accurately time short-term portfolio tilts. While still early days for this fund, performance since inception has been impressive, with the fund exceeding its stated objectives. Active asset allocation has been a key driver of this success which we attribute to the structured and team-based approach to portfolio management.

While not wishing to detract from this fund's near-term successes, we also acknowledge that it was launched at an opportune time and was able to capitalise on the favourable credit conditions that existed in the period following the global financial crisis. Such conditions were conducive to this fund's active investment style and accordingly it is necessary to observe the effectiveness of the team's tactical asset allocation (TAA) in more normal market conditions before increasing our overall level of conviction.

Fund Information

Objectives

This fund seeks to produce gross returns that exceed those of its blended performance benchmark, by a margin of 1% per year over a rolling three-year period.

General

APIR Code	IOF0145AU
Fund status	Open
Inception date	June 30, 2009
Fund Size (\$A)	113.5 .mil
Benchmark	Index Not Available
Peer group	Australian Fixed Interest - Fixed Interest
Responsible Entity	IOOF Investment Management Limited
Minimum investment (A\$)	25000

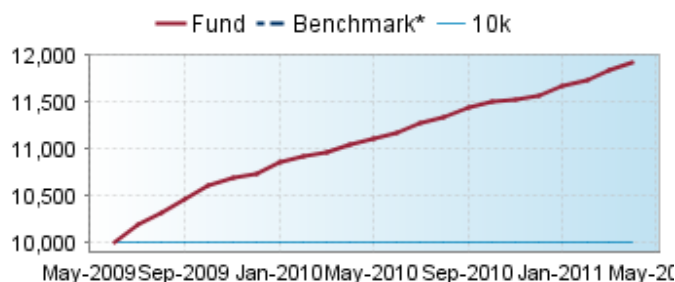
Fees

Ongoing Fees (%)	Transaction Fees (%)
ICR	0.45
Management	0.45
Ongoing Brokerage	-
	Reinvestment
	Switching
	Upfront Brokerage

* Benchmark: Index Not Available.

Fund Analysis

Growth of A\$10,000 (at April 30, 2011)



Risk Return (at April 30, 2011)

Insufficient data available to plot graph

Performance Statistics (at April 30, 2011)

	3 mth	6 mth	1 yr	3 yr	5 yr
Fund Total	2.18	3.6	7.98	-	-
Income	1.19	2.76	5.53	-	-
Growth	0.99	0.84	2.45	-	-
Benchmark* Total	-	-	-	-	-
Excess Return	-	-	-	-	-
Quartile Ranking	1	1	1	-	-

Asset Allocation (%) (at April 30, 2011)

Class	Actual	Min.	Max.
Australian Equities	-	-	-
International Equities	-	-	-
Listed Property	-	-	-
Unlisted Property	-	-	-
Australian Fixed Interest	83.69	-	-
International Fixed Interest	-	-	-
Cash	16.31	-	-
Other	-	-	-
Mortgages	-	-	-

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