

# UNITED CASH MANAGEMENT FUND

Australian Executor Trustees Limited

Report Issued: August 2009

**Peer Group:**

Australian CMT (Credit)

**Fund Manager:**

Jake Jodlowski (since Sep 2003)

**Location:**

Melbourne

**Launch Date:**

September 2003

**Fund Size (July 2009):**

A\$1,072 million

**Minimum Initial Investment:**

A\$100,000

**Group Contact No:**

1 800 333 700

**Website:**

[www.united.com.au](http://www.united.com.au)

**S&P ID Code:**

105788501

**APIR Code:**

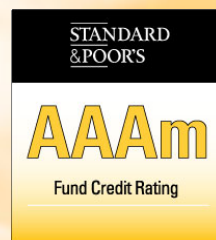
PIM0002AU

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## CASH MANAGEMENT FUND RATINGS DEFINITIONS

**'AAAm'**

Fund provides extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, or liquidity risks.

**'AAm'**

Fund provides very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, or liquidity risks.

**'Am'**

Fund provides strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, or liquidity risks.

**'BBBm'**

Fund provides adequate capacity to maintain principal stability, but adverse market conditions, higher levels of redemption activity, or both are more likely to lead to a weakened capacity to limit exposure to principal loss.

The 'm' distinguishes the principal stability fund ratings from S&P traditional debt ratings, which are usually not subordinated and indicate a borrower's ability to repay principal and interest on a timely basis. A principal stability fund rating is not directly comparable with a debt rating because of differences in investment characteristics, rating criteria, and the creditworthiness of the portfolio investments.

## STANDARD & POOR'S RATIONALE (August 2009)

The 'AAAm' rating on the United Cash Management Fund indicates that the safety of the fund is excellent, and that it has an extremely strong capacity to maintain principal value and limit exposure to loss. The fund is directed at professional investors with a minimum initial investment of \$100,000. The objective of the fund is to provide a liquid investment at an attractive yield to investors, consistent with the security of a portfolio of high-quality, highly liquid money-market investments. The fund aims to generate returns that are consistently in line with the return of the UBS Bank Bill Index before fees and expenses. In trying to meet this objective, the

investment manager will passively manage the fund in order to keep costs to a minimum. The cash management fund rating incorporates an analysis of a fund's portfolio of assets, and a management review. Based on this assessment, Standard & Poor's regards United Funds Management as capable of managing the fund.

## FACT FILE

**Group:** United Funds Management Limited (United) is the investment manager of the fund. The investment manager is responsible for the operations, management, and administration of the fund. United is a wholly owned subsidiary of IOOF Holdings Limited. The fund is managed by United. United has been delegated by the responsible entity for the setting of the investment policy, selecting assets, monitoring investment risk and performance, accepting and processing applications, processing redemptions, calculating unit prices and distributions, valuing fund assets, arranging audits and handling investor enquiries.

**Team:** The investment management division, led by Jake

Jodlowski, is part of United. Mr. Jodlowski reports to Christopher Kelaher, the managing director.

**Fund Manager:** Mr. Jodlowski has portfolio management responsibility for the United Cash Management Fund and is assisted by Robert Curtin and Richard Raffaut.

**Style:** United seeks to maximize returns through passive management, with a focus on reducing cost.

## FUND MANAGERS AND TEAM

The investment management division is responsible for managing the fund. The key team members are:

Jake Jodlowski - Melbourne - Portfolio Manager - B.Bus, ACCA, M.Appl.Fin., F.Fin. Mr. Jodlowski has been with United Funds Management since 1995 and is the investment manager for this fund. As a fund manager, he is experienced in portfolio management, taxation, and administration.

Robert Curtin - Melbourne - Senior Investment Analyst - B.Com., F.Fin. Mr. Curtin joined United in 2006. Prior to joining United, Mr. Curtin was employed at IBIS World where he worked as a company analyst. Mr. Curtin's primary role is the day-to-day management of the United Cash Management Fund, and to assist with manager research and monitoring,

quantitative analysis, and investment reporting.

Richard Raffaut - Melbourne - Investment Analyst - B.Com, M.Appl.Fin. Mr. Raffaut joined United in 2007. Prior to joining United, Mr. Raffaut was employed by Austock, where he worked as an analyst. Mr. Raffaut's primary role is the day-to-day management of the United Cash Management Fund, and to assist with manager research and monitoring, quantitative analysis, and investment reporting.

# UNITED CASH MANAGEMENT FUND

Peer Group: Australian CMT (Credit)

Fund Credit Rating: AAAm

## PORTFOLIO CHARACTERISTICS

Weighted Average Maturity (days) 63.5

## SOURCES OF RETURN

Duration Selection Low

Issue Selection Medium

Yield Curve Low

## MATURITY BREAKDOWN (31/07/09)

	Fund %
1-7 days	20.6
31-90 days	45.0
91-180 days	34.4

## ALLOCATION BREAKDOWN (31/07/09)

	Fund %
Bank	100.0

## CREDIT RATING BREAKDOWN (31/07/09)

	Fund %
A-1	5.6
A-1+	94.4

## PRODUCT FEATURES

Distribution Quarterly

MER 0.31%

Minimum Initial Investment \$100,000

Withdrawal facilities Mail, Fax or Phone

## MANAGEMENT STYLE

United aims to maximize returns within the set parameters to ensure that portfolio risks are conservatively maintained. Credit risk is controlled through adherence to Standard & Poor's criteria and guidelines set by the United Investment Policy Committee. Duration management and yield-curve management are largely determined by the investment

manager, with consideration given to macroeconomic data and market analysis. The fund is passively invested in line with the current market view.

## PORTFOLIO ASSETS

The fund may only invest in Australian-denominated securities rated 'A-1+' or 'A-1' (up to 25%). To minimize interest-rate risk, the weighted average maturity of the fund's assets will not exceed 70 days, with the maximum term of any investment not exceeding 12 months (except for investments in 'AAA' rated floating-rate notes that have a legal maturity of less than 2 years). To ensure liquidity for redemptions, at

least 50% of the investments are held in bank and government obligations. United have restricted the fund's investments further by only holding bank paper.

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Disclosure:

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