

# Morningstar Australian Shares Fund

Performance Update | As of 31/12/2024

**Risk Profile:** High  
**Inception<sup>1</sup>:** 1 July 2016  
**Unit Pricing:** Daily  
**Distributions:** Quarterly  
**Investment Horizon:** 5 Years

**Management Fees and Costs<sup>2,3</sup>:** Up to 0.36%  
**Performance Fees<sup>3</sup>:** Nil  
**Transaction Costs<sup>3,4</sup>:** 0.03%  
**Buy-Sell Spread:** 0.04%/0.04%

## Investment Strategy

The Fund invests predominantly in listed Australian shares with the aim of producing superior long-term total returns relative to the benchmark. To achieve this aim, Morningstar constructs a well-diversified portfolio of companies that exhibit desirable fundamental quality and/or value characteristics.

## Risk Since Inception

|                | Std Dev | Max Drawdown | Sharpe Ratio |
|----------------|---------|--------------|--------------|
| Fund           | 14.54   | -29.04       | 0.42         |
| S&P/ASX 300 TR | 13.97   | -26.98       | 0.55         |

## Investment Objective

To achieve meaningful capital growth over the medium to long term, while minimising the risk of permanent capital loss, by investing predominantly in listed Australian shares.

## Trailing Returns

|                              | 1mth (%) | 3mth (%) | 1yr (%) | 3yr (% p.a) | 5yr (% p.a) | Incp (% p.a) |
|------------------------------|----------|----------|---------|-------------|-------------|--------------|
| Fund (post-fee) <sup>^</sup> | -2.92    | -2.93    | 13.38   | 5.73        | 6.25        | 7.97         |
| S&P/ASX 300 TR               | -3.07    | -0.81    | 11.39   | 7.06        | 7.97        | 9.58         |

**Past performance is not a reliable indicator of future performance.**

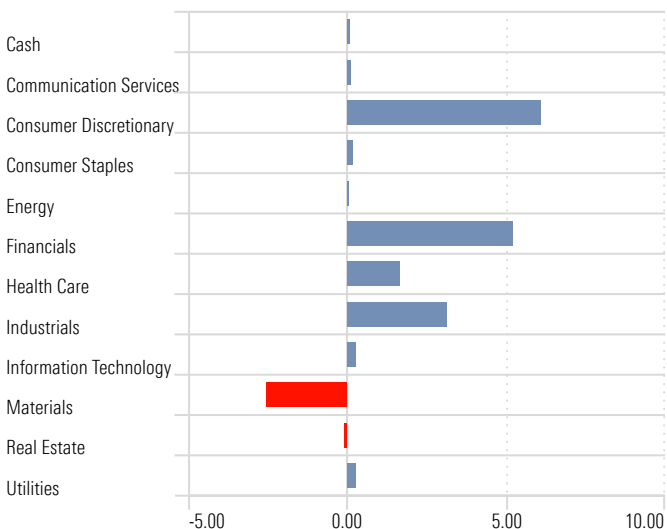
Returns over 12 months are annualised.

## Growth of \$10,000

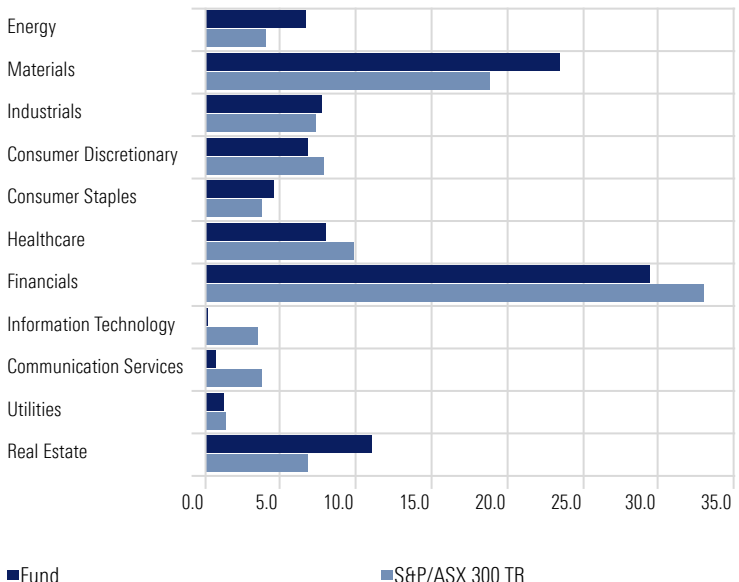


## Sector Contribution Over the Year

Time Period: 1/01/2024 to 31/12/2024



## Sector Exposure



<sup>1</sup>The inception date used is 1 July 2016, the full implementation of the Fund's strategy.

<sup>2</sup>The Management Fees and Costs is inclusive of GST (after taking into account Reduced Input Tax Credits). The portfolio may include exchange traded funds which charge management fees and these are an additional cost to individual investors and impact their return. This and an estimate of any other excluded indirect costs incurred by the portfolio is captured within 'Management Fees and Costs' above.

<sup>3</sup>All fees and costs are estimates for the 2022/23 financial year and are expressed as a percentage of net asset value of the Fund excluding accrued fees.

<sup>4</sup>Transaction costs are expressed net of buy/sell spread recovery.

<sup>^</sup>Performance measures are expressed after fees, costs and before taxes. Performance may not sum due to the rounding of individual components.



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**Top 20 Equity Holdings**

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| Holding                        | Code | Exchange Country | Sector                 | Portfolio Weighting % |
|--------------------------------|------|------------------|------------------------|-----------------------|
| BHP Billiton Ltd               | BHP  | Australia        | Materials              | 8.31                  |
| Commonwealth Bank of Australia | CBA  | Australia        | Financials             | 6.16                  |
| Rio Tinto Ltd                  | RIO  | Australia        | Materials              | 5.25                  |
| CSL Ltd                        | CSL  | Australia        | Health Care            | 4.81                  |
| ASX Ltd                        | ASX  | Australia        | Financials             | 4.50                  |
| ANZ Group Holdings Ltd         | ANZ  | Australia        | Financials             | 4.15                  |
| Woodside Energy Group Ltd      | WDS  | Australia        | Energy                 | 3.85                  |
| Aurizon Holdings Ltd           | AZJ  | Australia        | Industrials            | 3.84                  |
| Coles Group Ltd                | COL  | Australia        | Consumer Staples       | 3.61                  |
| Westpac Banking Corp           | WBC  | Australia        | Financials             | 3.31                  |
| National Australia Bank Ltd    | NAB  | Australia        | Financials             | 3.29                  |
| Scentre Group                  | SCG  | Australia        | Real Estate            | 2.77                  |
| Wesfarmers Ltd                 | WES  | Australia        | Consumer Discretionary | 2.66                  |
| Ansell Ltd                     | ANN  | Australia        | Health Care            | 2.59                  |
| Perpetual Ltd                  | PPT  | Australia        | Financials             | 2.38                  |
| Bendigo and Adelaide Bank Ltd  | BEN  | Australia        | Financials             | 2.01                  |
| Incitec Pivot Ltd              | IPL  | Australia        | Materials              | 1.79                  |
| BlueScope Steel Ltd            | BSL  | Australia        | Materials              | 1.77                  |
| Deterra Royalties Ltd          | DRR  | Australia        | Materials              | 1.67                  |
| New Hope Corp Ltd              | NHC  | Australia        | Energy                 | 1.62                  |

## Morningstar's Investment Principles



**We put investors first.** We believe the firms that put investors first win in the long term because their investors win. Since 1984, Morningstar, Inc. has been helping investors reach their financial goals. Our fiduciary duty to our principals is paramount.



**We're independent-minded.** To deliver results, we think it's necessary to invest with conviction, even when it means standing apart from the crowd. Our research shows that making decisions based on fundamental analysis, rather than short-term factors and sentiment, delivers better long-term investment results.



**We invest for the long term.** Taking a patient, long-term view helps people ride out the market's ups and downs and take advantage of opportunities when they arise. Investing with a multi decade horizon aligns with investors focus on increasing their purchasing power over their lifetimes. The long term is the only period where fundamental, valuation driven investing works.



**We're valuation-driven investors.** Anchoring decisions to an investment's fair value—or what it's really worth—can lead to greater potential for returns. Valuation-driven investing through a long-term focus on the difference between price and intrinsic value enables investors to get more than they're paying for.



**We take a fundamental approach.** Powerful research is behind each decision we hold, and we understand what drives each investment we analyse. Fundamental investing incorporates a focus on the future earnings of an investment and not its prospective price change.



**We strive to minimise costs.** Controlling costs helps investors build wealth by keeping more of what they earn. Investment returns are uncertain, but costs are not. Lower costs allow investors to keep more of their returns.



**We build portfolios holistically.** To help manage risk and deliver better returns, truly diversified portfolios combine investments with different underlying drivers. Portfolios should be more than the sum of their parts. True diversification can have a powerful impact on a portfolio's risk-adjusted returns – but simply holding more investments isn't the same as true diversification.

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