# Australian Shares Core Managed Account Portfolio

Monthly Performance Update

102017

All data and information as at Portfolio Date: 31/10/2017

Risk Profile: High Inception: 31 July 2004 Management Fee: 0.65% Investment Horizon: 7 Years

## **Investment Growth**



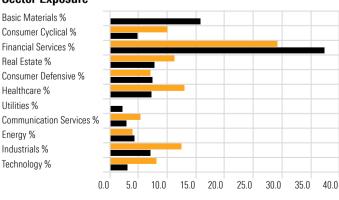
### **Trailing Returns**

	10yr (% p.a)	5yr (% p.a)	3yr (% p.a)	1yr	3mth	1mth	Incp (% p.a)
Australian Shares Core	1.92	7.26	2.83	13.58	4.44	4.54	7.59
S&P/ASX 200 TR AUD	3.20	10.30	6.94	16.13	4.73	4.01	8.61
Past performance is not a relial	ble indicator o	f future perf	formance. Re	turns over 1	2 months a	re annualise	ed.

# **Risk Since Inception**

-			
	Std Dev	Max Drawdown	Beta
Australian Shares Core Portfolio	13.48	-48.58	0.95
S&P/ASX 200 TR AUD	13.24	-47.18	1.00

## Sector Exposure



Australian Shares Core Portfolio

Notes:

1) Management fees can be negotiated and may be less than the standard management fee.

2) Investment performance is before tax and after the standard management fee of 0.65% (inclusive of GST). Investment performance represents modelled performance only and assumes income received is reinvested. An individual investor's performance will differ from the modelled performance depending on factors such as transaction timing, actual management fees, whether income is paid and any divergence from model portfolio weightings.

S&P/ASX 200 TR AUD

# **Investment Objective**

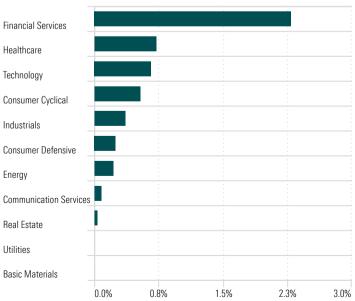
The Morningstar Australian Shares Core Portfolio aims to provide investors with greater risk-adjusted returns relative to the S&P/ASX 200 Accumulation Index over a complete cycle.

# **Investment Strategy**

The portfolio is actively managed and concentrated, consisting of ASX-listed stocks covered by Morningstar's large Equity Research team. Morningstar focusses portfolio exposure on companies with competitive advantages, a market price offering margin of safety, a sustainable dividend yield, and franking credits. This combination of factors helps to preserve capital and reduce volatility in various market environments.

Portfolio turnover is modest to minimise costs and further support after-tax performance. Morningstar Equity Research analysts' ratings, such as Fair Value Estimate, Economic Moat, and Valuation Uncertainty, are important inputs to the portfolio construction process. Total return will tend to be driven by both capital appreciation and dividend yield with the mix dependent on the opportunities available.

## Sector Contribution Over the Month



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#### **Portfolio Holdings**

	Morningstar Sector	Portfolio Weighting %
Cash Account	_	10.37
Medibank Private Ltd	Financial Services	5.33
Crown Resorts Ltd	Consumer Cyclical	4.80
Telstra Corp Ltd	Communication Services	4.79
Platinum Asset Management Ltd	Financial Services	4.77
OBE Insurance Group Ltd	Financial Services	4.62
Sydney Airport	Industrials	4.39
Brambles Ltd	Industrials	4.38
Carsales.com Ltd	Technology	4.36
Nine Entertainment Co. Holdings Ltd	Consumer Cyclical	4.15
Link Administration Holdings Ltd	Financial Services	4.02
ResMed Inc DR	Healthcare	3.84
National Australia Bank Ltd	Financial Services	3.75
Westpac Banking Corp	Financial Services	3.60
Westfield Corp	Real Estate	3.56
Woodside Petroleum Ltd	Energy	3.52
Coca-Cola Amatil Ltd	Consumer Defensive	3.41
Vicinity Centres	Real Estate	3.25
Scentre Group	Real Estate	3.23
Wesfarmers Ltd	Consumer Defensive	2.94
MYOB Group Ltd	Technology	2.82
Virtus Health Ltd	Healthcare	2.59
CSL Ltd	Healthcare	2.57
Ansell Ltd	Healthcare	2.55
Qube Holdings Ltd	Industrials	2.40

#### **About Morningstar**

Morningstar is a leading provider of asset allocation, portfolio construction and investment research services with over 35 years' experience in the United States, Australia and other international markets. Morningstar advises and manages funds for superannuation funds, institutions, platform distributors, financial advisers and individuals.

Morningstar's disciplined investment approach delivers independent, cost effective and holistic solutions for our clients – helping them reach their financial goals. This long-term, valuation driven approach is underpinned by an emphasis on preserving capital and undertaking comprehensive fundamental analysis of global asset classes and securities.

Morningstar's Investment Principles

$\bigcirc$	We put investors first. We believe the firms that put investors first win in the long term because their investors win.
$\bigcirc$	Since 1984, Morningstar, Inc. has been helping investors reach their financial goals. Our fiduciary duty to our principals is paramount.
$\bigcirc$	<b>We're independent-minded.</b> To deliver results, we think it's necessary to invest with conviction, even when it means standing apart from the crowd.
Z	Our research shows that making decisions based on fundamental analysis, rather than short-term factors and sentiment, delivers better long-term investment results.
. 7	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.
	<b>We're valuation-driven investors.</b> 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.
502	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.
s S	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
$\square$	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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