

# Morningstar Balanced Real Return Fund

# 012019

## Monthly Performance Update

All data and information as at Portfolio Date: 31/01/2019

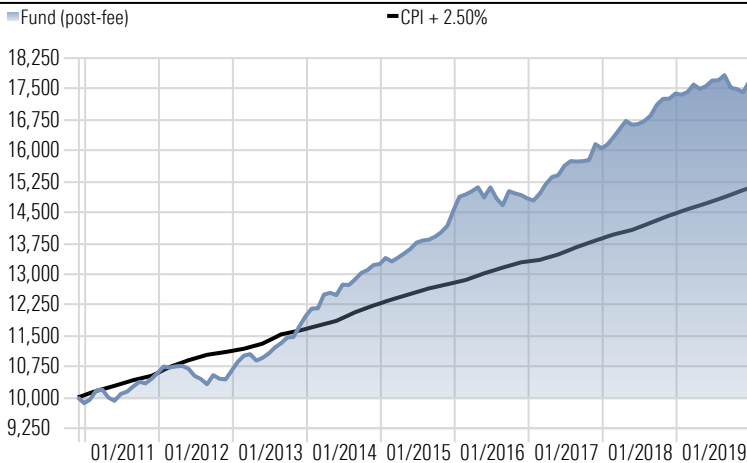
**Risk profile:** Medium  
**Inception:** 1 January 2010\*  
**Management Costs:** Up to 0.79% (effective from 30 September 2018)  
**Management Fee:** 0.51% (effective from 30 September 2018)  
**Buy/Sell Spread:** 0.10%/0.10%  
**Investment Horizon:** 5 Years

### Investment Objective

The fund aims to earn a rate of return that exceeds the Consumer Price index by at least 2.5% pa over a rolling 5 year periods.

### Investment Strategy

An actively managed multi-asset Fund with a long-term average exposure of around 50% to growth assets such as shares, property and infrastructure and around 50% exposure to defensive assets such as cash and fixed interest. The Fund will be invested dynamically across managed funds, direct securities, exchange traded funds, foreign exchange contracts and/or derivatives. The Fund aims to deliver real returns whilst preserving capital over the targeted investment horizon.



Past performance is not a reliable indicator of future performance.  
 Returns over 12 months are annualised.

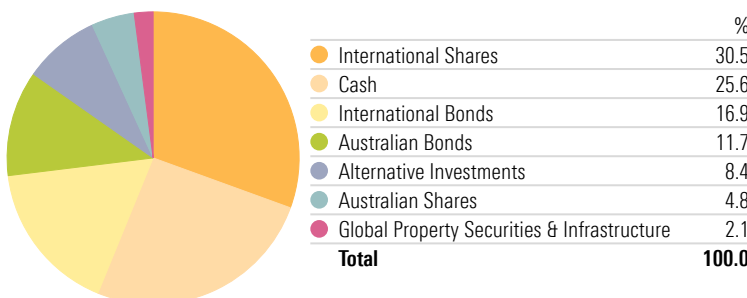
### How the investment portfolio has performed

|                 | 7yr<br>(% p.a) | 5yr<br>(% p.a) | 3yr<br>(% p.a) | 1yr (%) | 3mth (%) | 1mth (%) | Since<br>inception<br>(% p.a) |
|-----------------|----------------|----------------|----------------|---------|----------|----------|-------------------------------|
| Fund (post-fee) | 7.51           | 5.96           | 6.04           | 1.74    | 0.92     | 1.57     | 6.48                          |
| CPI + 2.50%     | 4.45           | 4.21           | 4.29           | 4.28    | 1.11     | 0.35     | 4.64                          |

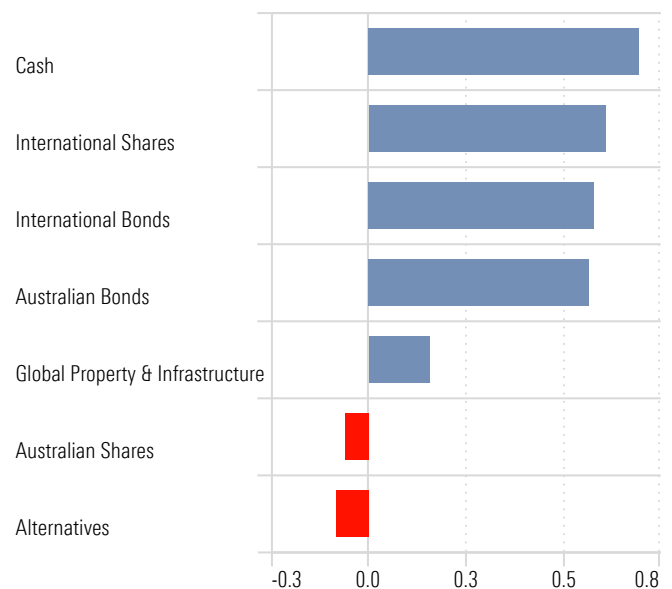
### Risk Since Inception

|      | Std Dev | Max<br>Drawdown | Sharpe<br>Ratio |
|------|---------|-----------------|-----------------|
| Fund | 3.60    | -4.13           | 0.96            |

### Month-end Asset Allocation



### Asset Class Contribution Over the Year



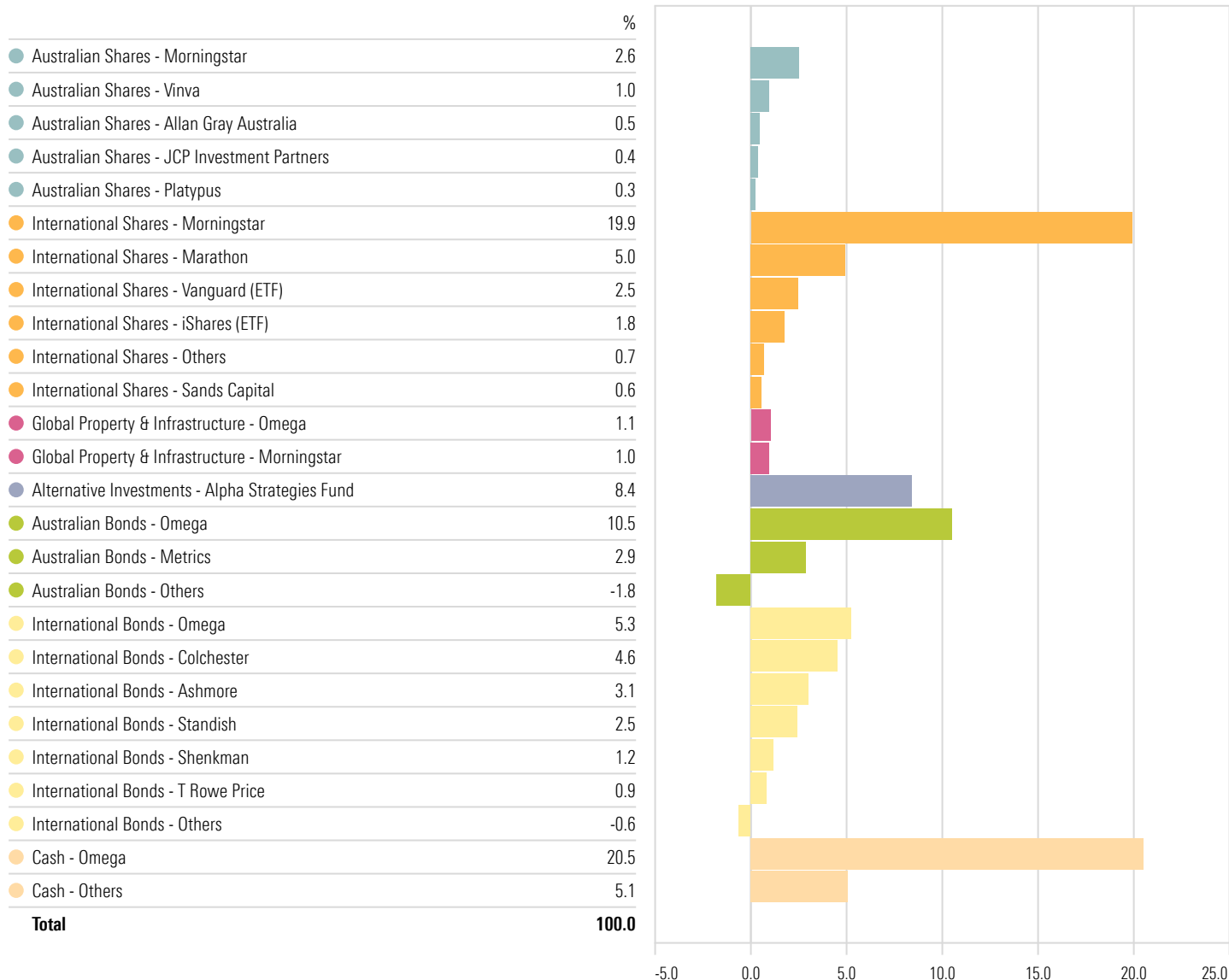
This chart shows how the individual parts of the portfolio contributed to investment performance over the past year. A monthly buy/hold methodology has been used and therefore the sum of the asset class returns in this chart would not necessarily equal to the total performance of the Fund.

1. The Fund's inception date used is 1 January 2010, the start of the full implementation of the Valuation Driven asset allocation process. 2) Management fees can be negotiated and may be less than the standard management fee. 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 any other indirect costs incurred by the portfolio is captured within 'Management Costs' above. 3) Investment performance is before tax and after the standard management fee (inclusive of GST). 4) The CPI was not available for the current period at the time of creation. CPI for the same period of previous year has been used as a proxy for the current period. Please note the actual CPI for the current quarter will differ to the proxy used.



# Information about who manages the fund

## Fund Holdings



\* Others can include futures, liquidity and transition cash, other exchange traded funds and direct stocks.

### 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 objective, 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.

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