

Morningstar International Shares High Opportunities (Unhedged) Fund

Q2 2018

All data and information as of June 30, 2018

Quarterly Performance Update

Inception	23 Sep 2004
Size \$m	253.5
Unit Pricing	Daily
Distributions	Quarterly
Management Costs	Up to 1.14%
Buy/Sell Spread	0.10% / 0.09%
Minimum Investment	\$20,000

Investment Objective

Aims to maximise outperformance relative to the benchmark (MSCI All Country World ex-Australia Index with Net Dividends Reinvested (Unhedged)) over rolling seven year periods, by investing predominantly in listed international shares.

Investment Strategy

An actively managed Fund predominantly invested in international shares using high conviction managers.

To implement this strategy, Morningstar seeks to appoint superior and complementary active investment managers to manage the assets of the Fund.

Key Features

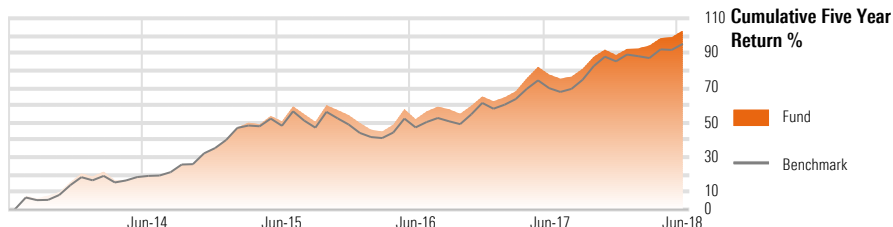
Access to numerous specialist international equity managers, ordinarily not available to Australian investors.

Access to skilled, high conviction managers that are capable of generating superior long-term performance potential.

Risk control through packaging a combination of managers with varying investment styles.

The ability to identify exceptional managers throughout the world is assisted by our access to global resources.

Performance¹



Total Return %	3 Months	6 Months	1 Year	3 Years (pa)	5 Years (pa)
Fund (Net of Fees)	4.26	6.99	13.24	9.38	14.11
Benchmark	4.34	5.42	15.00	9.64	14.32
Active Return	-0.09	+1.56	-1.76	-0.26	-0.21

Portfolio Analysis²

Regional Allocations	%	Sector Allocations	%
North America	53.8	Information Technology	19.0
Europe ex UK	13.8	Financials	17.7
Emerging Market	9.5	Consumer Discretionary	14.5
Japan	8.7	Consumer Staples	13.0
UK	6.9	Healthcare	12.5
Pacific ex Japan	2.5	Industrials	9.0
Cash	4.9	Materials	4.6
		Energy	2.4
		Telecommunication Services	1.9
		Utilities	0.6
		Cash	4.9

Manager Weightings



Manager	Style	%
Marathon	Contrarian (global)	56.8
Sands Capital	Growth (global)	21.8
Altrinsic	Value (global)	20.1
Others ⁵	Cash	1.3

Manager Styles

Contrarian: An approach that often includes holding stocks currently out of favour with the market.

Value: An approach that focuses on selecting stocks that are regarded as relatively cheap based on various price measures.

Growth: The focus is on selecting stocks that are regarded as having above average earnings potential.

Top 10 Portfolio Holdings	%
Amazon	1.6
Oracle	1.4
Alphabet	1.2
Johnson & Johnson	1.2
Booking Holdings	1.2
Alibaba Group	1.2
Facebook	1.1
Visa	1.1
Nestle	1.0
Praxair	0.9

Notes

1. Performance measures are expressed after fees, costs and before taxes. Performance may not sum due to the rounding of individual components. Fund inception date 23 September 2004, performance reporting commenced October 2004.

2. Allocations may not add up to 100% due to the rounding of individual components.

3. The Management fee is inclusive of GST (after taking into account Reduced Input Tax Credits) and can be negotiated for direct investors. Refer to the current disclosure document for more information on fees and costs.

4. Please refer to the Product Disclosure Statement on the Morningstar website for more information on how to apply.

5. Others can include all non-manager holdings such as derivatives exposure due to dynamic asset allocation, cash and cash like securities held for currency hedging and the general operation of the Fund.

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.