

# Morningstar Cash Fund

# Q4 2016

All data and information as of December 31, 2016

## Quarterly Performance Update

APIR Code (Class A)	INT0030AU
Inception	07 Jun 2000
Size \$m	453.2
Unit Pricing	Daily
Distributions	Quarterly
Management Fee	Up to 0.36%
Buy/Sell Spread	0.00% / 0.00%
Minimum Investment	\$500,000

### Investment Objective

Aims to match and, where possible, enhance performance relative to the benchmark (Bloomberg AusBond Bank Bill Index) over rolling three year periods, by investing predominantly in Australian short-term cash deposits and cash equivalent securities.

### Investment Strategy

A Fund predominantly invested in liquid money market and fixed interest cash securities. The Fund will invest in government, semi-government and highly rated corporate securities (or ETFs with exposure to these securities), typically with a maturity of a less than one year. The Fund is also constructed to ensure it is highly liquid through all market conditions while also protecting the underlying capital of the Fund.

To implement this strategy, Morningstar may design portfolios and/or appoint managers to manage the assets of the Fund.

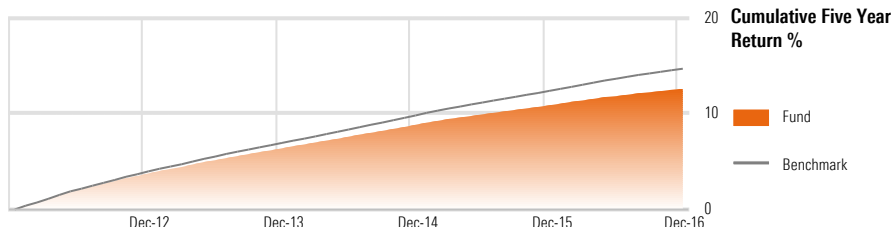
Available to wholesale investors, and indirectly to retail investors via select retail platforms.

### Key Features

A defensive portfolio with a focus on absolute capital preservation, and liquidity.

Seeks to deliver returns that match the market index for Australian short-term securities provided at a low cost.

### Performance<sup>1</sup>



Total Return %	3 Months	6 Months	1 Year	3 Years (pa)	5 Years (pa)
Fund (Net of Fees)	0.34	0.70	1.57	1.92	2.41
Benchmark	0.44	0.92	2.07	2.37	2.79
Active Return	-0.10	-0.22	-0.50	-0.45	-0.38

### Portfolio Analysis<sup>2</sup>

Sector Allocations	%	Top 5 Issuers	%
Bank Bills/Negotiable Certificates of Deposits	60.3	Commonwealth Bank of Australia	13.7
Bank Floating Rate Notes	34.1	Royal Bank of Canada	12.6
Short Dated Bonds	4.8	ANZ Banking Group	10.2
Cash	0.8	Westpac Banking Corp	10.0
		Suncorp Metway Ltd	7.2

Maturity Breakdown	%
0 - 30 days	14.5
31 - 60 days	29.3
61 - 90 days	18.8
91 - 180 days	13.8
181 + days	23.6

### Characteristics

Modified Duration (years)	0.2
Yield to Maturity (%)	2.0

### Notes

1. Performance measures are expressed after fees, costs and before taxes. Performance may not sum due to the rounding of individual components.

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.

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

## 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.

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**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.

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**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.

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**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.

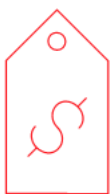
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**We take a fundamental approach.** Powerful research is behind each decision we hold, and we understand what drives each investment we analyse.

Fundamental investing incorporates a focus on the future earnings of an investment and not its prospective price change.

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**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.

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**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.