

Australian Shares Core Managed Account Portfolio

072018

Monthly Performance Update

All data and information as at Portfolio Date: 31/07/2018

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

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 Growth

Time Period: 1/07/2004 to 31/07/2018



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.

Trailing Returns

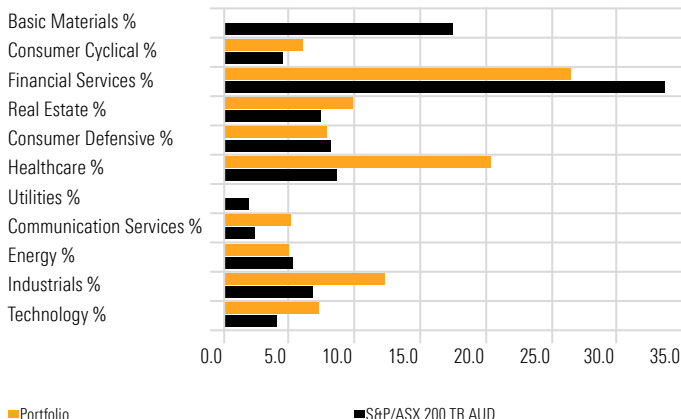
	10yr (% p.a)	5yr (% p.a)	3yr (% p.a)	1yr	3mth	1mth	Incp (% p.a)
Portfolio	6.46	5.05	4.18	9.69	1.84	2.01	7.54
S&P/ASX 200 TR AUD	7.05	9.17	7.98	14.59	5.84	1.39	8.82

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

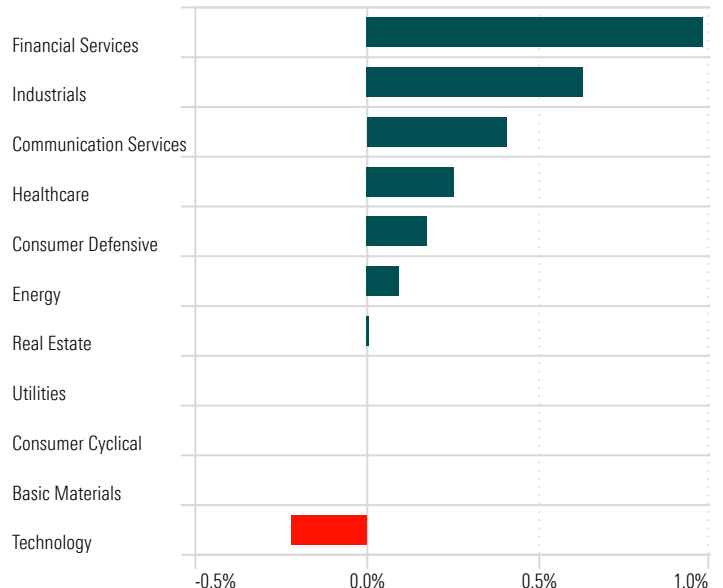
Risk Since Inception

	Std Dev	Max Drawdown	Beta
Portfolio	13.23	-48.58	0.95
S&P/ASX 200 TR AUD	12.99	-47.18	1.00

Sector Exposure



Sector Contribution Over the Month



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.



Portfolio Holdings

	Morningstar Sector	Portfolio Weighting %
Cash Account	—	11.410
QBE Insurance Group Ltd	Financial Services	5.562
Crown Resorts Ltd	Consumer Cyclical	5.311
Healthscope Ltd	Healthcare	5.267
Medibank Private Ltd	Financial Services	5.120
ResMed Inc DR	Healthcare	4.751
National Australia Bank Ltd	Financial Services	4.655
Westpac Banking Corp	Financial Services	4.594
Telstra Corp Ltd	Communication Services	4.551
Woodside Petroleum Ltd	Energy	4.369
Brambles Ltd	Industrials	4.343
Sydney Airport	Industrials	4.220
Carsales.com Ltd	Technology	4.130
Coca-Cola Amatil Ltd	Consumer Defensive	3.684
CSL Ltd	Healthcare	3.525
Link Administration Holdings Ltd	Financial Services	3.513
Wesfarmers Ltd	Consumer Defensive	3.278
Scentre Group	Real Estate	3.253
Vicinity Centres	Real Estate	3.098
Ansell Ltd	Healthcare	2.890
Unibail-Rodamco-Westfield ADR	Real Estate	2.388
Qube Holdings Ltd	Industrials	2.303
MYOB Group Ltd	Technology	2.202
Ramsay Health Care Ltd	Healthcare	1.562
OneMarket Ltd Ordinary Shares	Technology	0.019

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.

This document is issued by Morningstar Investment Management Australia Limited (ABN 54 071 808 501, AFS Licence No. 228986) ("Morningstar"). © Copyright of this document is owned by Morningstar and any related bodies corporate that are involved in the document's creation. As such the document, or any part of it, should not be copied, reproduced, scanned or embodied in any other document or distributed to another party without the prior written consent of Morningstar. The information provided is for general use only. In compiling this document, Morningstar has relied on information and data supplied by third parties including information providers (such as Standard and Poor's, MSCI, Barclays, FTSE). Whilst all reasonable care has been taken to ensure the accuracy of information provided, neither Morningstar nor its third parties accept responsibility for any inaccuracy or for investment decisions or any other actions taken by any person on the basis or context of the information included. Past performance is not a reliable indicator of future performance. Morningstar does not guarantee the performance of any investment or the return of capital. Morningstar warns that (a) Morningstar has not considered any individual person's objectives, financial situation or particular needs, and (b) individuals should seek advice and consider whether the advice is appropriate in light of their goals, objectives and current situation. Before making any decision about whether to invest in a financial product, individuals should obtain and consider the disclosure document. For a copy of the relevant disclosure document, please contact our Adviser Distribution Team on 02 9276 4550.