

# Australian Shares Income Managed Account Portfolio

# 072018

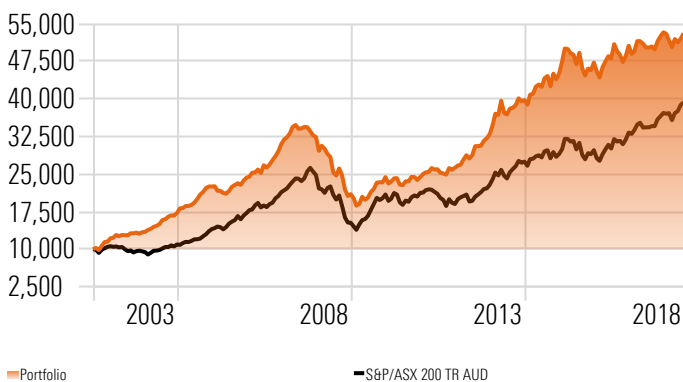
## Monthly Performance Update

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

**Risk Profile:** High  
**Inception:** 31 August 2001  
**Management Fee:** 0.65%  
**Investment Horizon:** 7 Years

### Investment Growth

Time Period: 1/08/2001 to 31/07/2018



### Trailing Returns

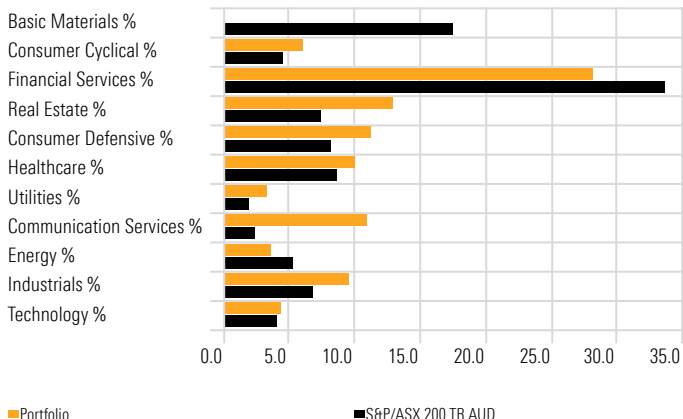
	10yr (% p.a)	5yr (% p.a)	3yr (% p.a)	1yr	3mth	1mth	Incp (% p.a)
Portfolio	7.95	6.88	2.57	5.66	2.18	2.16	10.32
S&P/ASX 200 TR AUD	7.05	9.17	7.98	14.59	5.84	1.39	8.39

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	11.34	-46.34	0.71
S&P/ASX 200 TR AUD	12.56	-47.18	1.00

### Sector Exposure



#### 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.

### Investment Objective

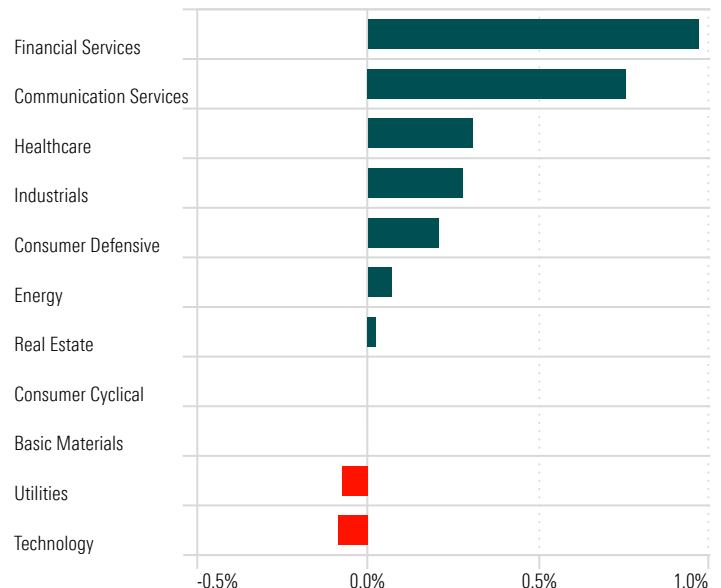
The Morningstar Australian Shares Income Portfolio aims to provide investors with greater risk-adjusted returns and a higher sustainable franked dividend yield relative to the S&P/ASX 200 Accumulation Index in the long term.

### 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 above the benchmark, 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 more by income than capital appreciation, although both are of course desirable.

### Sector Contribution Over the Month



**Portfolio Holdings**

Franking (%) (est): 60.2% | Forecast Div Yield (%): 4.6%

	<b>Morningstar Sector</b>	<b>Portfolio Weighting %</b>
Cash Account	—	9.116
Telstra Corp Ltd	Communication Services	7.281
Medibank Private Ltd	Financial Services	5.868
Wesfarmers Ltd	Consumer Defensive	5.784
QBE Insurance Group Ltd	Financial Services	5.587
Sydney Airport	Industrials	5.563
Crown Resorts Ltd	Consumer Cyclical	5.467
Vicinity Centres	Real Estate	5.180
National Australia Bank Ltd	Financial Services	4.739
Commonwealth Bank of Australia	Financial Services	4.708
Westpac Banking Corp	Financial Services	4.633
Scentre Group	Real Estate	4.390
Coca-Cola Amatil Ltd	Consumer Defensive	4.333
Sonic Healthcare Ltd	Healthcare	4.204
Woodside Petroleum Ltd	Energy	3.288
Healthscope Ltd	Healthcare	3.283
Brambles Ltd	Industrials	3.116
AGL Energy Ltd	Utilities	3.022
Spark New Zealand Ltd	Communication Services	2.666
Carsales.com Ltd	Technology	2.364
Unibail-Rodamco-Westfield ADR	Real Estate	2.168
Ramsay Health Care Ltd	Healthcare	1.632
MYOB Group Ltd	Technology	1.608

**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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