

Australian Shares Income Managed Account Portfolio

102018

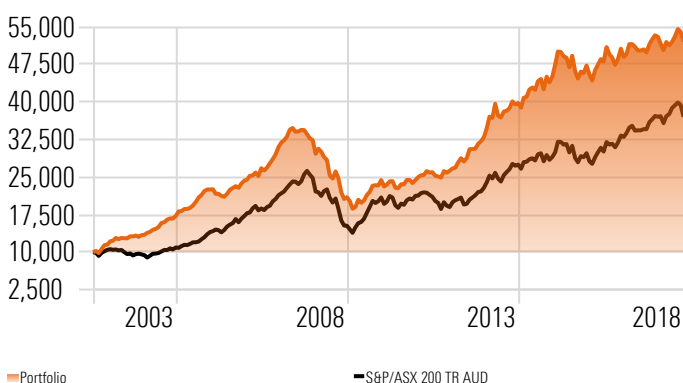
Monthly Performance Update

All data and information as at Portfolio Date: 31/10/2018

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

Investment Growth

Time Period: 1/08/2001 to 31/10/2018



Trailing Returns

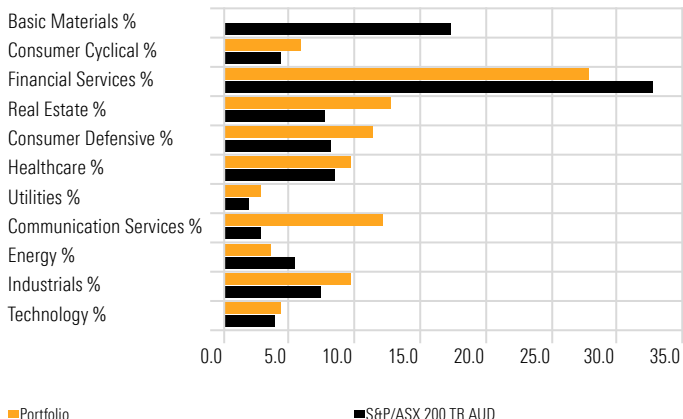
	10yr (% p.a)	5yr (% p.a)	3yr (% p.a)	1yr	3mth	1mth	Incp (% p.a)
Portfolio	9.03	5.35	4.18	1.06	-1.94	-3.55	10.04
S&P/ASX 200 TR AUD	8.53	6.02	8.25	2.94	-5.92	-6.05	7.88

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	11.32	-46.34	0.71
S&P/ASX 200 TR AUD	12.59	-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

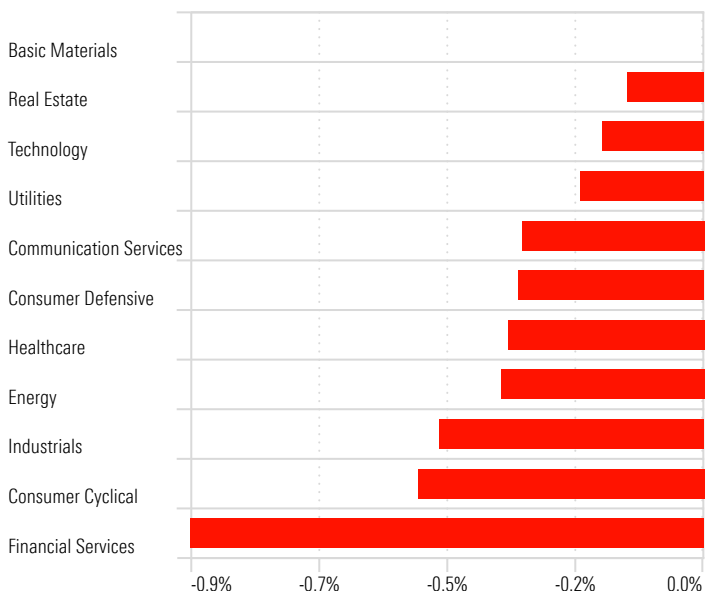
The Morningstar Australian Shares Income Portfolio aims to provide investors with greater risk-adjusted returns and a higher sustainable franked dividend yield relative to the S&P/ASX 200 Accumulation Index in the long term.

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): 60.7% | Forecast Div Yield (%): 4.7%

	Morningstar Sector	Portfolio Weighting %
Cash Account	—	10.980
Telstra Corp Ltd	Communication Services	8.043
QBE Insurance Group Ltd	Financial Services	6.377
Wesfarmers Ltd	Consumer Defensive	5.553
Medibank Private Ltd	Financial Services	5.362
Vicinity Centres	Real Estate	5.256
Sydney Airport	Industrials	5.161
Crown Resorts Ltd	Consumer Cyclical	5.160
Coca-Cola Amatil Ltd	Consumer Defensive	4.565
Commonwealth Bank of Australia	Financial Services	4.438
Westpac Banking Corp	Financial Services	4.300
National Australia Bank Ltd	Financial Services	4.296
Scentre Group	Real Estate	4.187
Sonic Healthcare Ltd	Healthcare	3.703
Brambles Ltd	Industrials	3.411
Healthscope Ltd	Healthcare	3.237
Woodside Petroleum Ltd	Energy	3.229
Spark New Zealand Ltd	Communication Services	2.792
AGL Energy Ltd	Utilities	2.520
Carsales.com Ltd	Technology	2.107
Unibail-Rodamco-Westfield Chess Depository I	Real Estate	1.897
MYOB Group Ltd	Technology	1.764
Ramsay Health Care Ltd	Healthcare	1.662

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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