

# Australian Shares Small Cap Managed Account Portfolio

# 082018

## Monthly Performance Update

All data and information as at Portfolio Date: 31/08/2018

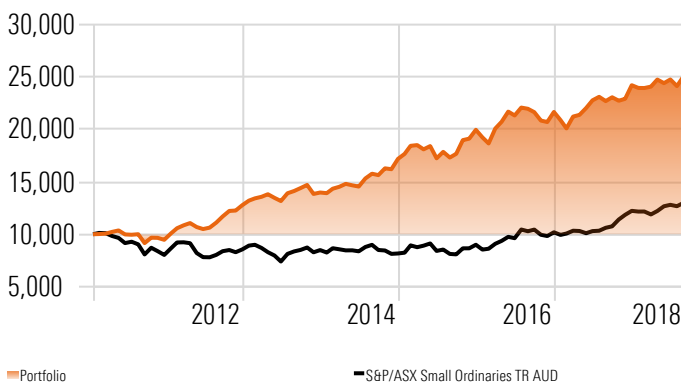
**Risk Profile:** Very High  
**Inception:** 28 February 2011  
**Management Fee:** 0.85%  
**Investment Horizon:** 7 Years

### Investment Objective

The objective of the Morningstar Australian Shares Small Cap Portfolio aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over a complete cycle.

### Investment Growth

Time Period: 1/02/2011 to 31/08/2018



### Investment Strategy

This is an actively managed concentrated portfolio consisting of Morningstar's best small cap ideas outside of the S&P/ASX 100 with sufficient liquidity. Portfolio holdings primarily consist of companies trading at attractive discounts to intrinsic value relative to the portfolio universe. All else equal, Morningstar also strives to own companies with economic moats as high quality companies tend to outperform with reduced volatility.

Total return will tend to be driven by both capital appreciation and dividend yield with the mix dependent on the opportunities available.

### Trailing Returns

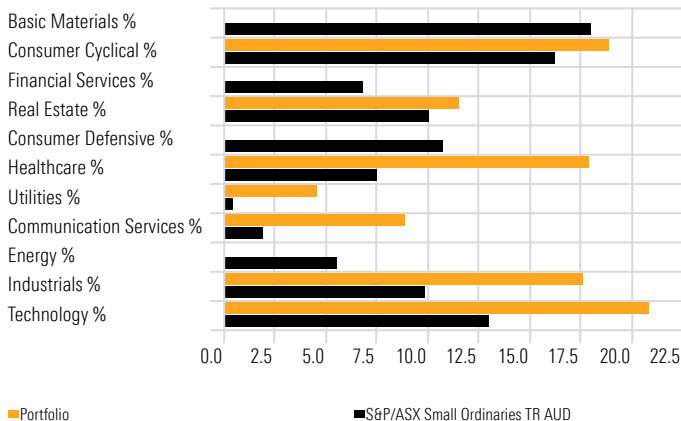
	5yr (% p.a)	3yr (% p.a)	1yr	3mth	1mth	Incp (% p.a)
Portfolio	12.14	13.10	10.40	2.66	3.85	12.86
S&P/ASX Small Ordinaries TR AUD	9.19	16.90	22.32	2.53	2.49	3.50

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

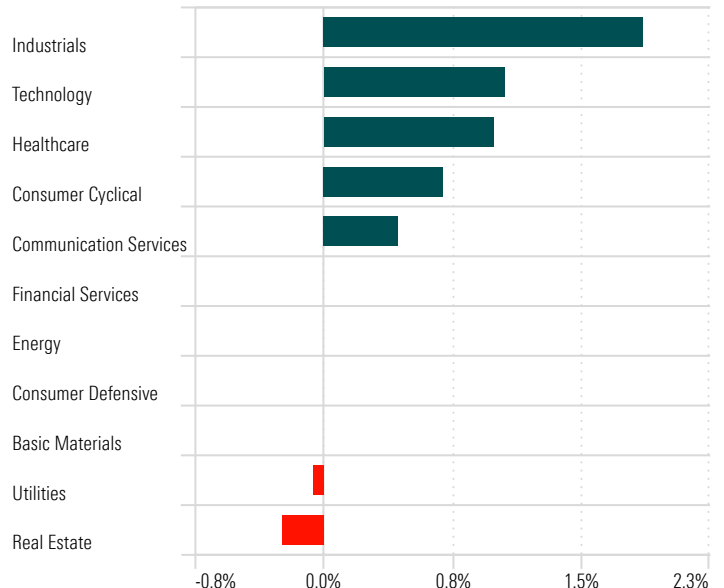
### Risk Since Inception

	Std Dev	Max Drawdown	Beta
Portfolio	11.02	-11.63	0.58
S&P/ASX Small Ordinaries TR AUD	13.95	-26.88	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 0.85% (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.



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**Portfolio Holdings**

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	<b>Morningstar Sector</b>	<b>Portfolio Weighting %</b>
Cash Account	—	16.273
OFX Group Ltd	Industrials	9.634
Xero Ltd	Technology	9.443
Nine Entertainment Co. Holdings Ltd	Consumer Cyclical	6.982
Virtus Health Ltd	Healthcare	5.898
Auckland International Airport Ltd	Industrials	5.094
SkyCity Entertainment Group Ltd	Consumer Cyclical	4.869
Hotel Property Investments	Real Estate	3.951
ALE Property Group	Real Estate	3.844
Mercury NZ Ltd	Utilities	3.843
Chorus Ltd	Communication Services	3.755
Sigma Healthcare Ltd	Healthcare	3.694
Trade Me Group Ltd	Technology	3.662
Spark New Zealand Ltd	Communication Services	3.646
MYOB Group Ltd	Technology	3.597
Australian Pharmaceutical Industries Ltd	Healthcare	2.886
Greencross Ltd	Healthcare	2.457
Ainsworth Game Technology Ltd	Consumer Cyclical	2.381
Folkestone Education Trust	Real Estate	1.826
Automotive Holdings Group Ltd	Consumer Cyclical	0.854
Myer Holdings Ltd	Consumer Cyclical	0.716
iSentia Group Ltd	Technology	0.695

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**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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