

Conservative Managed Account Portfolio

072018

(Previously Defensive Managed Account Portfolio)

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

Monthly Performance Update

Risk Profile: Low

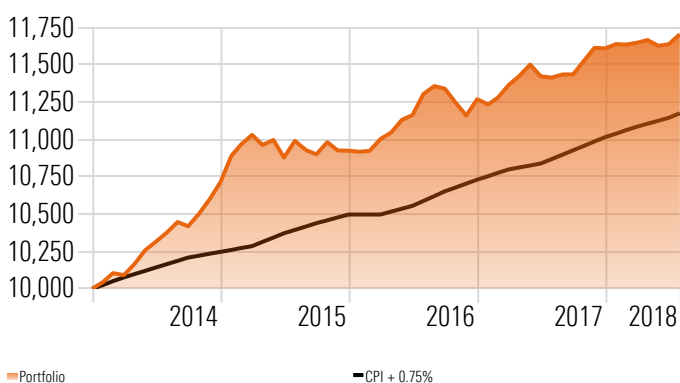
Inception: 20 December 2013

Management Fee: 0.55%

Investment Horizon: 2 Years

Investment Growth

Time Period: 31/12/2013 to 31/07/2018



Trailing Returns

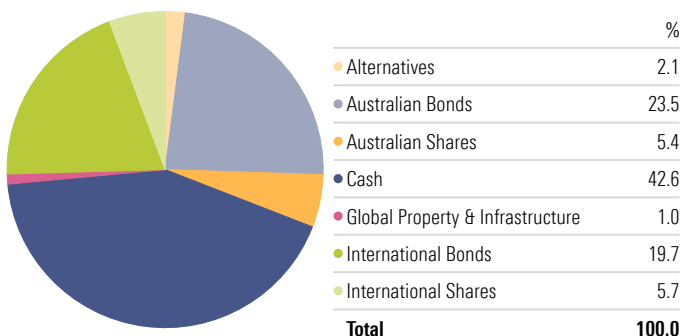
	3yr (% p.a)	1yr	3mth	1mth	Incp (% p.a)
Portfolio	2.12	2.54	0.33	0.57	3.49
CPI + 0.75%	2.45	2.83	0.63	0.27	2.45

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

Risk Since Inception

	Std Dev	Max Drawdown	Sharpe Ratio
Portfolio	1.99	-1.73	0.66

Asset Allocation



Investment Objective

The Morningstar Conservative Portfolio aims to achieve a consistent income return by investing in a diversified portfolio of predominantly defensive asset classes, with a small proportion of growth assets. The portfolio aims to earn a rate of return that exceeds CPI increases by at least 0.75% per annum over rolling 2 year periods.

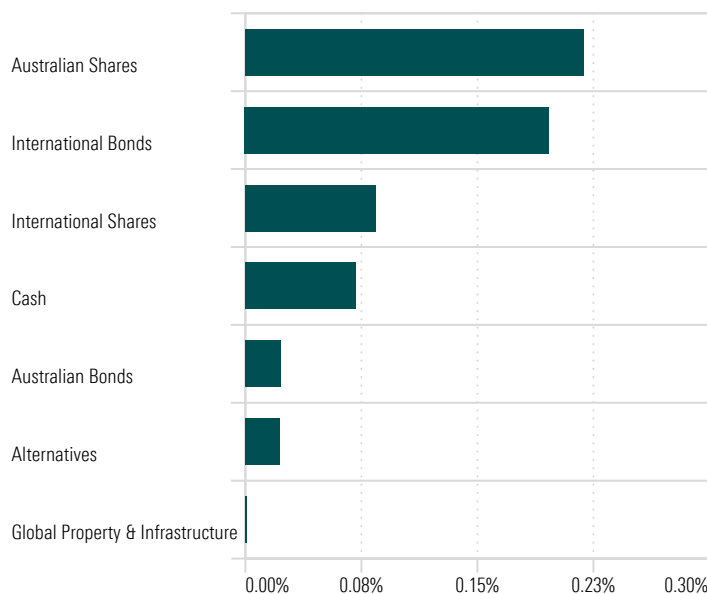
Investment Strategy

An actively managed diversified portfolio of securities across both defensive asset classes, such as cash and fixed interest securities, and growth asset classes such as Australian equities, property and global securities.

In general, the portfolio's long term average exposure will be around 85% defensive assets and 15% growth assets, however the allocations will be actively managed within the allowable ranges depending on market conditions.

The portfolio is designed for investors seeking a consistent income return whilst preserving the value of their capital.

Asset Class Contribution Over the Month



1) Management fees can be negotiated and may be less than the standard management fee. The portfolio may include exchange traded funds which charge management fees and these are an additional cost to individual investors and impact their return. 2) Investment performance is before tax and after the standard management fee of 0.55% (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. 3) The CPI was not available for the current period at the time of creation. CPI for the same period of previous year has been used as a proxy for the current period. Please note the actual CPI for the current quarter will differ to the proxy used.



Portfolio Holdings

	Asset Class Name	Portfolio Weighting %
iShares Core Cash ETF	Cash	20.402
Morningstar Intl Bonds Hedged Fund	International Bonds	19.710
BetaShares High Int Cash	Cash	15.753
iShares Core Composite Bond ETF	Australian Bonds	15.607
Cash Account	Cash	6.472
iShares Government Inflation ETF	Australian Bonds	5.910
iShares MSCI Emerging Markets ETF (AU)	International Shares	2.516
Morningstar Multi Asset Real Return Fund Tr Z	Alternatives	2.051
Vanguard Australian Fixed Interest Index ETF	Australian Bonds	1.940
iShares Europe ETF (AU)	International Shares	1.646
Morningstar Australian Shares	Australian Shares	1.576
iShares MSCI Japan ETF (AU)	International Shares	1.574
SPDR® Dow Jones Global Real Estate ETF	Global Property & Infrastructure	1.021
Telstra Corp Ltd	Australian Shares	0.728
Brambles Ltd	Australian Shares	0.676
QBE Insurance Group Ltd	Australian Shares	0.647
Commonwealth Bank of Australia	Australian Shares	0.611
Crown Resorts Ltd	Australian Shares	0.592
Medibank Private Ltd	Australian Shares	0.567

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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