

Diversified Income Managed Account Portfolio

072018

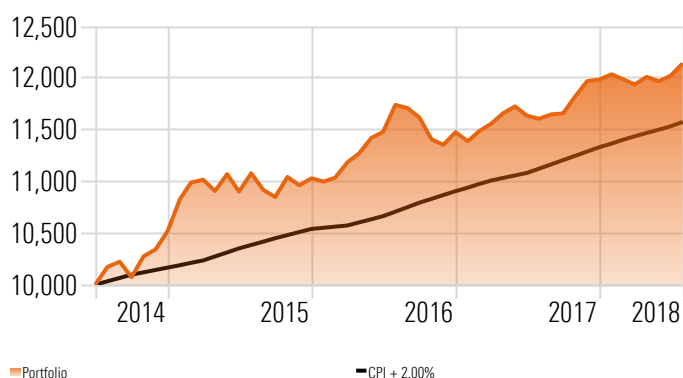
Monthly Performance Update

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

Risk Profile: Moderate
Inception: 30 June 2014
Management Fee: 0.61%
Investment Horizon: 4 Years

Investment Growth

Time Period: 30/06/2014 to 31/07/2018



Trailing Returns

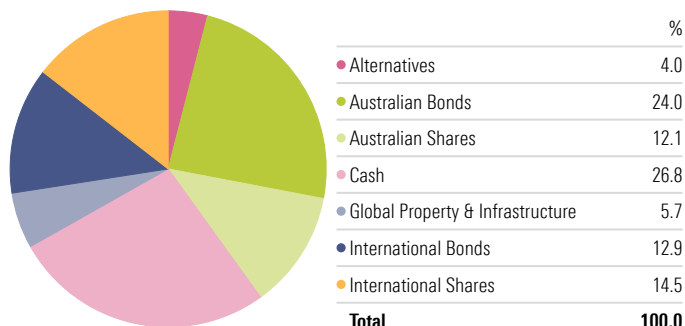
	3yr (% p.a)	1yr	3mth	1mth	Incp (% p.a)
Portfolio	3.11	4.63	1.09	1.00	4.88
CPI + 2.00%	3.70	4.08	0.94	0.37	3.65

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	3.72	-3.30	0.74

Asset Allocation



Investment Objective

The Morningstar Diversified Income Portfolio aims to achieve a consistent level of income at or above prevailing cash levels and the potential for long term capital growth, by investing in a diversified portfolio that has an emphasis on income producing assets. The portfolio aims to earn a rate of return that exceeds CPI increases by at least 2% per annum over rolling 4 year periods, with a consistent level of income at or above prevailing cash levels.

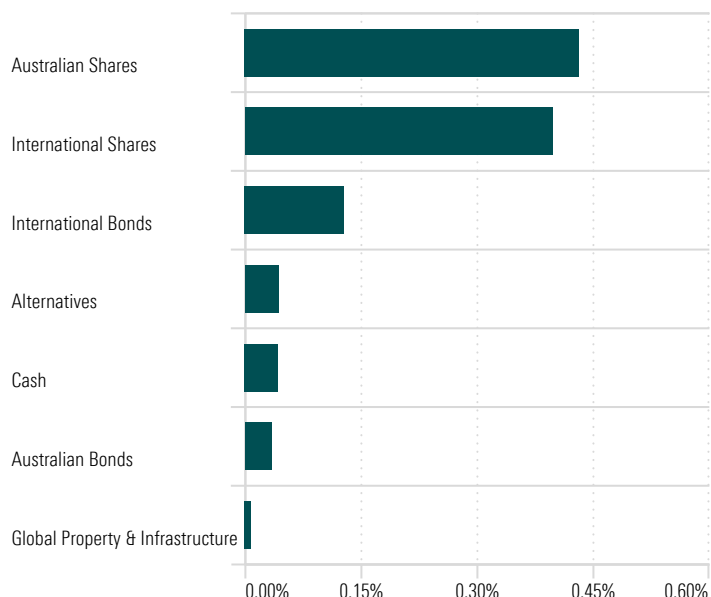
Investment Strategy

An actively managed diversified portfolio of securities across both defensive oriented 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 60% income assets and 40% 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 portfolio which provides a consistent income return with potential for long term capital growth.

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 0.61% (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 Composite Bond ETF	Australian Bonds	16.995
iShares Core Cash ETF	Cash	13.034
Morningstar Intl Bonds Hedged Fund	International Bonds	12.944
BetaShares High Int Cash	Cash	8.847
Cash Account	Cash	4.889
iShares Government Inflation ETF	Australian Bonds	4.075
Morningstar Multi Asset Real Return Fund Tr Z	Alternatives	4.019
Morningstar Intl Shares Fund Hedged	International Shares	3.847
iShares MSCI Emerging Markets ETF (AU)	International Shares	3.548
SPDR® Dow Jones Global Real Estate ETF	Global Property & Infrastructure	3.275
iShares Global Healthcare ETF (AU)	International Shares	3.131
BetaShares Australian Bank Senior Floating Rate	Australian Bonds	2.915
iShares MSCI Japan ETF (AU)	International Shares	2.047
iShares Europe ETF (AU)	International Shares	1.938
Morningstar Australian Shares	Australian Shares	1.936
Commonwealth Bank of Australia	Australian Shares	1.066
Telstra Corp Ltd	Australian Shares	1.066
Brambles Ltd	Australian Shares	0.987
QBE Insurance Group Ltd	Australian Shares	0.965
Scentre Group	Global Property & Infrastructure	0.951
Crown Resorts Ltd	Australian Shares	0.882
Vicinity Centres	Global Property & Infrastructure	0.839
Wesfarmers Ltd	Australian Shares	0.701
National Australia Bank Ltd	Australian Shares	0.700
Medibank Private Ltd	Australian Shares	0.664
GPT Group	Global Property & Infrastructure	0.654
Sonic Healthcare Ltd	Australian Shares	0.644
Coca-Cola Amatil Ltd	Australian Shares	0.628
Spark New Zealand Ltd	Australian Shares	0.623
AGL Energy Ltd	Australian Shares	0.603
Westpac Banking Corp	Australian Shares	0.586

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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