

# Morningstar Australian Shares Income Managed Account Portfolio

# Q1 2022

## Quarterly Performance Update

All data and information as at Portfolio Date: 31/03/2022

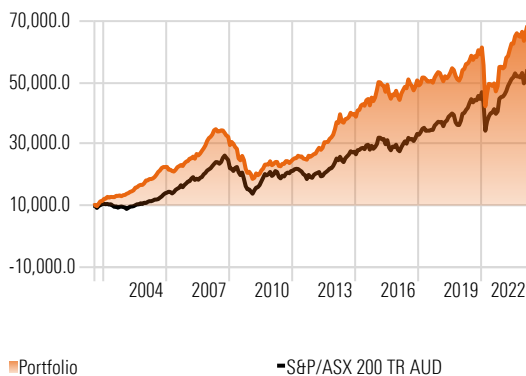
### Top Holdings

	Weighting %
Cash Account	5.7
Computershare Ltd	5.3
Rio Tinto Ltd	4.7
Link Administration Holdings Ltd	4.6
Monadelphous Group Ltd	4.6
National Australia Bank Ltd	4.2
IRESS Ltd	4.1
Aurizon Holdings Ltd	4.0
Growthpoint Properties Australia	4.0
Australia and New Zealand Banking Group Ltd	3.8

The Morningstar Australian Shares Income portfolio generated a return of 3.0% over the quarter, outperforming the underlying benchmark by approximately 0.8%. The portfolio has generated an income return of approximately 4.6% on a rolling twelve-month basis. While this is similar to its underlying benchmark, the portfolio accrued more franking credits. The portfolio's overweight exposure to Industrials, IT, and Consumer Discretionary over the quarter, significantly contributed to the relative outperformance. Computershare (+24.8%), Rio Tinto (+26.1%), and BHP (+30.5%) contributed handsomely to performance this quarter. Non-banking financial exposure weighed heavily on further outperformance, with Janus Henderson (-18.5%) and Pandal Group (-16.5%) contracting sharply over the quarter. At this time, the portfolio has a meaningful bias towards quality, with some 70% of the portfolio invested in narrow and wide Moat<sup>®</sup> rated stocks. The portfolio maintains its Core-Value style bias.

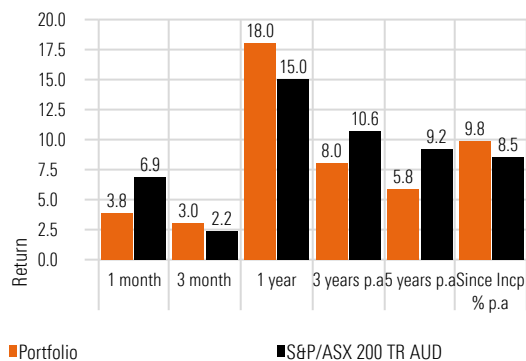
### Investment Growth of \$10,000

Time Period: 1/08/2001 to 31/03/2022



### Returns Relative to Benchmark

As of Date: 31/03/2022



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

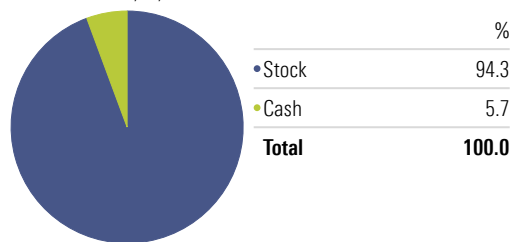
#### Notes:

- 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 is shown from 31/08/2001 and represents modelled performance only and assumes income 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.



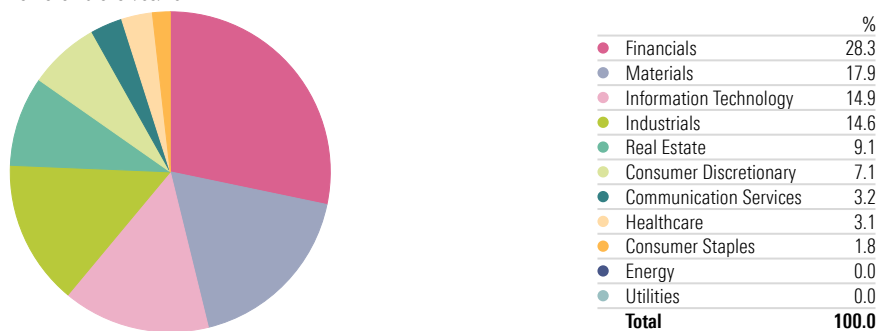
### Asset Allocation

Portfolio Date: 31/03/2022



### Equity Sectors (GICS)

Portfolio Date: 31/03/2022



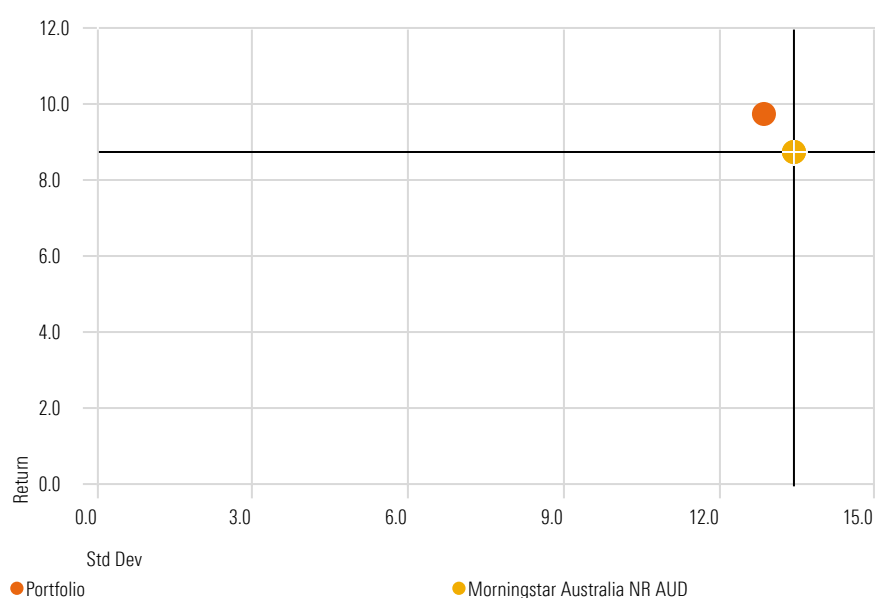
### Market Performance

Time Period: Since Inception to 31/03/2022

	Inv	Bmk1
Up Period Percent	62.90	64.11
Down Period Percent	37.10	35.89
Best Month	12.79	10.21
Worst Month	-23.97	-20.65
Best Quarter	17.12	21.50
Worst Quarter	-28.51	-23.10

### Risk-Reward

Time Period: Since Common Inception (1/08/2001) to 31/03/2022



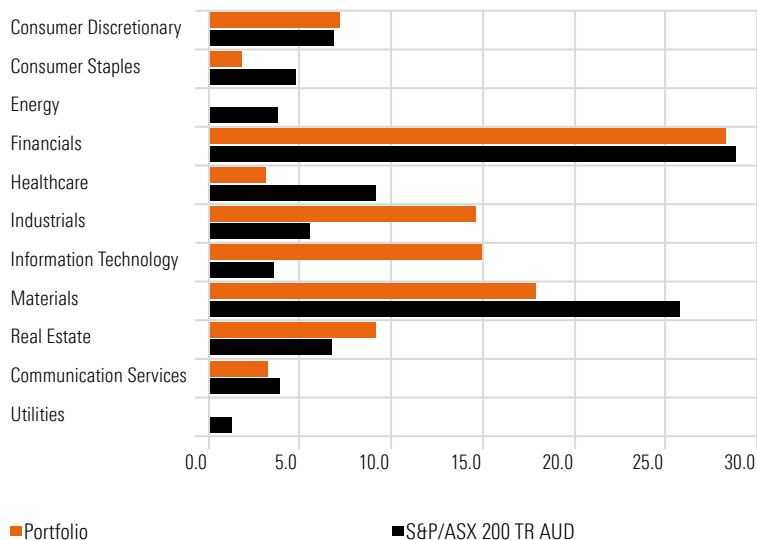
**Risk**

Time Period: Since Inception to 31/03/2022

	Inv	Bmk1
Return % pa	9.75	8.52
Std Dev	12.87	13.36
Max Drawdown	-46.34	-47.18

**Sector Exposure**

Portfolio Date: 31/03/2022

**Complete List of Holdings**

Portfolio Date: 31/03/2022

Franking (%) (est): 75.5% | Div Yield (%): 4.6%

	Code	Style Box	Total Ret 3 Mo (Qtr-End)	Portfolio Weight %
Cash Account			0.013	5.651
Computershare Ltd	CPU	■	24.700	5.294
Rio Tinto Ltd	RIO	■	25.600	4.697
Link Administration Holdings Ltd	LNK	■	-6.643	4.629
Monadelphous Group Ltd	MND	■	15.959	4.560
National Australia Bank Ltd	NAB	■	12.171	4.185
IRESS Ltd	IRE	■	-2.080	4.116
Aurizon Holdings Ltd	AZJ	■	8.739	4.046
Growthpoint Properties Australia	GOZ	■	0.688	4.005
Australia and New Zealand Banking Group Ltd	ANZ	■	0.327	3.804
Medibank Private Ltd	MPL	■	-6.239	3.716
Brambles Ltd	BXB	■	-5.357	3.626
Fortescue Metals Group Ltd	FMG	■	12.025	3.599
Westpac Banking Corp	WBC	■	13.536	3.517
InvoCare Ltd	IVC	■	2.934	3.440
BHP Billiton Ltd	BHP	■	29.712	3.419
Bapcor Ltd	BAP	■	-7.275	3.299
Perpetual Ltd	PPT	■	-0.278	3.231
South32 Ltd	S32	■	28.167	3.061
TPG Telecom Ltd Ordinary Shares	TPG	■	4.160	3.040
Ansell Ltd	ANN	■	-17.148	2.948
Scentre Group	SCG	■	-1.187	2.518
Janus Henderson Group PLC DR	JHG	■	-18.516	2.509
Pendal Group Ltd	PDL	■	-16.517	2.206
Amcort PLC	AMC	■	-6.304	2.110
Dexus	DXS	■	-1.529	2.032
Commonwealth Bank of Australia	CBA	■	6.455	1.952
Inghams Group Ltd	ING	■	-10.714	1.687
Platinum Asset Management Ltd	PTM	■	-14.444	1.557
CIMIC Group Ltd	CIM	■	30.178	1.546

## Glossary of Terms

Term	Description
Active Return	A performance measure of a portfolio relative to its benchmark.
Allocation Effect	Refers to the portion of an investment manager's value-add attributable to the manager's decision on how much to allocate to each market sector, in other words, a manager's decision to overweight and underweight certain sectors compared with the benchmark.
Alpha	A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta.
Average Market Cap (mil)	Average Market Cap (mil) This is an estimation of the value of a business that is obtained by multiplying the number of shares outstanding by the current price of a share.
Best Month	The highest monthly return of the investment since its inception or for as long as Morningstar has data available.
Best Quarter	The highest quarterly (3-month) return of the investment since its inception or for as long as Morningstar has data available.
Beta	A measure of systematic risk with respect to a benchmark. Systematic risk is the tendency of the value of the fund and the value of benchmark to move together. Beta measures the sensitivity of the fund's excess return (total return minus the risk-free return) with respect to the benchmark's excess return that results from their systematic co-movement.
Debt to Capital % (TTM)	A ratio measuring a firm's financial leverage. This ratio is calculated by dividing long-term debt (excluding other liabilities) by total capitalisation (the sum of common equity plus preferred equity plus long-term debt).
Down Capture Ratio	Downside Capture Ratio measures manager's performance in down markets. A down-market is defined as those periods (months or quarters) in which market return is less than 0. In essence, it tells you what percentage of the down-market was captured by the manager. For example, if the ratio is 110%, the manager has captured 110% of the down-market and therefore underperformed the market on the downside.
Down Period Percent	Number of months below 0 divided by the total number of months.
Downside Deviation	This measures only deviations below a specified benchmark.
Moat Company Pct	Percentage of the portfolio, by market value, having a narrow or wide moat.
P/E Ratio (TTM)	A measure of value. It is the average price divided by latest earnings.
Portfolio Price/Fair Value	Ratio of the portfolio's market value to the fair value of the portfolio.
R2	Reflects the percentage of a portfolio's movements that can be explained by movements in its benchmark.
ROA % (TTM)	Return on assets (ROA) measures a firm's performance in using assets to generate earnings independent of how the firm financed acquisition of those assets.
ROE % (TTM)	Return on equity (ROE) is the percentage a company earns on its total equity in a given year. ROE shows how much profit a company generates on the money shareholders have invested in the firm.
Selection Effect	Represents the portion of performance attributable to the manager's stock picking ability.
Sharpe Ratio (arith)	Is calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance.
Std Dev	A statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund.
Tracking Error	A measure of the volatility of excess returns relative to a benchmark.
Turnover (2 Yr Avg)	Measures the portfolio manager's trading activity by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.
Up Capture Ratio	Upside Capture Ratio measures a manager's performance in up markets relative to the market (benchmark) itself. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside capture return.
Up Period Percent	Number of months above 0 divided by the total number of months.
Worst Month	The lowest monthly return of the investment since its inception or for as long as Morningstar has data available.
Worst Quarter	The lowest quarterly (3-month) return of the investment since its inception or for as long as Morningstar has data available.

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