

# Morningstar Conservative (15) Managed Account Portfolio

Performance Update | As of 30/06/2024

**Risk Level:** Low

**Inception:** 20 December 2013

**Investment Horizon:** 3 Years

**Management Fee:** 0.50%

**Indirect Costs:** 0.13%

## Investment Objective

To achieve a consistent and recurring income by investing in a diversified portfolio of predominantly defensive asset classes, with a small proportion of growth asset classes.

**Performance Objective:** To deliver outperformance of the asset weighted benchmark and additionally to aim to earn a rate of return that exceeds inflation by at least 0.5% per annum both over rolling 3-year periods.

## Investment Strategy

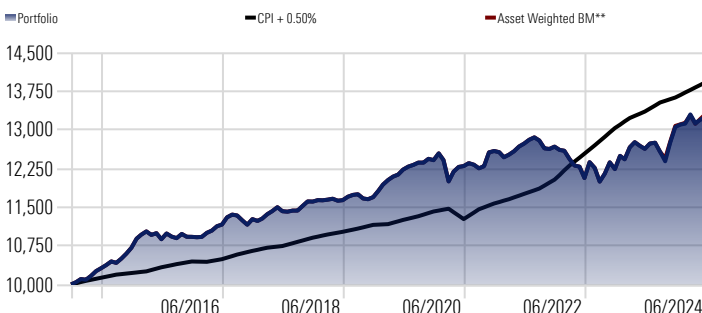
An actively managed diversified portfolio of securities across both defensive asset classes such as cash and fixed interest securities, and growth asset classes such as Australian equities, property and global securities. In general, the portfolio's long-term average exposure will be around 85% defensive assets and around 15% growth assets; however the allocations will be actively managed within the allowable ranges depending on market conditions.

## Trailing Returns

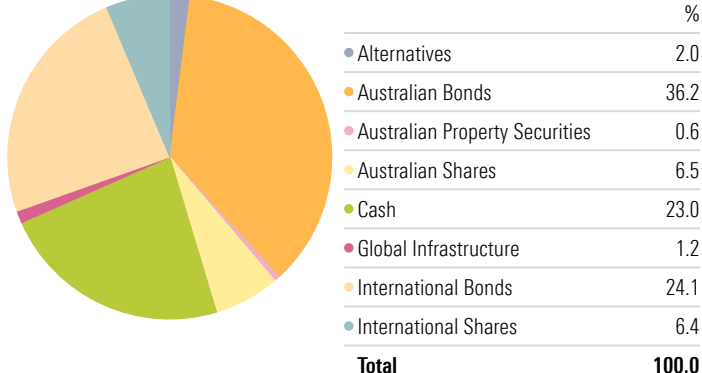
	1mth (%)	3mth (%)	1yr (%)	3yr (% p.a)	5yr (% p.a)	7yr (% p.a)	10yr (% p.a)	Incp (% p.a)
Portfolio*	0.50	-0.29	4.99	1.36	1.64	2.16	2.55	2.73
Asset Weighted BM**	0.68	0.15	—	—	—	—	—	—
CPI + 0.50%^	0.36	1.08	4.25	5.80	4.36	3.77	3.24	3.21

Past performance is not a reliable indicator of future performance.

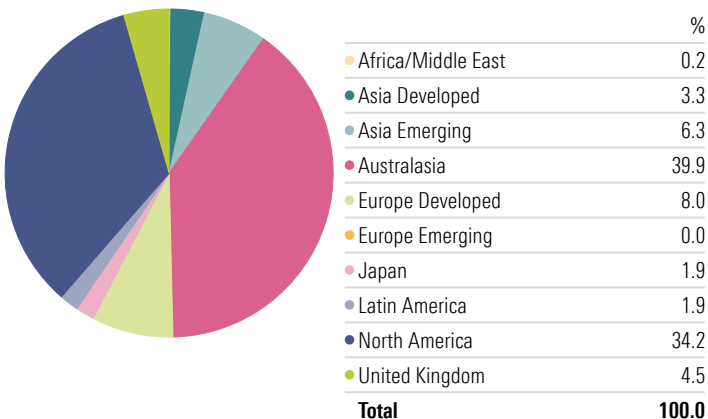
Returns over 12 months are annualised.



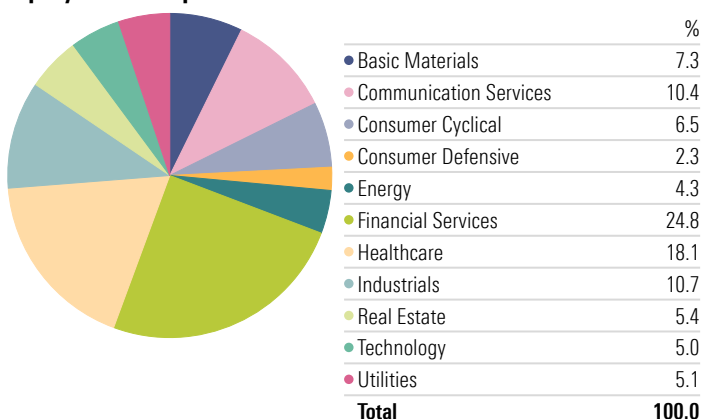
## Asset Allocation



## Equity Regional Exposure



## Equity Sector Exposure



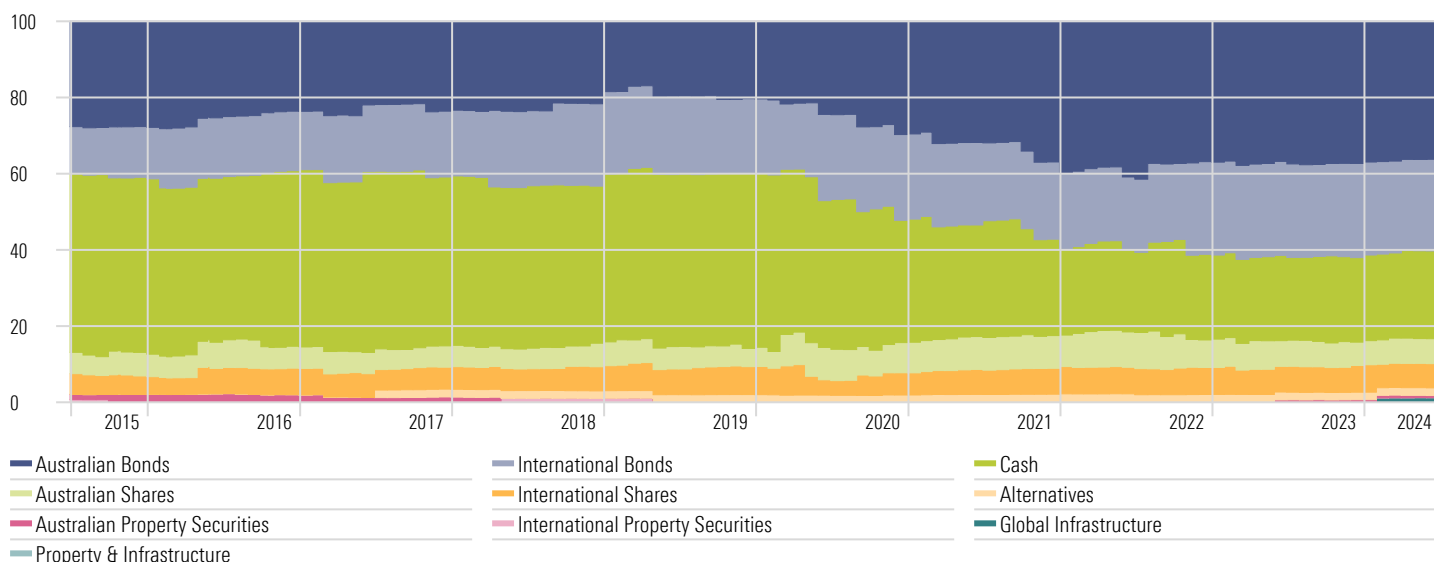
\*Investment performance is before tax and the post-fee return is after the standard management fee of 0.50% and indirect costs (both are inclusive of GST). Investment performance is shown from 20/12/2013 and represents modelled performance only and assumes income received is reinvested. An individual 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. The portfolio may include Funds (including Exchange Traded Funds) which charge management fees and these are an additional cost (captured within the indirect costs) to individual investors and impact their return. \*\*Prior to 1/03/2021 the benchmark was 0.75%.

\*\*Prior to 1 October 2023, the portfolios were managed to a CPI benchmark only. The performance of the Asset Weighted Benchmark will be displayed from 1 October 2023.

^The CPI was not available for the current quarter at the time of creation of this report. CPI for the previous quarter has been used as a proxy for the current quarter. Please note the actual CPI for the current quarter may differ to the proxy used.



## Asset Allocations Over Time



## Portfolio Holdings

Holding	Code	Asset Class	Morningstar Sector	Portfolio Weighting %
Morningstar International Bonds (Zero Fee Class)	40519	International Bonds	—	21.0
iShares Core Composite Bond ETF	IAF	Australian Bonds	—	18.6
BetaShares High Int Cash	AAA	Cash	—	10.4
Vanguard Australian Fixed Interest ETF	VAF	Australian Bonds	—	10.2
iShares Enhanced Cash ETF	ISEC	Cash	—	8.3
BetaShares Aus Inv Grd Corp Bd ETF	CRED	Australian Bonds	—	5.0
Cash	—	Cash	—	4.4
Morningstar Global Opportunities Class Z	44388	International Shares	—	3.9
BetaShares Aus Bank Sr Fltng Rt Bd ETF	QPON	Australian Bonds	—	2.4
Vanguard Intl Credit Secs (Hdg) ETF	VCF	International Bonds	—	2.0
Mstar Multi Asset Real Return (Zero Fee Class)	41803	Alternatives	—	2.0
Morningstar International Shrs Actv ETF	MSTR	International Shares	—	1.3
iShares Core FTSE Global Infrs AUDH ETF	GLIN	Global Infrastructure	—	1.2
iShares Core MSCI Wld Ex Aus ESG ETF	IWLD	International Shares	—	1.2
ANZ Group Holdings Ltd	ANZ	Australian Shares	Financial Services	1.1
Westpac Banking Corp	WBC	Australian Shares	Financial Services	1.1
iShares Global High Yield Bond AUDH ETF	IHHY	International Bonds	—	1.0
CSL Ltd	CSL	Australian Shares	Healthcare	1.0
iShares Core S&P/ASX 200 ETF	IOZ	Australian Shares	—	0.9
Newmont Corp Chess Depository Interest	NEM	Australian Shares	Basic Materials	0.7
Brambles Ltd	BXB	Australian Shares	Industrials	0.7
ResMed Inc CDR	RMD	Australian Shares	Healthcare	0.7
Ramsay Health Care Ltd	RHC	Australian Shares	Healthcare	0.6
Dexus	DXS	Australian Property Securities	Real Estate	0.6

### BENCHMARK

Weight	Asset Class	Asset Class Benchmark	Allocation
5%	Australian Shares	S&P/ASX 300 Accumulation Index	100%
7%	International Shares	MSCI All Country World ex Australia Index with net dividends re-invested (Unhedged)	55%
		MSCI All Country World ex Australia Index with net dividends re-invested (A\$ Hedged)	45%
2%	Global Infrastructure	S&P Global Infrastructure net return Index (A\$ Hedged)	100%
2%	Alternative Investments	Bloomberg AusBond Bank Bill Index	100%
29%	Australian Bonds	Bloomberg AusBond Composite Index	100%
28%	International Bonds (Hedged)	Bloomberg Barclays Global Aggregate A\$ Hedged Index	100%
27%	Cash	Bloomberg AusBond Bank Bill Index	100%

## Morningstar's Investment Principles



**We put investors first.** We believe the firms that put investors first win in the long term because their investors win. Since 1984, Morningstar, Inc. has been helping investors reach their financial goals. Our fiduciary duty to our principals is paramount.



**We're independent-minded.** To deliver results, we think it's necessary to invest with conviction, even when it means standing apart from the crowd. Our research shows that making decisions based on fundamental analysis, rather than short-term factors and sentiment, delivers better long-term investment results.



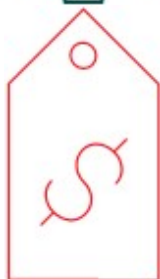
**We invest for the long term.** Taking a patient, long-term view helps people ride out the market's ups and downs and take advantage of opportunities when they arise. Investing with a multi decade horizon aligns with investors focus on increasing their purchasing power over their lifetimes. The long term is the only period where fundamental, valuation driven investing works.



**We're valuation-driven investors.** Anchoring decisions to an investment's fair value—or what it's really worth—can lead to greater potential for returns. Valuation-driven investing through a long-term focus on the difference between price and intrinsic value enables investors to get more than they're paying for.



**We take a fundamental approach.** Powerful research is behind each decision we hold, and we understand what drives each investment we analyse. Fundamental investing incorporates a focus on the future earnings of an investment and not its prospective price change.



**We strive to minimise costs.** Controlling costs helps investors build wealth by keeping more of what they earn. Investment returns are uncertain, but costs are not. Lower costs allow investors to keep more of their returns.



**We build portfolios holistically.** To help manage risk and deliver better returns, truly diversified portfolios combine investments with different underlying drivers. Portfolios should be more than the sum of their parts. True diversification can have a powerful impact on a portfolio's risk-adjusted returns – but simply holding more investments isn't the same as true diversification.

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