

Morningstar Diversified Income Managed Account Portfolio

Performance Update | As of 28/02/2025

Risk Level: Medium to High
Inception: 30 June 2014
Investment Horizon: 5 Years

Management Fee: 0.55%
Indirect Costs: 0.13%

Investment Objective

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.

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 2% per annum both over rolling 5-year periods, with a bias towards income producing assets across the growth and defensive spectrum.

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 55% defensive assets and around 45% growth assets; however the allocations will be actively managed within the allowable ranges depending on market conditions.

Trailing Returns

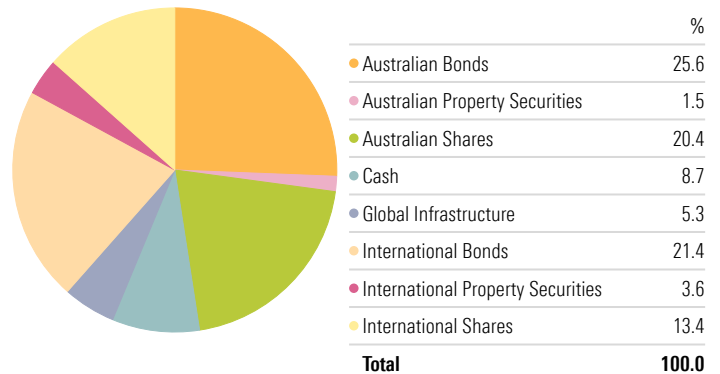
	1mth (%)	3mth (%)	1yr (%)	3yr (% p.a)	5yr (% p.a)	7yr (% p.a)	10yr (% p.a)	Incp (% p.a)
Portfolio*	0.25	0.43	8.12	5.34	4.93	4.60	4.10	4.76
Asset Weighted BM**	-0.49	0.02	8.35	—	—	—	—	—
CPI + 2.00%^	0.24	0.71	3.92	6.30	5.69	5.14	4.72	4.63

Past performance is not a reliable indicator of future performance.

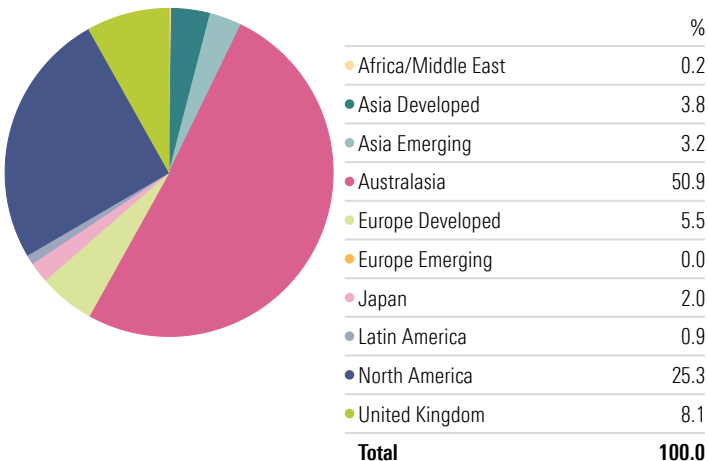
Returns over 12 months are annualised.



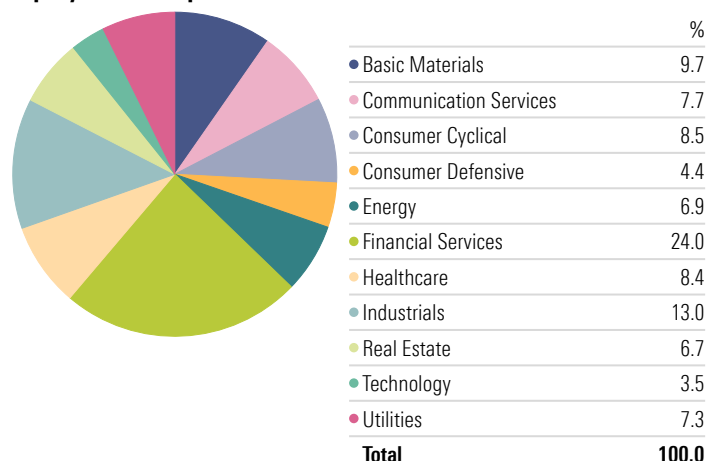
Asset Allocation



Equity Regional Exposure



Equity Sector Exposure

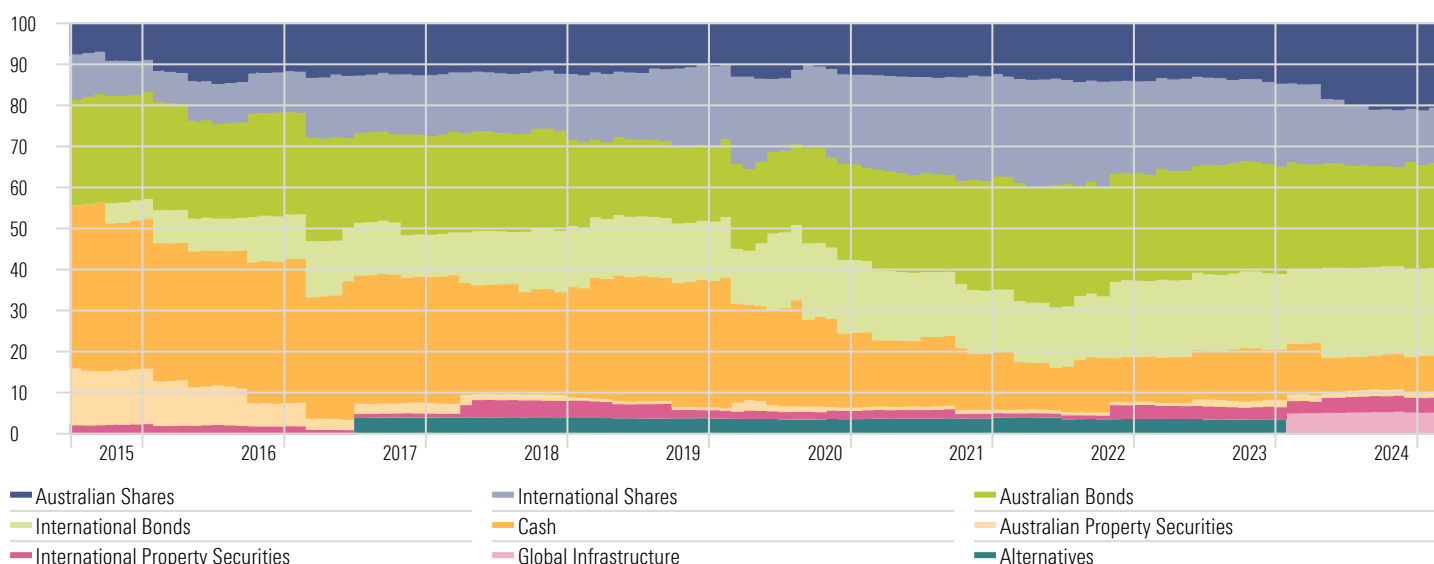


*Investment performance is before tax and the post-fee return is after the standard management fee of 0.55% and indirect costs (both are inclusive of GST). Investment performance is shown from 30/06/2014 and represents modelled performance only and assumes income received is reinvested. An individual 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 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	—	15.5
iShares Core Composite Bond ETF	IAF	Australian Bonds	—	13.4
Vanguard Australian Fixed Interest ETF	VAF	Australian Bonds	—	8.9
iShares Core S&P/ASX 200 ETF	IOZ	Australian Shares	—	6.7
Morningstar International Shrs Actv ETF	MSTR	International Shares	—	6.4
iShares Core Cash ETF	BILL	Cash	—	6.0
Vanguard Intl Credit Secs (Hdg) ETF	VCF	International Bonds	—	5.9
iShares Core FTSE Global Infrs AUDH ETF	GLIN	Global Infrastructure	—	5.3
Morningstar Global Opportunities Class Z	44388	International Shares	—	4.7
VanEck FTSE Intl Prop (AUD Hdg) ETF	REIT	International Property Securities	—	3.6
Mstar Australian Shares Fund (Zero Fee Class)	42105	Australian Shares	—	3.0
Cash	—	Cash	—	2.7
BetaShares Aus Inv Grd Corp Bd ETF	CRED	Australian Bonds	—	2.5
BetaShares FTSE 100 ETF	F100	International Shares	—	1.7
National Australia Bank Ltd	NAB	Australian Shares	Financial Services	1.4
ANZ Group Holdings Ltd	ANZ	Australian Shares	Financial Services	1.3
Westpac Banking Corp	WBC	Australian Shares	Financial Services	1.2
Brambles Ltd	BXB	Australian Shares	Industrials	1.0
GPT Group	GPT	Australian Property Securities	Real Estate	0.9
CSL Ltd	CSL	Australian Shares	Healthcare	0.8
Telstra Group Ltd	TLS	Australian Shares	Communication Services	0.8
BetaShares Aus Bank Sr Fltng Rt Bd ETF	QPON	Australian Bonds	—	0.8
Woodside Energy Group Ltd	WDS	Australian Shares	Energy	0.8
BHP Billiton Ltd	BHP	Australian Shares	Basic Materials	0.8
Medibank Pvt Ltd	MPL	Australian Shares	Financial Services	0.7
Amcor PLC ADR	AMC	Australian Shares	Consumer Cyclical	0.7
Dexus	DXS	Australian Property Securities	Real Estate	0.7
iShares MSCI South Korea ETF (AU)	IKO	International Shares	—	0.6
ResMed Inc CDR	RMD	Australian Shares	Healthcare	0.6
James Hardie Industries PLC DR	JHX	Australian Shares	Basic Materials	0.6

BENCHMARK

Weight	Asset Class	Asset Class Benchmark	Allocation
23%	Australian Shares	S&P/ASX 300 Accumulation Index	100%
11%	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%
3%	Australian Property Securities	S&P/ASX 300 A-REIT Accumulation Index	100%
3%	International Property Securities	FTSE EPRA/NAREIT Developed Rental Index (A\$ Hedged)	100%
5%	Global Infrastructure	S&P Global Infrastructure net return Index (A\$ Hedged)	100%
20%	Australian Bonds	Bloomberg AusBond Composite Index	100%
27%	International Bonds (Hedged)	Bloomberg Barclays Global Aggregate A\$ Hedged Index	100%
8%	Cash	Bloomberg AusBond Bank Bill Index	100%

Detailed information regarding portfolio holdings are available using Morningstar's Look Through Tool.

<https://morningstarinvestments.com.au/holdings/>



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.



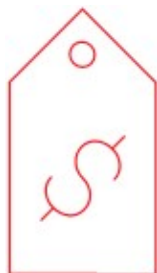
We invest for the long term. Taking a patient, long-term view helps people ride out the market's ups and downs and take advantage of opportunities when they arise. Investing with a multi-decade horizon aligns with investors' focus on increasing their purchasing power over their lifetimes. The long term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