

Morningstar Sustainable Balanced Managed Account Portfolio

Sustainability & Performance Update



CERTIFIED BY RIAA

072022

Portfolio Date: 31/07/2022

Inception date	Risk Profile	Gro/Def Split	Investment Horizon	Management Fee	Indirect Cost Ratio
01/02/2022	Medium	50/50	5+ Years	0.50% p.a.	0.22%

An actively managed diversified portfolio of securities across growth asset classes such as Australian equities, property, infrastructure, and global securities; and defensive asset classes, such as cash and fixed interest securities, with ESG considerations being core to the process. In general, the portfolio's long term average exposure will be around 50% growth assets and around 50% defensive assets, however the allocations will be actively managed within the allowable ranges depending on market conditions. The portfolio will avoid exposure to industries such as Oil, Gas, Tobacco, Gaming and Controversial Weapons.

Investment Objective

To achieve a moderate amount of capital growth along with some income, by investing in a diversified portfolio of growth and defensive asset classes that takes into account ESG considerations and to provide a return in excess of the benchmark over rolling 5-year periods.

Trailing Returns

	1 Yr (%)	6 Mth(%)	3 Mth (%)	1 Mth (%)	Incp. (% p.a.)
Portfolio*	—	-4.1	-2.0	4.1	-4.1
Benchmark**	—	-3.9	-1.2	4.2	-3.9
Sustainability Index**	—	-4.1	-1.5	4.3	-4.1

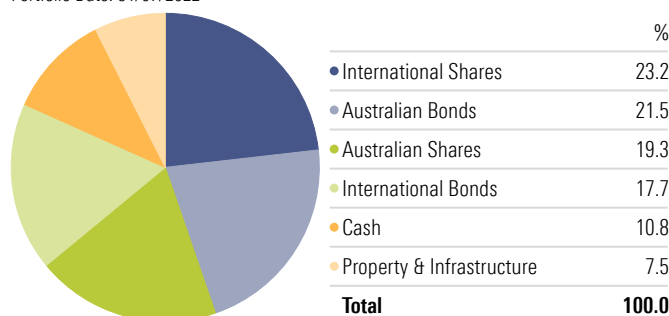
Past performance is not a reliable indicator of future performance.

Returns over 12 months are annualised.

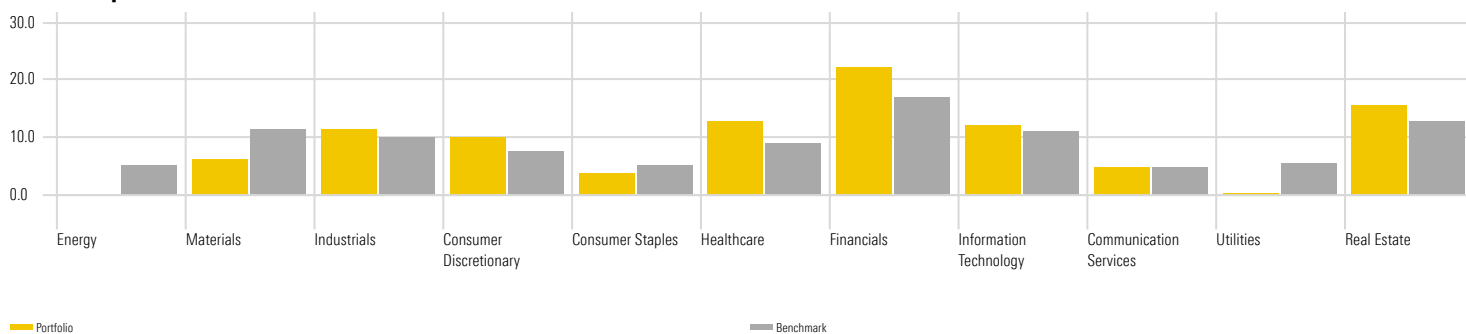
The Sustainability Index is an index that has been constructed using Morningstar Sustainability indices for Australian and international shares. It uses the same asset allocation as the official benchmark and is intended to provide another point of comparison to measure performance.

Portfolio Holdings

Portfolio Date: 31/07/2022



Sector Exposure***



ESG Exclusions

Exclusion Category	Portfolio (%)	Benchmark (%)
Oil, Gas & Consumable Fuels****	0.0	2.1
Tobacco****	0.0	0.2
Oil & Gas Equipment & Services****	0.0	0.1
Casinos & Gaming****	0.0	0.4

Note: There is no GICS sector for controversial weapons. Controversial weapons will be excluded where possible using Sustainability data.

*Investment performance is before tax and the post-fee return is after the standard management fee of 0.50% and indirect cost ratio (both are inclusive of GST).

Investment performance is shown from 01/02/2022 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 exchange traded funds which charge management fees and these are an additional cost (captured within the indirect cost ratio above) to individual investors and impact their return.

**Please see page 2 for a breakdown of benchmark and sustainability index components.

***Sector and Industry exposures are measured using the Global Industry Classification Standard (GICS). Each company is classified and assigned a sector/industry according to its principal business activity.

****These classifications use GICS classifications. 'Oil, Gas & Consumable Fuels' and 'Tobacco' are GICS Industries and 'Oil & Gas Equipment & Services' and 'Casinos & Gaming' are GICS Sub-Industries.



Portfolio Holdings

Portfolio Date: 31/07/2022

	Portfolio Weighting %	ESG Risk Rating Assessment [^]	Morningstar Sustainability Rating ^{TM^^}	Carbon Overall Risk Classification ^{^^^}
Portfolio Weighting %				
iShares Treasury ETF	19.5	—	●●●●●●	—
VANGUARD INVS AUST ETHICALLY CONSCIOUS GBL AGG	17.7	—	●●●●	—
Morningstar Australian Shares Fund A	9.2	—	●●●●●●	—
Morningstar International Shrs Actv ETF	8.9	—	●●●●	—
BETASHARES GLOBAL SUSTAINABILITY LEADE	8.0	—	●●●●●●	—
SPDR® Dow Jones Global Real Estt ESG ETF	7.5	—	●●●●●●	—
Morningstar Intl Shrs (Unhdgd) Fd - CI A	4.2	—	●●●●	—
iShares Core Cash ETF	4.2	—	—	—
iShares Enhanced Cash ETF	4.2	—	—	—
Australian Dollar	2.4	—	—	—
BetaShares Aus Bank Sr Fltng Rt Bd ETF	2.1	—	●●●●	—
BetaShares Glb Banks ETF-Ccy Hdg	2.1	—	●	—
Westpac Banking Corp	1.5	●●●●	—	Low Risk
Brambles Ltd	1.2	●●●●●●	—	Low Risk
CSL Ltd	1.1	●●●●	—	Low Risk
Commonwealth Bank of Australia	0.9	●●●●	—	Low Risk
Telstra Corp Ltd	0.8	●●●●	—	Medium Risk
Amcor PLC	0.8	●●●●●●	—	Medium Risk
National Australia Bank Ltd	0.8	●●●●	—	Medium Risk
Ramsay Health Care Ltd	0.8	●●●●	—	Medium Risk
Australia and New Zealand Banking Group Ltd	0.7	●●●●●●	—	Medium Risk
ResMed Inc DR	0.7	●●●●	—	Low Risk
Insurance Australia Group Ltd	0.7	●●●●●●	—	Low Risk

Benchmark

19%	S&P/ASX 300 TR
12.1%	MSCI ACWI ex Australia NR
9.9%	MSCI ACWI ex Australia NR (\$A Hdg)
4.50%	FTSE EPRA Nareit Dev Rental NR (\$A Hdg)
4.50%	S&P Global Infrastructure NR (\$A Hdg)
21%	Bloomberg AusBond Composite Bond
18%	Bloomberg Barclays Global Aggregate TR (\$A Hdg)
11%	Bloomberg AusBond Bank Bill

Sustainability Index

19%	Morningstar Australia Sustainability Index
12.1%	Morningstar Global Markets Sustainability Index
9.9%	Morningstar Gbl Mkt Sustain NR (\$A Hdg)
4.50%	FTSE EPRA Nareit Dev Rental NR (\$A Hdg)
4.50%	S&P Global Infrastructure NR (\$A Hdg)
21%	Bloomberg AusBond Composite Bond
18%	Bloomberg Barclays Global Aggregate TR (\$A Hdg)
11%	Bloomberg AusBond Bank Bill

Asset Class

Australian Equities
International Equities (unhedged)
International Equities (hedged)
International Property
International Infrastructure
Australian Fixed Income
International Fixed Income
Cash

[^]The ESG Risk Rating measures the magnitude of a company's unmanaged ESG risks. It reflects the degree to which investments are exposed to ESG risks that are not sufficiently managed by companies. A higher number of globes indicates lower ESG Risk. This rating is available for individual stocks only. Click here for more information www.morningstarinvestments.com.au/wp-content/uploads/2022/03/Sustainability-Rating-Methodology.pdf.

^{^^}The Morningstar Sustainability Rating evaluates the relative environmental, social and governance risks of a portfolio based on its Morningstar Global Category. It uses a bottom up assessment of a portfolio's underlying holdings to award a score represented as globes. A higher number of globes indicates lower ESG Risk. This rating is available for Funds only. Click here for more information www.morningstarinvestments.com.au/wp-content/uploads/2022/03/Sustainability-Rating-Methodology.pdf.

^{^^^}The Carbon Risk Classification groups Carbon Risk Scores into categories based on the overall carbon risk (outlined below^x). (0 = Negligible, 0.1-9.99 = Low, 10-34.99 = Medium, 35-59.99 = High, 60+ = Severe). The Carbon Risk Scores are available for individual stocks only.

^xCarbon risk addresses how vulnerable a company is to the transition away from a fossil-fuel-based economy to a lower-carbon economy. Transition risks include policy and legal regulations limiting carbon emissions, pressure on firms to align their strategies with the 2015 Paris Climate Accord's 2-degree scenario, switching costs to new technologies and changing consumer preferences. This rating is based on an assessment of a company's overall carbon exposure and the management of this exposure. It represents the unmanaged carbon exposure that remains after considering the management activities being taken to mitigate it. Click here for more information www.morningstarinvestments.com.au/wp-content/uploads/2022/03/Carbon-Risk-Score.pdf.

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