

# Morningstar Balanced (50) Managed Account Portfolio

Performance Update | As of 29/02/2024

**Risk Level:** Medium  
**Inception:** 1 July 2012  
**Investment Horizon:** 5 Years

**Management Fee:** 0.55%  
**Indirect Costs:** 0.14%

## 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.

**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 2.5% per annum both over rolling 5-year periods.

## Trailing Returns

|                     | 1mth (%) | 3mth (%) | 1yr (%) | 3yr<br>(% p.a) | 5yr<br>(% p.a) | 7yr<br>(% p.a) | 10yr<br>(% p.a) | Incp<br>(% p.a) |
|---------------------|----------|----------|---------|----------------|----------------|----------------|-----------------|-----------------|
| Portfolio*          | 1.12     | 4.88     | 8.37    | 4.40           | 4.42           | 4.54           | 5.00            | 5.79            |
| Asset Weighted BM** | 1.16     | 5.23     | —       | —              | —              | —              | —               | —               |
| CPI + 2.50%^        | 0.40     | 1.20     | 6.01    | 7.61           | 6.17           | 5.60           | 5.15            | 5.18            |

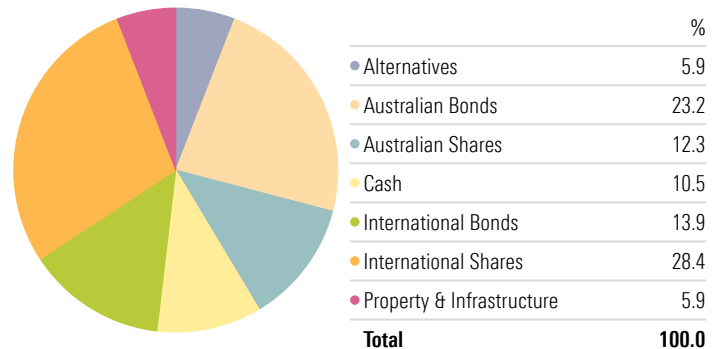
**Past performance is not a reliable indicator of future performance.**  
Returns over 12 months are annualised.



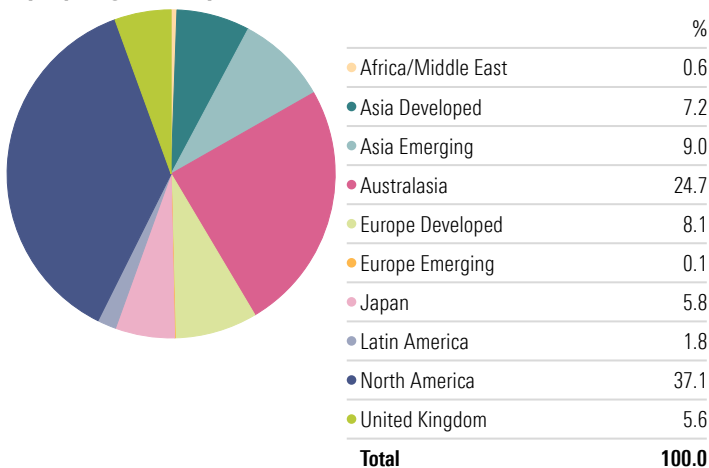
## Investment Strategy

An actively managed diversified portfolio of securities across both growth asset classes such as Australian equities, property and global securities, and defensive asset classes such as cash and fixed interest securities. 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.

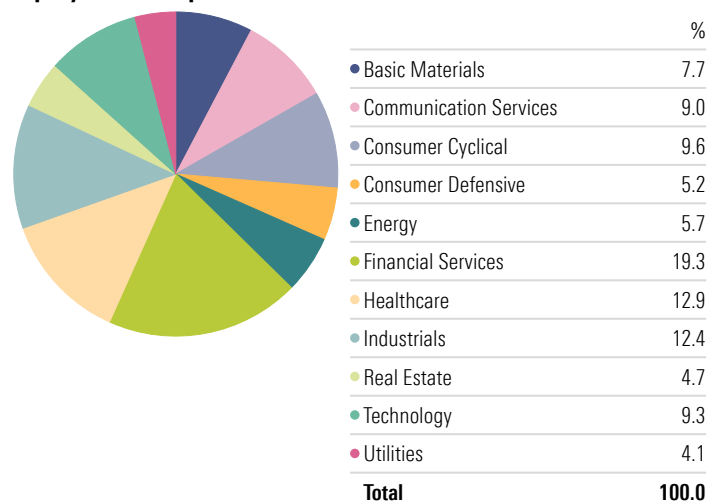
## Asset Allocation



## Equity Regional Exposure



## Equity Sector Exposure



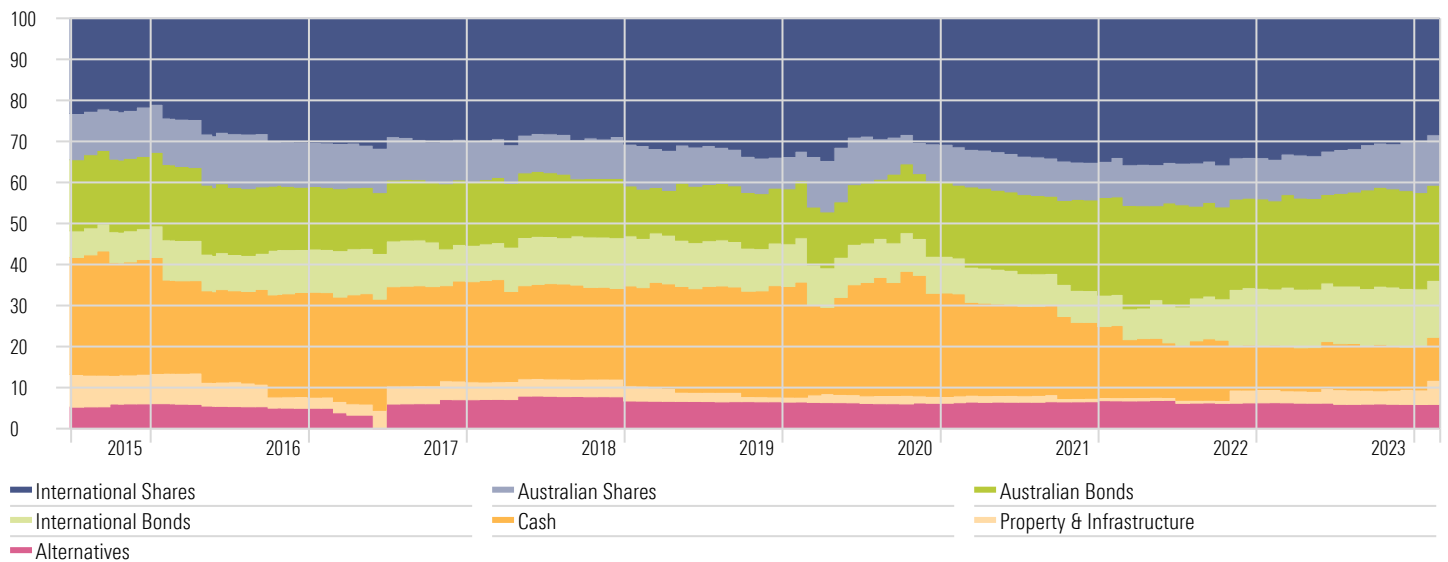
\*Investment performance is before tax and the post-fee return is after the standard management fee of 0.55% and indirect cost ratio (both are inclusive of GST). Investment performance is shown from 01/07/2012 and represents modelled performance only and assumes income received is reinvested. An individual 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.

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## Asset Allocations Over Time



## Portfolio Holdings

| Holding  | Code  | Asset Class               | Morningstar Sector | Portfolio Weighting % |
|--|-------|---------------------------|--------------------|-----------------------|
| iShares Core Composite Bond ETF                  | IAF   | Australian Bonds          | —                  | 14.244                |
| Morningstar International Bonds (Zero Fee Class) | 17381 | International Bonds       | —                  | 13.895                |
| Morningstar International Shrs Actv ETF          | MSTR  | International Shares      | —                  | 9.074                 |
| Vanguard Australian Fixed Interest ETF           | VAF   | Australian Bonds          | —                  | 8.927                 |
| iShares Core Cash ETF                            | BILL  | Cash                      | —                  | 7.424                 |
| Morningstar Global Opportunities Class Z         | 44388 | International Shares      | —                  | 7.179                 |
| Mstar Multi Asset Real Return (Zero Fee Class)   | 11736 | Alternatives              | —                  | 5.909                 |
| iShares Core S&P/ASX 200 ETF                     | IOZ   | Australian Shares         | —                  | 3.998                 |
| iShares Core MSCI Wld Ex Aus ESG ETF             | IWLD  | International Shares      | —                  | 3.464                 |
| Cash   | —     | Cash                      | —                  | 3.038                 |
| iShares Core FTSE Global Infrs AUDH ETF          | GLIN  | Property & Infrastructure | —                  | 2.474                 |
| VanEck FTSE International Property (Hedged) ETF  | —     | Property & Infrastructure | —                  | 2.146                 |
| iShares Core MSCI Wld ex Aus ESG AUHDEF          | IHWL  | International Shares      | —                  | 2.129                 |
| iShares MSCI South Korea ETF (AU)                | IKO   | International Shares      | —                  | 1.550                 |
| iShares China Large-Cap ETF (AU)                 | IZZ   | International Shares      | —                  | 1.392                 |
| Westpac Banking Corp                             | WBC   | Australian Shares         | Financial Services | 1.247                 |
| ResMed Inc CDR                                   | RMD   | Australian Shares         | Healthcare         | 1.166                 |
| ANZ Group Holdings Ltd                           | ANZ   | Australian Shares         | Financial Services | 1.155                 |
| CSL Ltd  | CSL   | Australian Shares         | Healthcare         | 1.152                 |
| Woodside Energy Group Ltd                        | WDS   | Australian Shares         | Energy             | 0.963                 |
| Morningstar Int Shares (Zero Fee Class)          | 11743 | International Shares      | —                  | 0.948                 |
| BetaShares FTSE 100 ETF                          | F100  | International Shares      | —                  | 0.897                 |
| iShares MSCI Japan ETF (AU)                      | IJP   | International Shares      | —                  | 0.862                 |
| Vanguard FTSE Emerging Markets Shrs ETF          | VGE   | International Shares      | —                  | 0.862                 |
| Brambles Ltd                                     | BXB   | Australian Shares         | Industrials        | 0.795                 |
| James Hardie Industries PLC DR                   | JHX   | Australian Shares         | Basic Materials    | 0.708                 |
| Ramsay Health Care Ltd                           | RHC   | Australian Shares         | Healthcare         | 0.643                 |
| Dexus  | DXS   | Property & Infrastructure | Real Estate        | 0.631                 |
| GPT Group  | GPT   | Property & Infrastructure | Real Estate        | 0.631                 |
| Newmont Corp Chess Depository Interest           | NEM   | Australian Shares         | Basic Materials    | 0.495                 |

### Benchmark

| Weight | Asset Class                            | Asset Class Benchmark  | Allocation |
|--------|--|--|------------|
| 18%    | Australian Shares                      | S&P/ASX 300 Accumulation Index   | 100%       |
| 21%    | 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%        |
| 8%     | Property Securities and Infrastructure | S&P Global Infrastructure net return Index (A\$ Hedged)                                  | 50%        |
|        |  | FTSE EPRA/NAREIT Developed Rental Index (A\$ Hedged)                                     | 50%        |
| 6%     | Alternative Investments                | Bloomberg AusBond Bank Bill Index  | 100%       |
| 20%    | Australian Bonds                       | Bloomberg Ausbond Composite Index  | 87.5%      |
|        |  | Bloomberg AusBond Inflation Government Index   | 12.5%      |
| 17%    | International Bonds (Hedged)           | Bloomberg Barclays Global Aggregate A\$ Hedged Index                                     | 87.5%      |
|        |  | Bloomberg Barclays World Government Inflation Linked Bonds 1-15 Years Index (A\$ Hedged) | 12.5%      |
| 10%    | 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.



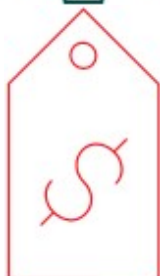
**We invest for the long term.** Taking a patient, long-term view helps people ride out the market's ups and downs and take advantage of opportunities when they arise. Investing with a multi decade horizon aligns with investors focus on increasing their purchasing power over their lifetimes. The long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