

# Morningstar International Shares Active ETF (ASX:MSTR)

Performance Update | As of 31/12/2023

**Risk Profile:** High

**Inception<sup>1</sup>:** 12 November 2019

**Investment Horizon:** 5 Years

**Management Fees and Costs<sup>2,3</sup>:** Up to 0.39%

**Performance Fees<sup>3</sup>:** Nil

**Transaction Costs<sup>3,4</sup>:** 0.09%

## Investment Strategy

The Fund will invest predominantly in units of the Morningstar International Shares (Hedged) Fund ("Underlying Fund") and some cash. The Fund may also invest in derivatives to gain desired exposures or manage risks. The Underlying Fund predominantly invests in listed international shares with the aim of producing superior long-term returns relative to the benchmark. The Underlying Fund consists of a well-diversified portfolio of companies that exhibit desirable fundamental quality and/or value characteristics, supplemented by a passive currency overlay.

## Investment Objective

To achieve capital growth over the long term, while minimising the risk of permanent capital loss, by providing exposure to listed international shares, supplemented by a passive currency overlay to reduce the risk of foreign currency price movements.

## Risk Since Inception

|                                     | Std Dev | Max Drawdown | Sharpe Ratio |
|-------------------------------------|---------|--------------|--------------|
| MSTR ETF <sup>^</sup>               | 14.74   | -18.68       | 0.50         |
| MSCI ACWI ex Australia NR (\$A hdg) | 17.39   | -23.43       | 0.36         |

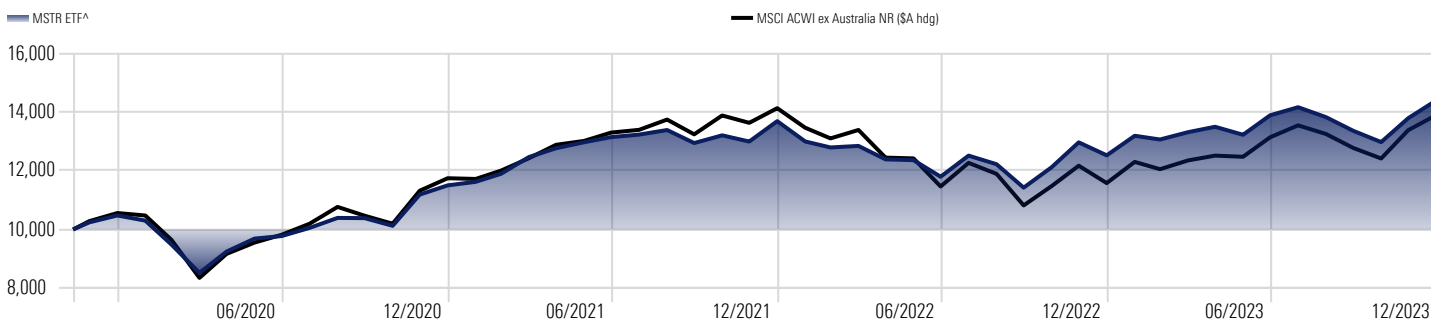
## Trailing Returns

|                                     | 1mth (%) | 3mth (%) | 1yr (%) | 3yr (% p.a) | Incp <sup>^</sup> (% p.a) |
|-------------------------------------|----------|----------|---------|-------------|---------------------------|
| MSTR ETF <sup>^</sup>               | 4.40     | 7.74     | 14.94   | 7.77        | 8.70                      |
| MSCI ACWI ex Australia NR (\$A hdg) | 3.83     | 8.74     | 19.99   | 5.76        | 7.65                      |

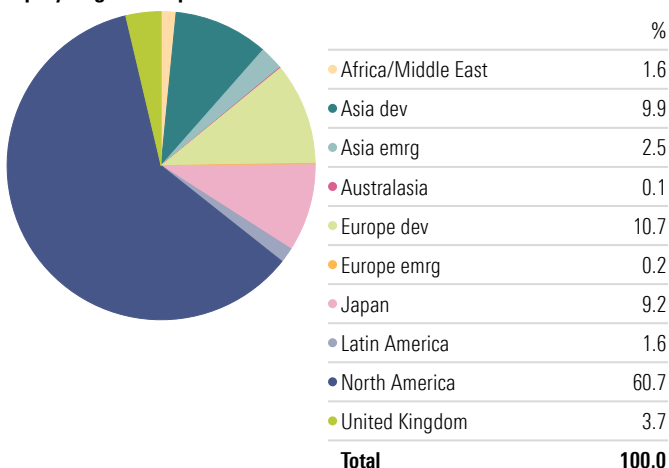
**Past performance is not a reliable indicator of future performance.**

Returns over 12 months are annualised.

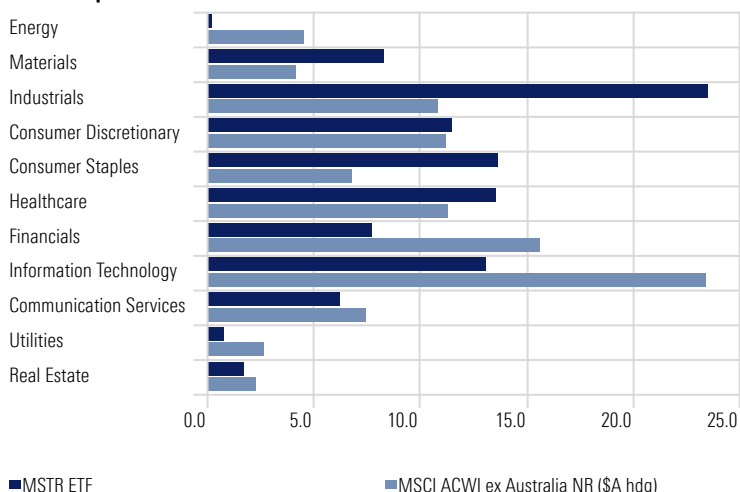
## Growth of \$10,000



## Equity Regional Exposure



## Sector Exposure



<sup>1</sup>The inception date used is 12 November 2019, the start of the full implementation of the Fund's strategy. The strategy that the ETF is based on began on 1 June 2013

<sup>2</sup>The Management Fees and Costs is inclusive of GST (after taking into account Reduced Input Tax Credits) and refer to the underlying Fund. The portfolio may include exchange traded funds which charge management fees and these are an additional cost to individual investors and impact their return. This and an estimate of any other excluded indirect costs incurred by the portfolio is captured within 'Management Fees and Costs' above.

<sup>3</sup>All fees and costs are estimates for the 2021/22 financial year and are expressed as a percentage of net asset value of the underlying Fund.

<sup>4</sup>Transaction costs are expressed net of buy/sell spread recovery for the underlying Fund.

<sup>^</sup>Returns are expressed in Australian dollars, net of fees and expenses, and before any taxes. It is based on published actual net asset value (NAV) prices with all distributions assumed to be reinvested.

**Top 20 Equity Holdings**

| Holding                                       | Code  | Exchange Country | Sector                 | Portfolio Weighting % |
|---|-------|------------------|------------------------|-----------------------|
| Taiwan Secom Co Ltd                           | 9917  | Taiwan           | Industrials            | 1.92                  |
| Elisa Oyj Class A                             | ELISA | Finland          | Communication Services | 1.42                  |
| Petronas Gas Bhd                              | 6033  | Malaysia         | Utilities              | 1.38                  |
| AutoZone Inc                                  | AZO   | United States    | Consumer Discretionary | 1.05                  |
| Nestle Malaysia Bhd                           | 4707  | Malaysia         | Consumer Staples       | 0.98                  |
| Inaba Denkisangyo Co Ltd                      | 9934  | Japan            | Industrials            | 0.94                  |
| ZENKOKU HOSHO Co Ltd                          | 7164  | Japan            | Financials             | 0.91                  |
| Frontier Real Estate Investment Corp          | 8964  | Japan            | Real Estate            | 0.85                  |
| Taiwan Semiconductor Manufacturing Co Ltd ADR | TSM   | United States    | Information Technology | 0.68                  |
| Lennox International Inc                      | LII   | United States    | Industrials            | 0.68                  |
| Clorox Co                                     | CLX   | United States    | Consumer Staples       | 0.65                  |
| Amgen Inc                                     | AMGN  | United States    | Health Care            | 0.64                  |
| Air Liquide SA                                | AI    | France           | Materials              | 0.59                  |
| Walmart Inc                                   | WMT   | United States    | Consumer Staples       | 0.58                  |
| Cummins Inc                                   | CMI   | United States    | Industrials            | 0.57                  |
| Sysco Corp                                    | SYU   | United States    | Consumer Staples       | 0.56                  |
| Jack Henry & Associates Inc                   | JKHY  | United States    | Financials             | 0.55                  |
| Swisscom AG                                   | SCMN  | Switzerland      | Communication Services | 0.52                  |
| Mondelez International Inc Class A            | MDLZ  | United States    | Consumer Staples       | 0.52                  |
| Cencora Inc                                   | COR   | United States    | Health Care            | 0.52                  |

## 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.



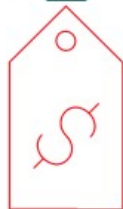
**We invest for the long term.** Taking a patient, long-term view helps people ride out the market's ups and downs and take advantage of opportunities when they arise. Investing with a multi decade horizon aligns with investors focus on increasing their purchasing power over their lifetimes. The long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