

Morningstar's Suite of Managed Portfolios

Multi-Asset Managed Portfolios



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Morningstar's managed portfolio offering comprises four product and service suites, addressing a variety of investor needs, risk profiles, investment vehicle access points and financial life stages.

The breadth of the range allows your adviser to select the option or options that best suit your financial goals and needs, while leveraging Morningstar's global investment management and research capabilities.



Morningstar's Multi-Asset SMAs

- ✓ Morningstar's best investment ideas, using our extensive research and powered by our portfolio management capabilities. Our best ideas are determined by Morningstar's global portfolio management and research teams, who analyse over 400 asset classes, ensuring portfolios are robust and investors being rewarded for the investing risks being taken.
- ✓ These multi-asset SMAs access a range of investments, selected based on valuation, and combined to deliver a holistic portfolio that is appropriately diversified for the investment environment. The Multi-Asset SMAs will invest in listed equities and ETFs, and unlisted assets, such as managed funds.

Objective

The multi-asset SMAs are designed to achieve returns greater than a passively managed portfolio with the same Strategic Asset Allocation, alongside a CPI plus objective.

The journey

- 01** The portfolios are managed relative to a comparable portfolio that uses a strategic asset allocation (SAA). Using Morningstar's dynamic, valuation-driven asset allocation process, their performance is expected to move within their risk profile, aiming to generate long-term value.
- 02** The portfolios will use valuation as an anchor to deliver better risk-adjusted returns than the passive peer group over the longer term. The portfolios will invest in both listed and unlisted assets, such as managed funds & ETFs.
- 03** The investment opportunity set includes the 400 asset and sub-asset class exposures covered by Morningstar's valuation-driven asset allocation process. The portfolios have high conviction asset allocation exposures.
- 04** Because the portfolios are managed within ranges around an SAA, they will move in a way that is more consistent with markets in the long term. However, performance may vary relative to markets in the short-to-medium term.

Morningstar's Medalist Core SMAs

- ✓ Morningstar's Medalist Core SMAs deliver our best fund ideas within a range of multi-manager portfolios, offered in six risk profiles for a variety of investor needs.
- ✓ Active funds and ETFs within the SMAs have been chosen based on Morningstar's independent, industry-leading research and ratings, with each manager having received a Medalist Rating™ from Morningstar's fund research team. The Morningstar Medalist Rating™ represents Morningstar's highest conviction of investment merit for an investment manager.
- ✓ The Medalist Core series uses a blend of active and passive positions, employing active strategies only when outperformance of the benchmark by the manager is likely.
- ✓ These SMAs are powered by Morningstar's institutional-grade portfolio management capabilities.

Objective

The Medalist portfolios are designed to achieve returns greater than what a passively managed portfolio with the same strategic asset allocation would achieve, using only highly rated third-party funds.

The journey

- 01 The portfolios focus on generating outperformance by blending highly rated active and passive managers.
- 02 The investment universe includes funds and ETFs that have received a Morningstar Medalist Rating™, awarded by our industry-leading fund research team.
- 03 Using Morningstar's proprietary investment process and philosophy, the portfolios will favour assets that offer good relative value.
- 04 The Medalist Core and Multi-Sector Series will also make controlled asset allocation alterations at the asset class level to reflect our assessment of relative value.
- 05 In particular, the Medalist Core series optimise Active / Passive positions – employing Active funds only when outperformance is reasonably likely, otherwise Passive funds are used.
- 06 The portfolios are managed within ranges around an SAA, they will move in a way that is consistent with the markets over the short, medium and long term.

Morningstar's Real Return Funds

- ✓ Representing Morningstar's best investment ideas, the real return funds use our extensive research to ensure investors are being rewarded for the investing risks being taken.
- ✓ Implemented efficiently through a managed fund structure.
- ✓ Powered by Morningstar's extensive asset allocation research and portfolio management capabilities.
- ✓ Access to global investments, selected based on valuation and combined to deliver a holistic portfolio that is appropriately diversified for the investment environment.

Objective

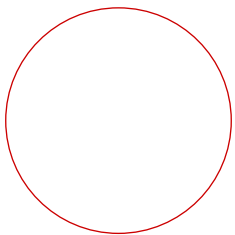
The real return managed funds are designed to achieve returns above inflation given a specific risk profile and time horizon.

The journey

- 01 The real return managed funds are focused on ensuring invested assets will deliver above-inflation returns over a chosen time horizon.
- 02 The funds will favour assets trading below their fair value and avoid overvalued assets, as these pose a greater risk of permanent loss.
- 03 The investment opportunity set includes the 400 asset and sub-asset class exposures covered by Morningstar's valuation-driven asset allocation process. The portfolios have high conviction asset allocation and sector exposures.
- 04 By not holding overvalued assets, the portfolio may not always keep pace with market indices in an exuberant, momentum-driven bull market, and at times performance will look different to peers.
- 05 Opportunities tend to present when the market is volatile, and therefore it may experience a bumpy ride relative to peers and the market in the short term. The portfolios will seek to limit permanent loss of capital and reduce long-term drawdown risk.

To Find Out More

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