# Morningstar Conservative (15) Managed Account Portfolio

## Performance Update | As of 31/10/2026

**Risk Level:** Low to Medium
**Inception:** 20 December 2013
**Investment Horizon:** 3 Years

**Management Fee:** 0.50%

**Indirect Costs:** 0.11%

**Investment Objective:** To achieve a consistent and recurring income by investing in a diversified portfolio of predominantly defensive asset classes, with a small proportion of growth 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 0.5% per annum both over rolling 3-year periods before fees.

**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 85% defensive assets and around 15% growth assets; however the allocations will be actively managed within the allowable ranges depending on market conditions.

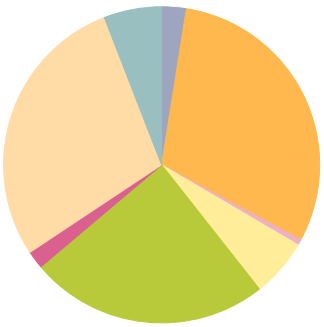
### Trailing Returns

| | 1mth (%) | 3mth (%) | 1yr (%) | 3yr (% p.a) | 5yr (% p.a) | 7yr (% p.a) | 10yr (% p.a) | Incp (% p.a) |
|---|---|---|---|---|---|---|---|---|
| Portfolio* | 1.41 | 1.31 | 3.27 | 6.61 | 3.50 | 2.81 | 2.93 | 3.22 |
| Asset Weighted BM** *** | 1.02 | 0.42 | 2.47 | 6.21 | — | — | — | — |
| CPI + 0.50%^ ^^ | 0.85 | 2.17 | 5.70 | 4.17 | 5.17 | 4.39 | 3.76 | 3.39 |

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

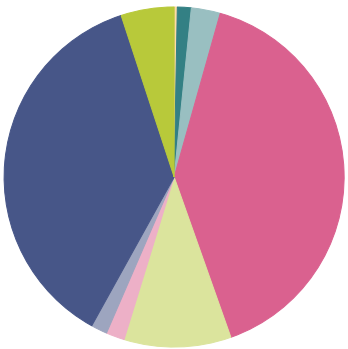



### Asset Allocation



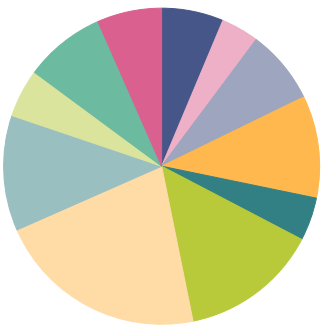
| | % |
|---|---|
| Alternatives | 2.5 |
| Australian Bonds | 30.4 |
| Australian Property Securities | 0.6 |
| Australian Shares | 5.9 |
| Cash | 24.5 |
| Global Infrastructure | 1.8 |
| International Bonds | 28.4 |
| International Shares | 5.9 |
| **Total** | **100.0** |

### Equity Regional Exposure



| | % |
|---|---|
| Africa/Middle East | 0.3 |
| Asia Developed | 1.3 |
| Asia Emerging | 2.8 |
| Australasia | 40.2 |
| Europe Developed | 10.2 |
| Europe Emerging | 0.0 |
| Japan | 1.8 |
| Latin America | 1.5 |
| North America | 36.9 |
| United Kingdom | 5.0 |
| **Total** | **100.0** |

### Equity Sector Exposure



| | % |
|---|---|
| Basic Materials | 6.3 |
| Communication Services | 3.9 |
| Consumer Cyclical | 7.6 |
| Consumer Defensive | 10.5 |
| Energy | 4.4 |
| Financial Services | 14.2 |
| Healthcare | 21.6 |
| Industrials | 11.8 |
| Real Estate | 4.9 |
| Technology | 8.3 |
| Utilities | 6.6 |
| **Total** | **100.0** |

*Investment performance represents modelled performance only and assumes all income distributions received are reinvested back into the portfolio. This does not imply participation in issuer dividend reinvestment plans (DRPs), and actual reinvestment outcomes will vary between investors. Investment returns are calculated before tax and after management fees which are inclusive of GST. An individual investor's performance will differ from the modelled performance due to factors such as transaction timing, actual management fees, cash flows, whether income is distributed or reinvested, and any divergence from model portfolio weightings or holdings. In certain circumstances, a specific platform may not make a model security, fund or investment manager that is selected by our investment managers, available for investment. Where this occurs, a substitute investment may be used, which may result in differences in portfolio holdings, risk characteristics and investment performance relative to the model portfolio. The portfolio may include Funds (including Exchange Traded Funds) which charge management fees and these fees are an additional cost (captured within the indirect costs) to individual investors and impact their return.

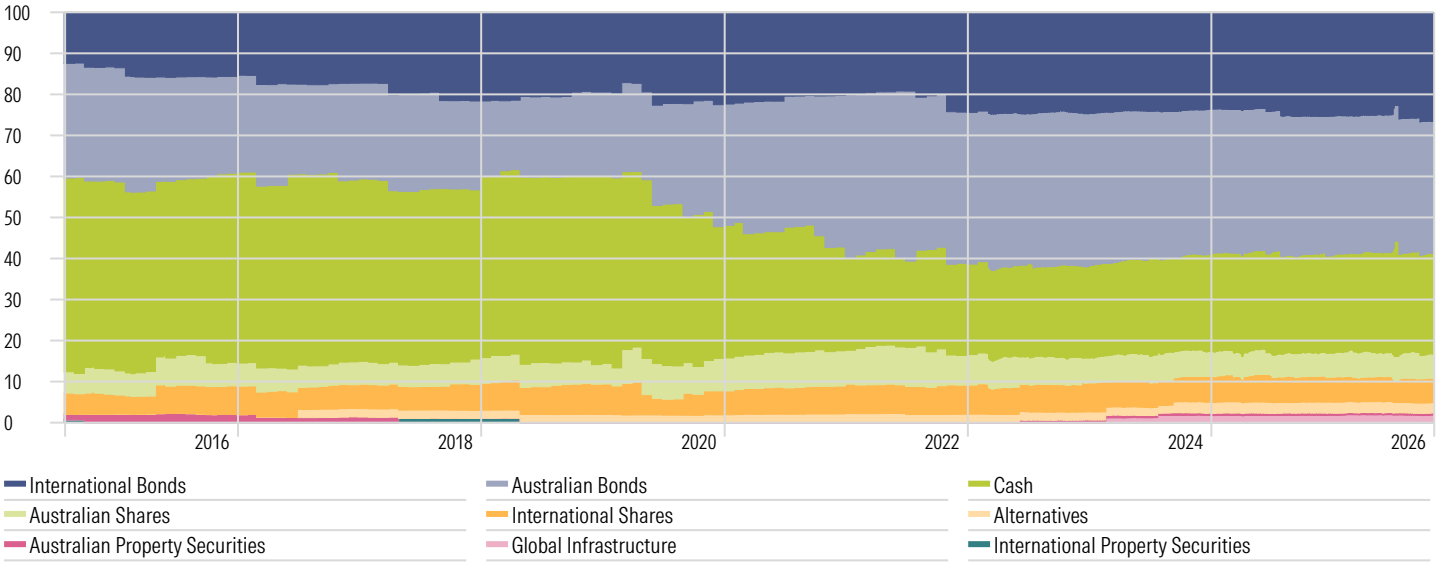
**Prior to 1 October 2023, the portfolios were managed to a CPI benchmark only. The performance of the Asset Weighted Benchmark will be displayed from 1 October 2023.

***Effective 1 November 25, the constituent benchmarks used in the construction of the Portfolio's composite benchmark are provided by Morningstar, Inc. Historical benchmark returns up to 1 November 25 will remain unchanged. Morningstar, Inc. operates Morningstar Indexes, which is a separate business unit to Morningstar Investment Management. Morningstar Investment Management is not involved in the construction, methodology, or maintenance of Morningstar Indexes.

^The CPI was not available for the current month at the time of creation of this report. CPI for the previous month has been used as a proxy for the current month. Please note the actual CPI for the current month may differ to the proxy used.

^^Prior to 1/03/2021 the benchmark was CPI + 0.75%.

## Asset Allocations Over Time




## Portfolio Holdings

| Holding | Code | Asset Class | Morningstar Sector | Portfolio Weighting % |
|---|---|---|---|---|
| Morningstar International Bonds Hdgd Z | 40519 | International Bonds | — | 24.0 |
| iShares Core Composite Bond ETF | IAF | Australian Bonds | — | 14.3 |
| iShares Enhanced Cash ETF | ISEC | Cash | — | 11.8 |
| Vanguard Australian Fixed Interest ETF | VAF | Australian Bonds | — | 10.6 |
| BetaShares High Int Cash | AAA | Cash | — | 10.0 |
| Morningstar Global Opportunities Class Z | 44388 | International Shares | — | 3.7 |
| BetaShares Aus Inv Grd Corp Bd ETF | CRED | Australian Bonds | — | 3.0 |
| Cash | — | Cash | — | 2.6 |
| BetaShares Aus Bank Sr Fltng Rt Bd ETF | QPON | Australian Bonds | — | 2.5 |
| Vanguard Intl Credit Secs (Hdg) ETF | VCF | International Bonds | — | 2.5 |
| Morningstar Multi Asset Rl Ret Fd - Cl Z | 41803 | Alternatives | — | 2.5 |
| iShares Core Corporate Bond ETF | ICOR | Australian Bonds | — | 1.9 |
| iShares Core FTSE Global Infras AUDH ETF | GLIN | Global Infrastructure | — | 1.8 |
| Morningstar International Shrs Actv ETF | MSTR | International Shares | — | 1.6 |
| ANZ Group Holdings Ltd | ANZ | Australian Shares | Financial Services | 0.8 |
| CSL Ltd | CSL | Australian Shares | Healthcare | 0.7 |
| iShares Core S&P/ASX 200 ETF | IOZ | Australian Shares | — | 0.7 |
| iShares Core MSCI Wld Ex Aus ESG ETF | IWLD | International Shares | — | 0.7 |
| Ramsay Health Care Ltd | RHC | Australian Shares | Healthcare | 0.7 |
| Brambles Ltd | BXB | Australian Shares | Industrials | 0.7 |
| ResMed Inc CDR | RMD | Australian Shares | Healthcare | 0.7 |
| Woolworths Group Ltd | WOW | Australian Shares | Consumer Defensive | 0.6 |
| Westpac Banking Corp | WBC | Australian Shares | Financial Services | 0.6 |
| Dexus | DXS | Australian Property Securities | Real Estate | 0.6 |
| BHP Group Ltd | BHP | Australian Shares | Basic Materials | 0.5 |

### Benchmark

| Weight | Asset Class | Asset Class Benchmark |
|---|---|---|
| 5.00% | Australian Shares | Morningstar Australia GR AUD |
| 3.85% | International Shares | Morningstar Global xAU NR AUD |
| 3.15% | International Shares (H) | Morningstar Global xAU NR Hdg AUD |
| 2.00% | Global Infrastructure | Morningstar Gbl Eq Infra Hdg NR AUD |
| 2.00% | Alternative Investments | Morningstar AUD 1M Cash GR AUD |
| 29.00% | Australian Bonds | Morningstar AU Core Bd GR AUD |
| 28.00% | International Bonds (H) | Morningstar Gbl Core Bd GR Hdg AUD |
| 27.00% | Cash | Morningstar AUD 1M Cash GR AUD |

Detailed information regarding portfolio holdings are available using Morningstar's Look Through Tool.
https://morningstarinvestments.com.au/holdings/

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# Investment Principles

Our search for quality & value never ends.

Our three investment principles inform every investment decision we make.

01



## We champion investors.

We believe that if investors win, we all win.

We are independent minded which allows us to make investment decisions with the focus on helping investors meet their financial goals.

Investment decisions are made with the end investor in mind.

02



## We take a fundamental approach.

We believe that fundamental factors, such as the quality of personnel and an investment's future earnings will drive results.

Powerful analytics and models are behind our research and portfolios, giving us the confidence to take a long-term perspective.

We stand firm behind our investment views, even if they are unpopular. This means being willing to ride out market volatility.

03



## We believe that price matters.

We anchor on an investment's underlying intrinsic value rather than fleeting news, sentiment or momentum.

Focusing on the difference between price and intrinsic value enables investors to get more than they're paying for.

We also believe controlling costs helps investors build wealth by letting them keep more of what they earn.

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