Morningstar Balanced Real Return Fund

MORNINGSTAR

Performance Update | As of 30/09/2026

Risk Profile: Medium to High
Inception[1]: 1 January 2010
Unit Pricing: Daily
Distributions: Quarterly
Investment Horizon: 5 Years

Management Fees and Costs[2,3]: Up to 0.53%
Performance Fees[3]: 0.10%
Transaction Costs[3,4]: 0.07%
Buy-Sell Spread: 0.12%/0.11%

Management Fees and Costs include Morningstar's management fee and estimated running expenses of 0.51% as well as our reasonable estimate of excluded indirect costs which represent that portion of expenses charged by underlying funds which Morningstar do not pay out of its management fee.

Investment Strategy

The Fund is an actively managed multi-asset fund with a long-term average exposure of around 50% growth assets such as shares, property, and infrastructure, and around 50% defensive assets such as cash and fixed interest. The Fund will be invested dynamically across managed funds, direct securities, exchange traded funds, foreign exchange contracts, and/or derivatives. The Fund aims to deliver real returns whilst focusing on risk management over the targeted investment horizon.

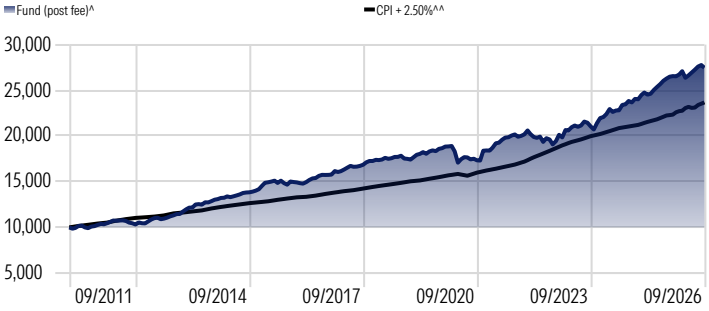
Investment Objective

To earn a rate of return that exceeds inflation[5] by at least 2.5% p.a. over rolling 5-year periods.

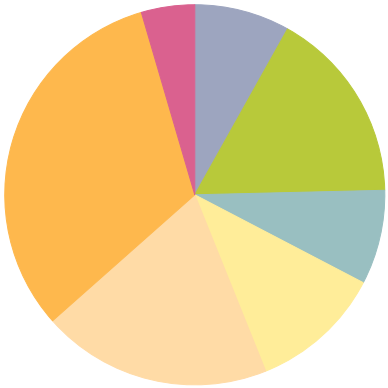
Trailing Returns

	1mth (%)	3mth (%)	1yr (%)	3yr (% p.a)	5yr (% p.a)	7yr (% p.a)	10yr (% p.a)	Incp (% p.a)
Fund (post fee)^	-1.09	0.77	4.49	9.26	6.37	5.73	5.73	6.22
CPI + 2.50%^^	0.61	2.45	6.44	5.83	7.01	6.24	5.66	5.28

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

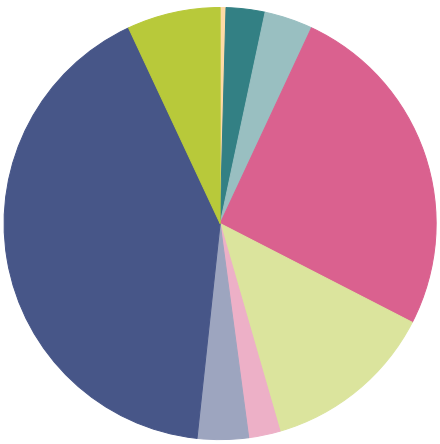


Asset Allocation



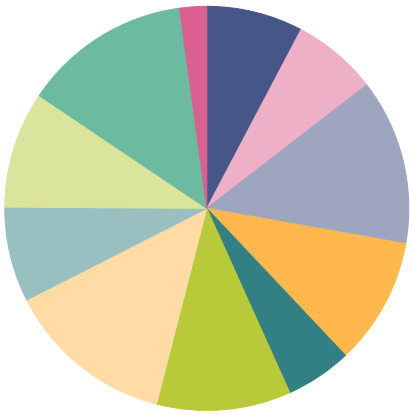
	%
Alternatives	8.1
Australian Bonds	16.5
Australian Shares	8.0
Cash	11.3
International Bonds	19.6
International Shares	32.0
Property & Infrastructure	4.5
Total	**100.0**

Equity Regional Exposure



	%
Africa/Middle East	0.4
Asia dev	2.9
Asia emrg	3.6
Australasia	25.6
Europe dev	13.0
Europe emrg	0.0
Japan	2.4
Latin America	3.8
North America	41.3
United Kingdom	7.0
Total	**100.0**

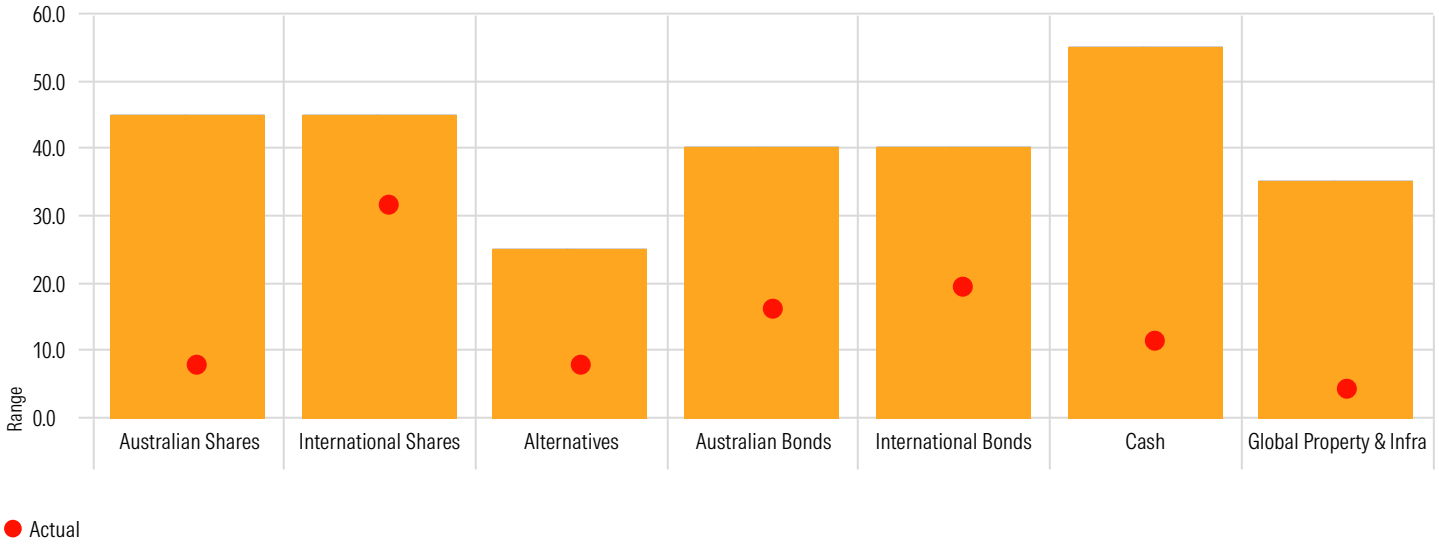
Equity Sector Exposure



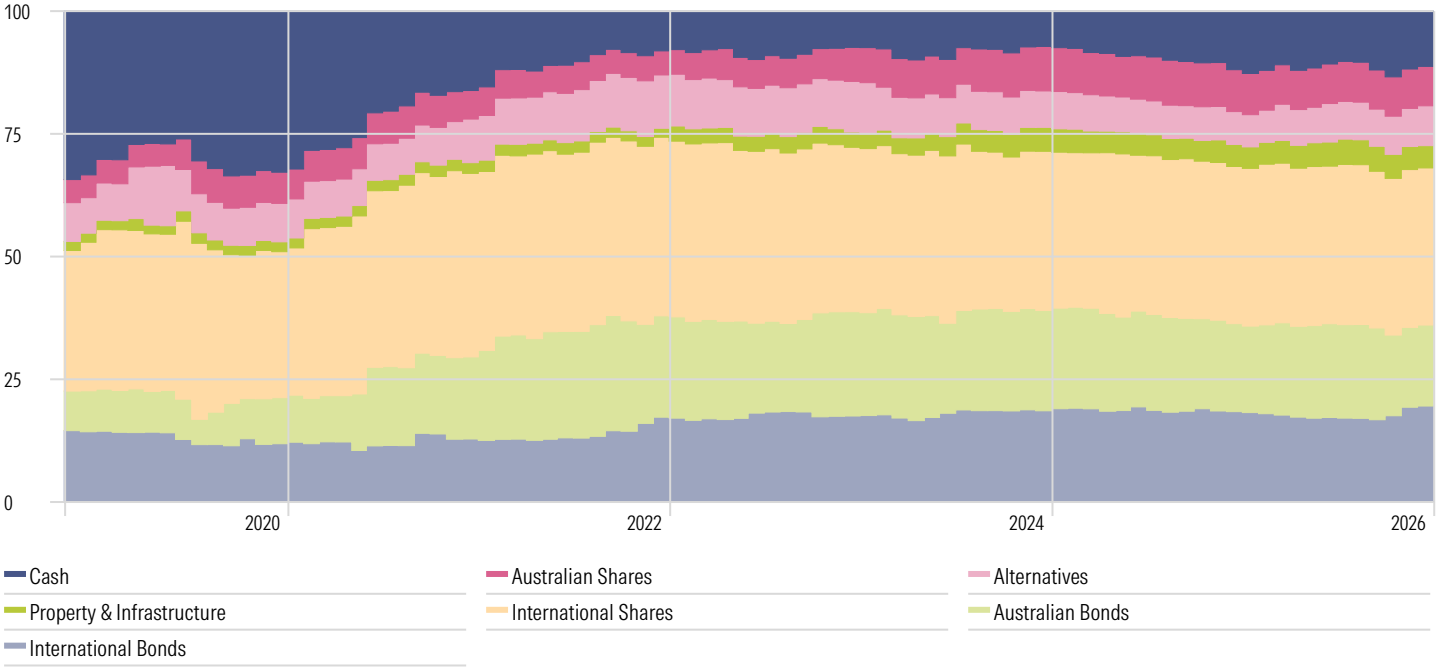
	%
Basic Materials	7.7
Communication Serv.	6.8
Consumer Cyclical	13.3
Consumer Defensive	10.2
Energy	5.3
Financial Services	10.7
Healthcare	13.5
Industrials	7.6
Real Estate	9.3
Technology	13.4
Utilities	2.2
Total	**100.0**

[1]The Fund's inception date used is 1 January 2010, the start of the full implementation of the Valuation Driven Asset Allocation process.
[2]The management fee component of the management fees and costs can be negotiated with wholesale clients only. 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 any other excluded indirect costs incurred by the portfolio is captured within 'Management Fees and Costs' above.
[3]All fees and costs are estimates for the 2024/25 financial year and are expressed as a percentage of net asset value of the Fund.
[4]Transaction costs are expressed net of buy/sell spread recovery
[5]Inflation is an increase in the level of prices of the goods and services that households buy, which is measured by the Consumer Price Index.
^Investment performance is before tax and after the standard management fee (inclusive of GST).
^^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.

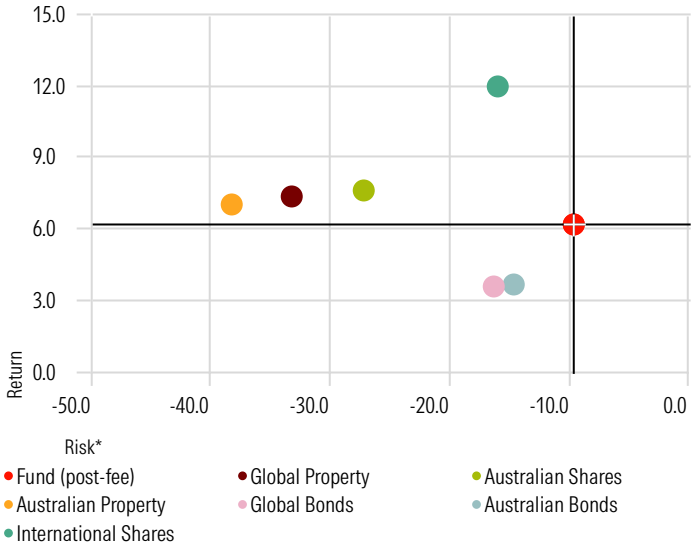
How asset allocation is positioned vs the allowable ranges



Asset Allocations Over Time



Risk versus reward since inception^



This chart shows how a number of investments have performance on average since full implementation of the Valuation Driven Asset Allocation process, which occurred on 1 January 2010.

Returns alone are not the full picture. You cannot generate returns without taking on a level of risk. The chart shows the 'riskiness' of each investment relative to its average return.

You want to be as close to the top right corner of the chart as possible, as this indicates high returns achieved with less risk. You would expect cash to be towards the bottom right of the chart, with little to no risk and consequently, low returns.

It's important to note that past performance is not a reliable indicator of future performance and **riskiness of investments may far exceed what has occurred in the past.**

*Risk is measured as the maximum loss from a peak to a trough for that investment during the period.
^Asset classes are represented by the following Morningstar Indices:
Morningstar Australia NR AUD (Australian Shares)
Morningstar AU Core BD GR Hdg AUD (Australian Bonds)
Morningstar Gbl Mkts NR AUD (International Shares)
Morningstar DM REIT NR Hdg AUD (Global Property)
Morningstar Australia REIT NR AUD (Australian Property)
Morningstar Gbl Core Bd GR Hdg AUD (Global Bonds)

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

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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