

Morningstar Multi-Sector Series Balanced Managed Account Portfolio

Trade Update

082025

All data and information as at Portfolio Date:
21/08/2025

Morningstar Investment Management
Australia

For Financial Adviser Use Only

At a glance

- Global share markets continue to rally, reaching fresh new highs as US trade tariff agreements finalise
- Changes to Australian and International Equity managers within portfolio; reduce tracking error and balance style exposure within asset class
- Portfolios have been rebalanced; cash re-invested following end of financial year distributions

Portfolio action

Security	Security/APIR Code	Previous Weighting	New Weighting	Increase / Decrease
Australian Equities				
Fidelity Wholesale Plus Australian Equities Fund	BTA0481AU	8.38%	0.00%	-8.38%
Solaris Core Australian Equity PA	SOL0001AU	0.00%	9.10%	9.10%
Schroder Wholesale Australian Equity Fund - Wholesale Class	SCH0101AU	7.91%	7.50%	-0.41%
Pendal Focus Australian Share Fund	RFA0059AU	5.57%	6.00%	0.43%
Fidelity Future Leaders Fund	FID0026AU	3.25%	3.70%	0.45%
International Equities				
MFS Fully Hedged Global Equity Trust	ETL0041AU	5.58%	0.00%	-5.58%
GQG Partners Global Equity Fund - AUD Hedged Class	ETL0666AU	5.32%	0.00%	-5.32%
Life Cycle Global Share Fund (Class H) (Hedged)	WHT9951AU	0.00%	10.00%	10.00%
iShares S&P 500 AUD Hedged ETF	IHVV	3.31%	6.10%	2.79%
Capital Group New Perspective Fund (AU)	CIM0006AU	10.25%	10.60%	0.35%
Barrow Hanley Global Share Fund - Class S	PER6110AU	6.89%	5.00%	-1.89%
GQG Partners Emerging Markets Equity Fund - Z Class	ETL4581AU	1.93%	3.30%	1.37%
Australian Bonds				
Western Asset Australian Bond Fund - Class A	SSB0122AU	12.58%	13.00%	0.42%
International Bonds				
PIMCO Wholesale Plus Global Bond Fund	BTA0498AU	9.46%	13.00%	3.54%
Colchester Global Government Bond Fund - Class I	ETL5525AU	3.07%	0.00%	-3.07%
Cash				
AUD Cash	CASH_AUD	5.67%	1.50%	-4.17%

Rationale

Following global market declines in early April triggered by President Trump's U.S. tariff announcements, stock markets have since rebounded strongly, with many reaching record highs. In response, Morningstar has made several adjustments to the portfolio to ensure it remains well diversified and aligned with the current market environment. These changes also include the reinvestment of excess cash from recent end-of-financial-year distributions.

Australian Equities

Morningstar has implemented a modest reduction in Australian equities, maintaining a preference for international equities to capture broader diversification benefits and long-term growth opportunities. Key changes include:

- **Manager Changes:**
 - **Exited:** *Fidelity WS Plus Australian Equities, MFS Global Equity Trust*
 - **Added:** *Solaris Core Australian Equity Fund* – This fund offers a more diversified Australian equity exposure with a quality bias, helping to reduce concentration risk within the domestic allocation.
 - **Retained:** *Fidelity Future Leaders Fund*, given its complementary mid-cap exposure and strong fit within the broader equity allocation.
- **Allocation Adjustments:**
 - Trimmed exposure to *Schroder WS Plus Australian Equity Fund*
 - Increased allocation to *Pendal Focus Australian Share Fund*

These changes improve balance across investment styles and manager exposures.

International Equities

The portfolio remains overweight international equities, though marginally less so than previously. Adjustments have been made to holdings, to enhance core exposures, and improve diversification:

- **New Exposure Added:**
 - *Life Cycle Global Share Fund (Hedged)* – Introduced as a core holding due to its consistent performance, low tracking error, and suitability across varying market conditions.
- **Increased Exposure:**
 - *iShares S&P 500 ETF (Hedged)* – Position increased to enhance exposure to large-cap U.S. technology and communication sectors, which were underrepresented previously.
- **Exited Holdings:**
 - *GQG Partners Global Equity Fund* and *MFS Global Equity Fund* – Removed due to style drift and diminishing alignment with the portfolio's strategic role expectations.
- **Other Adjustments:**
 - Minor reweighting's across *Barrow Hanley Global Share Fund*, *GQG Partners Emerging Markets Equity Fund*, and *Capital Group New Perspective Fund* to maintain intended asset class, manager and sector exposures.

Fixed Income

- **Australian Fixed Income:**
 - Rebalanced to target allocation, with no manager changes.
- **International Fixed Income:**
 - *Colchester Global Government Bond Fund* has been removed in preference for PIMCO that has a greater opportunity to outperform.
 - *PIMCO Wholesale Plus Global Bond Fund* retained due to belief of offering strong diversification and broad-based global fixed income exposure.

Property & Infrastructure

- No changes have been made to the listed property and infrastructure holdings, with existing positions continuing to meet strategic objectives.

Cash Management

- Cash levels temporarily increased due to end-of-financial-year distributions recently. These have now been redeployed across the portfolio in line with target allocations as part of the broader rebalance and portfolio changes.

These adjustments reflect our commitment to maintaining a diversified, risk-aware portfolio that remains aligned with longer-term strategic weighting and investor objectives.

Portfolio Post Changes

Security	Security/APIR Code	New Weighting
Australian Equities		26.3
Solaris Core Australian Equity PA	SOL0001AU	9.10%
Schroder Wholesale Australian Equity Fund - Wholesale Class	SCH0101AU	7.50%
Pendal Focus Australian Share Fund	RFA0059AU	6.00%
Fidelity Future Leaders Fund	FID0026AU	3.70%
International Equities		35.0
Life Cycle Global Share Fund (Class H) (Hedged)	WHT9951AU	10.00%
iShares S&P 500 AUD Hedged ETF	IHVV	6.10%
Capital Group New Perspective Fund (AU)	CIM0006AU	10.60%
Barrow Hanley Global Share Fund - Class S	PER6110AU	5.00%
GQG Partners Emerging Markets Equity Fund - Z Class	ETL4581AU	3.30%
Property & Infrastructure		6.3
Magellan Wholesale Plus Infrastructure Fund	WFS0858AU	3.90%
Resolution Capital Global Property Securities Fund	WHT0015AU	2.40%
Australian Bonds		13.0
Western Asset Australian Bond Fund - Class A	SSB0122AU	13.00%
International Bonds		13.0
PIMCO Wholesale Plus Global Bond Fund	BTA0498AU	13.00%
Cash		4.0
AUD Cash	CASH_AUD	1.50%
UBS Cash Fund	SBC0811AU	2.50%
		100.0%

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.

This document is issued by Morningstar Investment Management Australia Limited (ABN 54 071 808 501, AFS Licence No. 228986) ('Morningstar'). © Copyright of this document is owned by Morningstar and any related bodies corporate that are involved in the document's creation. As such the document, or any part of it, should not be copied, reproduced, scanned or embodied in any other document or distributed to another party without the prior written consent of Morningstar. The information provided is for general use only. In compiling this document, Morningstar has relied on information and data supplied by third parties including information providers (such as Standard and Poor's, MSCI, Barclays, FTSE). Whilst all reasonable care has been taken to ensure the accuracy of information provided, neither Morningstar nor its third parties accept responsibility for any inaccuracy or for investment decisions or any other actions taken by any person on the basis or context of the information included. Past performance is not a reliable indicator of future performance. Morningstar does not guarantee the performance of any investment or the return of capital. Morningstar warns that (a) Morningstar has not considered any individual person's objectives, financial situation or particular needs, and (b) individuals should seek advice and consider whether the advice is appropriate in light of their goals, objectives and current situation. Refer to our Financial Services Guide (FSG) for more information at morningstarinvestments.com.au/fsg. Before making any decision about whether to invest in a financial product, individuals should obtain and consider the disclosure document and the [Target Market Determination \(TMD\)](#).