Morningstar Multi-Sector Series Growth

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	11.03%	0.00%	-11.03%
Solaris Core Australian Equity PA	SOL0001AU	0.00%	12.10%	12.10%
Schroder Wholesale Plus Australian Equity Fund	BTA0483AU	10.24%	9.90%	-0.34%
Pendal Focus Australian Share Fund	RFA0059AU	7.27%	8.10%	0.83%
Fidelity Future Leaders Fund	FID0026AU	4.30%	4.90%	0.60%
International Equities				
MFS Fully Hedged Global Equity Trust	ETL0041AU	6.99%	0.00%	-6.99%
GQG Partners Global Equity Fund - AUD Hedged Class	ETL0666AU	6.71%	0.00%	-6.71%
Life Cycle Global Share Fund (Class H) (Hedged)	WHT9951AU	0.00%	12.70%	12.70%
iShares S&P 500 AUD Hedged ETF	IHVV	4.10%	7.70%	3.60%
Capital Group New Perspective Fund (AU)	CIM0006AU	12.95%	13.40%	0.45%
Barrow Hanley Global Share Fund - Class S	PER6110AU	8.72%	6.30%	-2.42%
GQG Partners Emerging Markets Equity Fund - Z Class	ETL4581AU	2.49%	4.20%	1.71%
Cash				
AUD Cash	CASH_AUD	7.22%	2.00%	-5.22%

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*
  - **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.

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 noted.

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		**35.0**
Solaris Core Australian Equity PA	SOL0001AU	12.10%
Schroder Wholesale Plus Australian Equity Fund	BTA0483AU	9.90%
Pendal Focus Australian Share Fund	RFA0059AU	8.10%
Fidelity Future Leaders Fund	FID0026AU	4.90%
International Equities		**44.3**
Life Cycle Global Share Fund (Class H) (Hedged)	WHT9951AU	12.70%
iShares S&P 500 AUD Hedged ETF	IHVV	7.70%
Capital Group New Perspective Fund (AU)	CIM0006AU	13.40%
Barrow Hanley Global Share Fund - Class S	PER6110AU	6.30%
GQG Partners Emerging Markets Equity Fund - Z Class	ETL4581AU	4.20%
Property & Infrastructure		**7.8**
Magellan Wholesale Plus Infrastructure Fund	WFS0858AU	4.90%
Resolution Capital Global Property Securities Fund	WHT0015AU	2.90%
Australian Bonds		**4.1**
Western Asset Australian Bond Fund - Class A	SSB0122AU	4.10%
International Bonds		**3.9**
PIMCO Wholesale Plus Global Bond Fund	BTA0498AU	3.90%
Cash		**2.0**
AUD Cash	CASH_AUD	2.00%
		100.0%

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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.