Multi-Sector Series Portfolios

August 2024

Trade Update by Morningstar

All data and information as at Portfolio Date: 19/08/2024

This information has been prepared for use by Advisers only

Morningstar has made changes to the Morningstar Multi-Sector Series Portfolios on BT Panorama in August 2024. The changes are designed to reflect our best strategy ideas from an asset allocation, manager selection and manager allocation perspective. We've also rebalanced the portfolios to the targeted growth and defensive asset allocation.

All changes are consistent with Morningstar's long-term SAA where we prefer:

- Global equity over Australian equity.
- A balanced allocation to investment styles.
- Have an equal preference for International bonds and Australian bonds.
- To have return diversification from sources other than alternative strategies.

In all changes we have considered portfolio balance, diversification, the risk adjusted return outlook (inherent in Morningstar analyst rating) and portfolio turnover and trading costs...

Defensive Portfolio

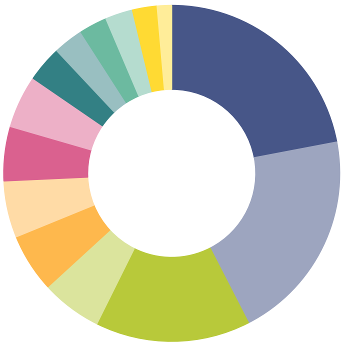
The portfolio rebalanced to an equal weight to defensive and growth assets relative to its SAA benchmark.

The portfolio maintains a mild overweight in both Australian and international fixed interest due to attractive yields on offer and for the portfolio diversification benefits. No changes to the allocations inside these asset classes were made over the period. Cash is maintained at underweight relative to the SAA and is funding the fixed interest exposures that also increases the portfolio's interest rate duration and equity market diversification.

The portfolio's equity allocation maintains a preference to global over local stocks due to diversification and relative valuation within the managers themselves, while both allocations are neutral to the SAA weights. Following the financial year end fund distributions and the subsequent buildup in cash, Fidelity Australian Equities (Gold) was rebalanced to its target weight, as was Capital Group New Perspective Fund (Gold).

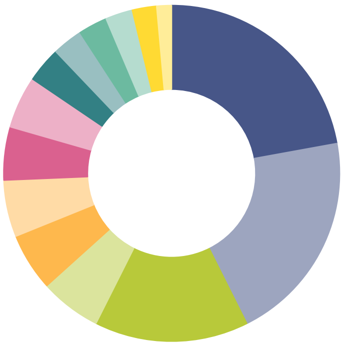
There were no changes to manager's weight, with exposure to MFG Core Infrastructure Fund (Silver) held at the target weight. The result is a neutral weighting relative to the SAA.

Previous Allocation



	%
Western Asset Aus Bd A	22.0
PIMCO WS Plus Global Bond	20.4
UBS Cash Fund	14.9
Colchester Global Government Bond I	5.9
Fidelity WS Plus Australian Equities	5.6
Janus Henderson Tactical Income	5.5
Schroder WS Australian Equity Fund - WC	5.2
Capital Group New Perspective (AU)	5.1
MFS Hedged Global Equity Trust W	3.4
Resolution Capital Global Property Secs	2.9
GQG Partners Global Equity AUD Hedged	2.7
Barrow Hanley Global Share S	2.6
Magellan Wholesale Plus Infrastructure	2.4
BT Cash	1.4
Total	**100.0**

Current Allocation



	%
Western Asset Aus Bd A	22.1
PIMCO WS Plus Global Bond	20.5
UBS Cash Fund	14.8
Colchester Global Government Bond I	5.9
Fidelity WS Plus Australian Equities	5.6
Janus Henderson Tactical Income	5.5
Schroder WS Australian Equity Fund - WC	5.1
Capital Group New Perspective (AU)	5.0
MFS Hedged Global Equity Trust W	3.4
Resolution Capital Global Property Secs	2.9
GQG Partners Global Equity AUD Hedged	2.8
Barrow Hanley Global Share S	2.6
Magellan Wholesale Plus Infrastructure	2.3
BT Cash	1.4
Total	**100.0**

Source: Morningstar Direct

Moderate Portfolio

The portfolio rebalanced to an equal weight to defensive and growth assets relative to its SAA benchmark.

The portfolio maintains a mild overweight in both Australian and international fixed interest due to attractive yields on offer and for the portfolio diversification benefits. No changes to the allocations inside these asset classes were made over the period. Cash is maintained at underweight relative to the SAA and is funding the fixed interest exposures that also increases the portfolio's interest rate duration and equity market diversification.

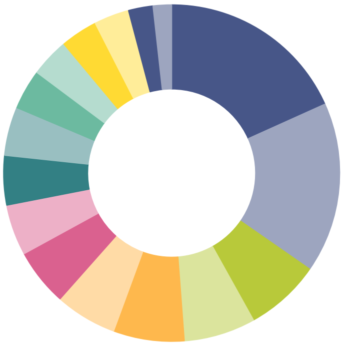
The portfolio's equity allocation maintains a preference to global over local stocks due to diversification and relative valuation within the managers themselves. Following the financial year end fund distributions and the subsequent buildup in cash, both Fidelity Australian Equities (Gold) and Schroder Wholesale Australian Equity (Gold) were increased, as was MFS Global Equity Trust II - I Hedged (Gold), Capital Group New Perspective Fund (Gold), and Barrow Hanley Global Share Fund – Class S (Gold). Both Australian and international allocations are maintained slightly underweight to the SAA given their relatively unattractive valuations.

The property and infrastructure overweight allocation is being maintained given the asset class's relative valuation and interest rate sensitivity. Our preference remains with global property over infrastructure.

Previous Allocation

	%
Western Asset Aus Bd A	18.7
PIMCO WS Plus Global Bond	16.4
Schroder WS Australian Equity Fund - WC	7.0
Capital Group New Perspective (AU)	7.0
Fidelity WS Plus Australian Equities	6.3
Barrow Hanley Global Share S	5.6
MFS Hedged Global Equity Trust W	5.3
UBS Cash Fund	5.2
Colchester Global Government Bond I	4.8
Greencape High Conviction	4.7
GQG Partners Global Equity AUD Hedged	4.6
Resolution Capital Global Property Secs	4.1
Magellan Wholesale Plus Infrastructure	3.6
Janus Henderson Tactical Income	3.4
BT Cash	3.3
Total	**100.0**

Current Allocation



	%
Western Asset Aus Bd A	18.3
PIMCO WS Plus Global Bond	16.4
Capital Group New Perspective (AU)	7.2
Schroder WS Australian Equity Fund - WC	6.9
Fidelity WS Plus Australian Equities	6.8
Barrow Hanley Global Share S	6.0
UBS Cash Fund	5.5
Colchester Global Government Bond I	4.9
GQG Partners Global Equity AUD Hedged	4.7
Greencape High Conviction	4.7
Resolution Capital Global Property Secs	3.8
Janus Henderson Tactical Income	3.7
Magellan Wholesale Plus Infrastructure	3.6
MFS Hedged Global Equity Trust W	3.4
iShares S&P 500 AUD Hedged ETF	2.4
BT Cash	1.8
Total	**100.0**

Balanced Portfolio

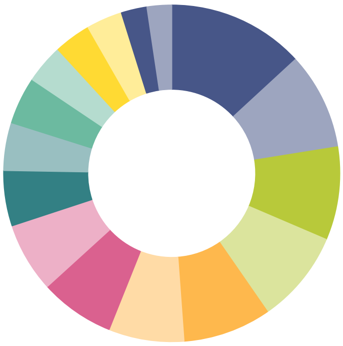
The portfolio rebalanced to an equal weight to defensive and growth assets relative to its SAA benchmark.

The portfolio maintains a mild overweight in both Australian and international fixed interest due to attractive yields on offer and for the portfolio diversification benefits. No changes to the allocations inside these asset classes were made over the period. Cash is maintained at underweight relative to the SAA and is funding the fixed interest exposures that also increases the portfolio's interest rate duration and equity market diversification.

The portfolio's equity allocation maintains a preference to global over local stocks due to diversification and relative valuation within the managers themselves. Following the financial year end fund distributions and the subsequent buildup in cash, Fidelity Australian Equities (Gold) and Schroder Wholesale Australian Equity (Gold) were increased, as was Capital Group New Perspective Fund (Gold), and Barrow Hanley Global Share Fund – Class S (Gold), while MFS Global Equity Trust II - I Hedged (Gold) was decreased to fund the addition of iShares S&P 500 AUD Hedged ETF (Silver). While both the Australian and international allocations are maintained slightly underweight to the SAA given relatively unattractive valuations, the inclusion of the iShares S&P 500 AUD Hedged ETF (Silver) significantly reduces the underweight to North America and the Magnificent 7 stocks, which have been driving the market returns.

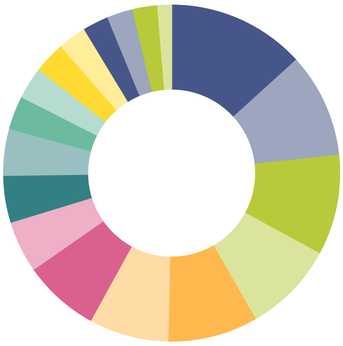
The property and infrastructure overweight allocation is being maintained given the asset class's relative valuations and interest rate sensitivity. Our preference remains with global property over infrastructure.

Previous Allocation



	%
Western Asset Aus Bd A	13.2
PIMCO WS Plus Global Bond	9.3
Fidelity WS Plus Australian Equities	8.9
Schroder WS Australian Equity Fund - WC	8.9
Capital Group New Perspective (AU)	8.5
MFS Hedged Global Equity Trust W	7.2
Barrow Hanley Global Share S	7.2
GQG Partners Global Equity AUD Hedged	6.7
Resolution Capital Global Property Secs	5.3
Pendal Focus Australian Share	4.6
Magellan Wholesale Plus Infrastructure	4.5
Colchester Global Government Bond I	3.8
BT Cash	3.5
Fidelity Future Leaders	3.5
UBS Cash Fund	2.5
GQG Partners Emerging Markets Equity Z	2.4
Total	**100.0**

Current Allocation



	%
Western Asset Aus Bd A	13.3
PIMCO WS Plus Global Bond	10.0
Fidelity WS Plus Australian Equities	9.6
Schroder WS Australian Equity Fund - WC	8.8
Capital Group New Perspective (AU)	8.6
Barrow Hanley Global Share S	7.6
GQG Partners Global Equity AUD Hedged	7.3
MFS Hedged Global Equity Trust W	5.0
Pendal Focus Australian Share	4.5
Magellan Wholesale Plus Infrastructure	4.5
Fidelity Future Leaders	3.2
iShares S&P 500 AUD Hedged ETF	3.1
Colchester Global Government Bond I	3.0
Resolution Capital Global Property Secs	2.7
UBS Cash Fund	2.5
Ironbark Paladin Property Securities	2.5
GQG Partners Emerging Markets Equity Z	2.4
BT Cash	1.3
Total	**100.0**

Source: Morningstar Direct

Growth Portfolio

The portfolio rebalanced to an equal weight to defensive and growth assets relative to its SAA benchmark.

The portfolio maintains a neutral weight to both Australian and international fixed interest relative to the strategic asset allocations (SAA) due to attractive yields on offer and for the portfolio diversification benefits. No changes to the allocations inside these asset classes were made over the period. Cash is maintained at underweight relative to the SAA and is effectively funding the fixed interest exposures, while acting as an equity market diversifier.

The portfolio's equity allocation maintains a preference to global over local stocks due to diversification and relative valuation within the managers themselves. Following the financial year end fund distributions and the subsequent buildup in cash, both Fidelity Australian Equities (Gold) and Schroder Wholesale Australian Equity (Gold) were increased, as was GQG Partners Global Equity Fund – AUD Hedged Class (Gold), Capital Group New Perspective Fund (Gold), and Barrow Hanley Global Share Fund – Class S (Gold), while MFS Global Equity Trust II - I Hedged (Gold) was decreased to fund the addition of iShares S&P 500 AUD Hedged ETF (Silver). While both the Australian and international allocations are maintained slightly underweight to the SAA given relatively unattractive valuations, the inclusion of the iShares S&P 500 AUD Hedged ETF (Silver) significantly reduces the underweight to North America and the Magnificent 7 stocks, which have been driving the market returns. The emerging market allocation via Vanguard Investments Australia FTSE Emerging Markets Shares ETF (Bronze) was maintained at its target weight.

The property and infrastructure allocations outperformed over the recent period and so we made changes to now include Australian property given more attractive relative valuations. This has seen both MFG Core Infrastructure Fund (Silver) and iShares Global Listed Property Index Fund (Hedged Class S) (Bronze) decreased, funding the new position in Vanguard Australian Property Securities Index ETF (Gold). With the inclusion of Australian property, these asset classes are now overweight compared to the SAA as we maintain conviction in their relative valuations.

Previous Allocation

	%
Capital Group New Perspective (AU)	11.5
Fidelity WS Plus Australian Equities	11.1
Schroder WS Plus Australian Equity	10.8
MFS Hedged Global Equity Trust W	9.0
GQG Partners Global Equity AUD Hedged	8.7
Barrow Hanley Global Share S	8.5
Pendal Focus Australian Share	7.2
Resolution Capital Global Property Secs	6.3
Magellan Wholesale Plus Infrastructure	5.7
Fidelity Future Leaders	5.6
BT Cash	4.5
Western Asset Aus Bd A	4.1
PIMCO WS Plus Global Bond	4.0
GQG Partners Emerging Markets Equity Z	2.9
Total	**100.0**

Current Allocation

	%
Fidelity WS Plus Australian Equities	11.9
Capital Group New Perspective (AU)	11.8
Schroder WS Plus Australian Equity	10.7
GQG Partners Global Equity AUD Hedged	9.3
Barrow Hanley Global Share S	9.0
Pendal Focus Australian Share	7.1
MFS Hedged Global Equity Trust W	6.2
Magellan Wholesale Plus Infrastructure	5.4
Fidelity Future Leaders	5.3
PIMCO WS Plus Global Bond	4.0
Western Asset Aus Bd A	3.9
iShares S&P 500 AUD Hedged ETF	3.8
Resolution Capital Global Property Secs	3.4
Ironbark Paladin Property Securities	3.0
GQG Partners Emerging Markets Equity Z	3.0
BT Cash	2.3
Total	**100.0**

High Growth Portfolio

The portfolio rebalanced to an equal weight to defensive and growth assets relative to its SAA benchmark.

The portfolio maintains a neutral weight to both Australian and international fixed interest relative to the strategic asset allocations (SAA) due to attractive yields on offer and for the portfolio diversification benefits. No changes to the allocations inside these asset classes were made over the period. Cash is maintained at underweight relative to the SAA and is effectively funding the fixed interest exposures, while acting as an equity market diversifier.

The portfolio's equity allocation maintains a preference to global over local stocks due to diversification and relative valuation within the managers themselves. Following the financial year end fund distributions and the subsequent buildup in cash, Fidelity Australian Equities (Gold) was increased, as was Capital Group New Perspective Fund (Gold) and Barrow Hanley Global Share Fund – Class S (Gold). DNR Capital Australian Emerging Companies Fund (Silver) was paired back slightly and MFS Global Equity Trust II - I Hedged (Gold) was reduced to fund the addition of iShares S&P 500 AUD Hedged ETF (Silver). While both the Australian and international allocations are maintained slightly underweight to the SAA given relatively unattractive valuations, the inclusion of the iShares S&P 500 AUD Hedged ETF (Silver) significantly reduces the underweight to North America and the Magnificent 7 stocks, which have been driving the market returns. The emerging market allocation via Vanguard Investments Australia FTSE Emerging Markets Shares ETF (Bronze) was maintained at its target weight.

The property and infrastructure allocations outperformed over the recent period and so we made changes to now include Australian property given more attractive relative valuations. This has seen both MFG Core Infrastructure Fund (Silver) and iShares Global Listed Property Index Fund (Hedged Class S) (Silver) decreased, funding the new position in Vanguard Australian Property Securities Index ETF (Gold). With the inclusion of Australian property, these asset classes are now marginally overweight compared to the SAA as we maintain conviction in their relative valuations.

Previous Allocation

	%
Capital Group New Perspective (AU)	12.8
Fidelity WS Plus Australian Equities	12.3
Schroder WS Plus Australian Equity	12.0
MFS Hedged Global Equity Trust W	10.0
GQG Partners Global Equity AUD Hedged	9.7
Barrow Hanley Global Share S	9.5
Pendal Focus Australian Share	8.1
Fidelity Future Leaders	6.3
Resolution Capital Global Property Secs	5.9
Magellan Wholesale Plus Infrastructure	5.1
BT Cash	4.8
GQG Partners Emerging Markets Equity Z	3.5
Total	**100.0**

Current Allocation

	%
Fidelity WS Plus Australian Equities	13.3
Capital Group New Perspective (AU)	13.1
Schroder WS Plus Australian Equity	11.9
GQG Partners Global Equity AUD Hedged	10.4
Barrow Hanley Global Share S	10.0
Pendal Focus Australian Share	7.9
MFS Hedged Global Equity Trust W	6.9
Fidelity Future Leaders	6.0
Magellan Wholesale Plus Infrastructure	5.4
iShares S&P 500 AUD Hedged ETF	4.3
GQG Partners Emerging Markets Equity Z	3.5
Resolution Capital Global Property Secs	2.7
Ironbark Paladin Property Securities	2.5
BT Cash	2.0
Total	**100.0**

Source: Morningstar Direct

Contact Us

Should you need any further information or have questions relating to the content, please contact our team.

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