



VMAPS

# Ventura Morningstar

## Defensive

### Managed Account Portfolio

#### Trade Update

05 2022

All data and information as at 16/05/2022  
For Financial Adviser Use Only

**Asset Allocation themes<sup>1</sup>**

Asset class	Change	New AA
Australian Equities	–	9.5%
International Equities	–	7.0%
Property & Infrastructure	–	0.0%
Australian Bonds	–	38.3%
International Bonds	–	19.4%
Alternatives/Other	–	2.2%
Cash	–	23.6%

*At a glance ....*

- The portfolio continues to perform relatively well, in a challenging environment. Key behind this has been the performance of **global energy companies**, which have rallied strongly on the back of the surging oil price. Following these gains, we take the opportunity to lock in some profits.
- Elsewhere, concerns around inflation (which has seen expectations around the future level of interest rates rise sharply) have led to falls in global sharemarkets. With this, **global shares** (in aggregate) now represent much better value and we have increased our weighting accordingly.

**Growth vs Defensive splits<sup>1</sup>**

Assets	Change	New Split
Growth	–	17.6%
Defensive	–	82.4%

<sup>1</sup> May not sum to 100.0% due to rounding.  
Morningstar Investment Management considers  
Alternatives/Other to be 50% Growth / 50%  
Defensive assets.

#### About Morningstar Investment Management Australia

Morningstar Investment Management Australia is a global leader in asset allocation and multi-asset portfolio construction.

Morningstar's long-term, valuation-driven approach is underpinned by an emphasis on preserving capital and undertaking analysis of global asset classes and securities. We invest with the client in mind, delivering holistic and cost-effective investment solutions, helping them to meet their investment goals.

*Portfolio action*

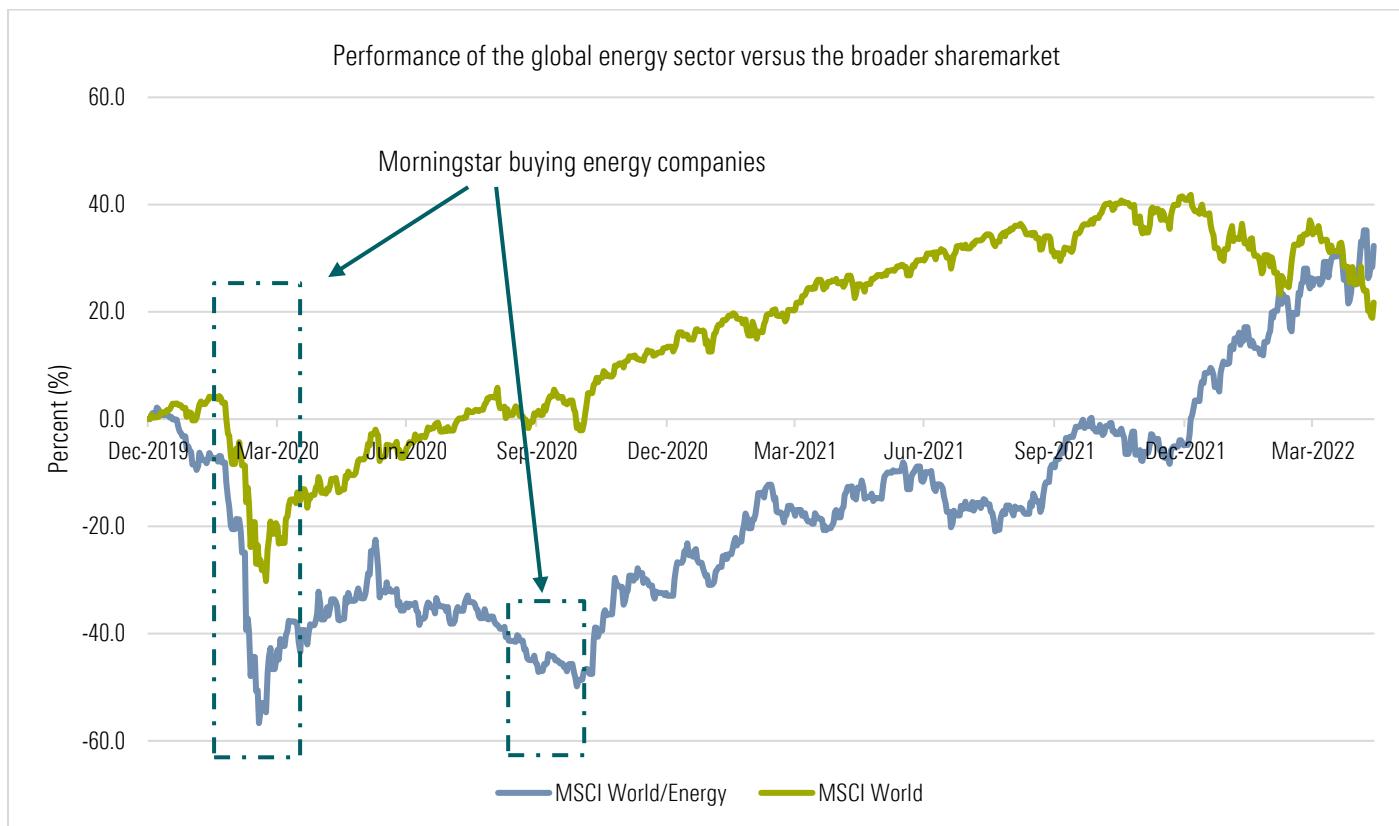
We have exited our investment in global energy companies in favour of an increased allocation to broad international sharemarkets:

Security	Security/ APIR Code	Current Weighting	New Weighting	Increase / Decrease <sup>2</sup>
<b>International Shares</b>		<b>7.0%</b>	<b>7.0%</b>	<b>0.0%</b>
iShares Core MSCI World (Ex Australia) ESG Leaders ETF	IWLD-AU	0.0%	<b>1.5%</b>	<b>1.5%</b>
BetaShares Global Energy Companies ETF (AUD Hedged)	FUEL-AU	1.5%	<b>0.0%</b>	<b>-1.5%</b>

<sup>2</sup> May not sum due to rounding.

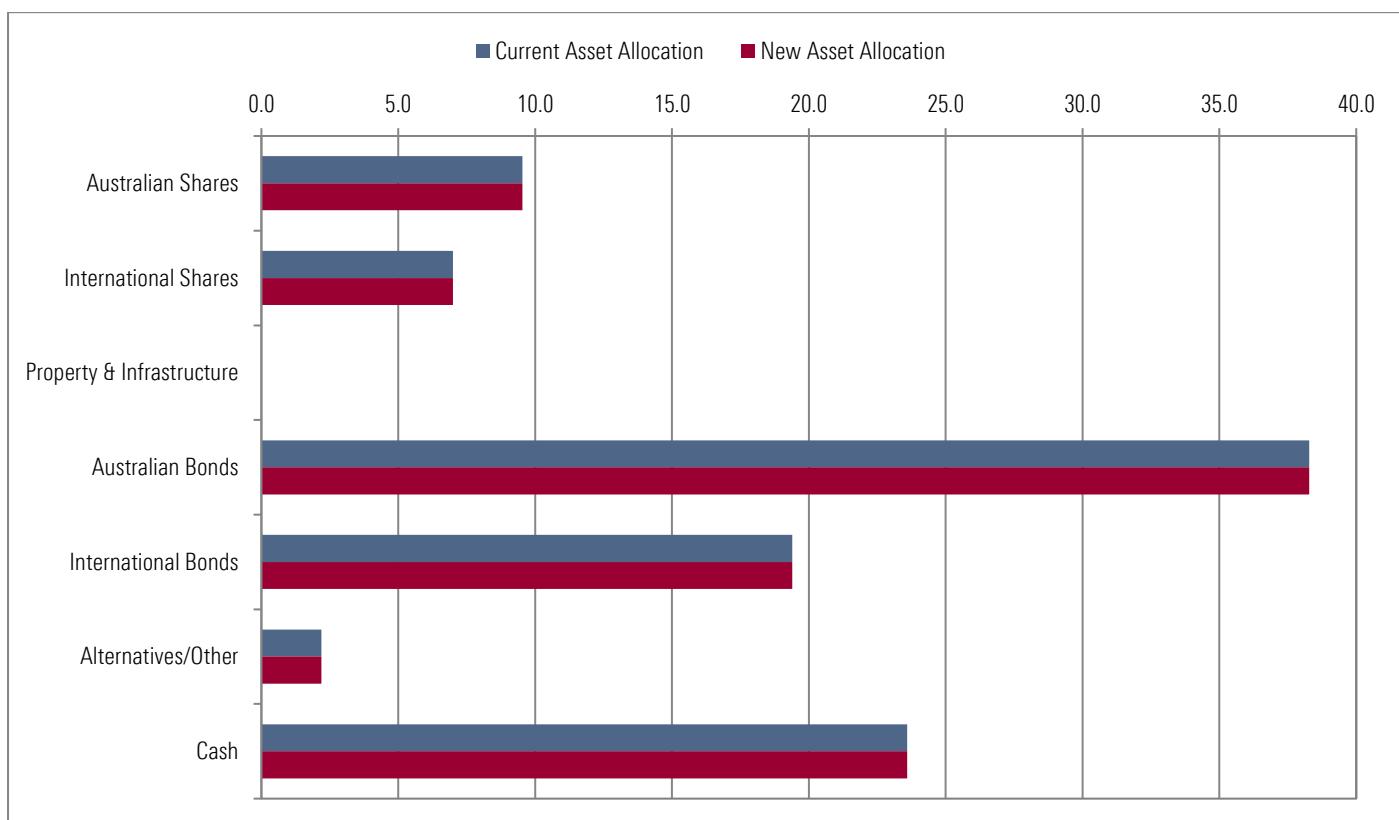
*Rationale*

Increasing inflation concerns, which have been exacerbated by the Russia/Ukraine conflict, have seen the oil price surge. Indeed, the current price of both Brent & West Texas Intermediate (WTI) Crude Oil (in excess of US\$110/barrel) is around five times the level that each typically traded at during the initial period of COVID-19 uncertainty, barely two years ago. This has flowed through into spectacular performance for the large integrated oil & gas players (such as Shell, BP, Chevron & Exxon), with the global energy sector up a remarkable 42% in 2022 alone. With lower expected future returns now on offer, following this exceptional period, we move to lock in profits. By contrast, broader global sharemarkets are down around 14% year-to-date, with expectations of rising interest rates (in response to soaring inflation and the withdrawal of Central Bank stimulus) impacting investor sentiment. In this regard, the recent weakness means that broad global sharemarkets now represent better value, leading us to increase our investment.



For illustrative purposes only.

## Current versus New Asset Allocation



## Portfolio Post Changes

Security	Security/APIR Code	GICS Industry Group	New Weighting <sup>3</sup>
<b>Australian Equities</b>			<b>9.5%</b>
Brambles Limited	BXB-AU	Industrials	1.9%
Medibank Private Limited	MPL-AU	Financials	1.4%
Woodside Petroleum Limited	WPL-AU	Energy	1.2%
Westpac Banking Corporation Limited	WBC-AU	Financials	1.0%
Commonwealth Bank of Australia Limited	CBA-AU	Financials	1.0%
CSL Limited	CSL-AU	Pharmaceuticals, Biotechnology & Life Sciences	1.0%
Insurance Australia Group Limited	IAG-AU	Financials	1.0%
Newcrest Mining Limited	NCM-AU	Materials	0.9%
<b>International Equities</b>			<b>7.0%</b>
BetaShares FTSE 100 ETF	F100-AU		3.0%
iShares Core MSCI World (Ex Australia) ESG Leaders ETF	IWLD-AU		1.5%
Morningstar International Shares Fund	INT0017AU		1.0%
iShares Europe ETF	IEU-AU		0.9%
iShares MSCI Japan ETF	IJP-AU		0.7%
<b>Property &amp; Infrastructure</b>			<b>0.0%</b>
<b>Australian Bonds</b>			<b>38.3%</b>
iShares Core Composite Bond ETF	IAF-AU		23.1%
Vanguard Australian Fixed Interest ETF	VAF-AU		12.6%
BetaShares Australian Bank Senior Floating Rate Bond ETF	QPON-AU		2.6%
<b>International Bonds</b>			<b>19.4%</b>
Morningstar International Bonds Fund	INT0082AU		17.1%
<i>BNY Mellon Global Aggregate Bonds</i>			
<i>Colchester Global Sovereign Bonds</i>			
<i>Ashmore Emerging Market Bonds</i>			
Vanguard International Credit Securities (Hedged) ETF	VCF-AU		2.3%
<b>Alternatives/Other</b>			<b>2.2%</b>
Morningstar Multi Asset Real Return Fund	INT0011AU		2.2%
<b>Cash</b>			<b>23.6%</b>
iShares Enhanced Cash ETF	ISEC-AU		16.3%
BetaShares Australian High Interest Cash ETF	AAA-AU		4.3%
Platform Cash	CASH_AUD		2.9%
		<b>Total</b>	<b>100.0%</b>

<sup>3</sup> May not sum to 100.0% due to rounding.

**For financial adviser use only**

This document is issued by Morningstar Investment Management Australia Limited (ABN 54 071 808 501, AFS Licence No. 228986) ('Morningstar'). Morningstar is the Responsible Entity and issuer of interests in the Morningstar investment funds referred to in this report.

© 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](http://morningstarinvestments.com.au/fsg).

Before making any decision about whether to invest in a financial product, individuals should obtain and consider the disclosure document. For a copy of the relevant disclosure document, please contact our Adviser Solutions Team on 1800 951 999.

## Our investment principles



We put investors first



We're independent-minded



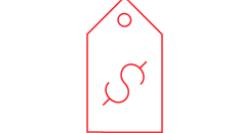
We invest for the long term



We're valuation-driven investors



We take a fundamental approach



We strive to minimise costs



We build portfolios holistically