



VMAPS

Ventura Morningstar

Diversified Income

Managed Account Portfolio

Trade Update

05 2022

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

Asset Allocation themes¹

Asset class	Change	New AA
Australian Equities	–	13.6%
International Equities	–	26.1%
Property & Infrastructure	–	1.9%
Australian Bonds	–	28.1%
International Bonds	–	14.8%
Alternatives/Other	–	4.0%
Cash	–	11.5%

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 splits¹

Assets	Change	New Split
Growth	–	43.6%
Defensive	–	56.4%

¹ 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

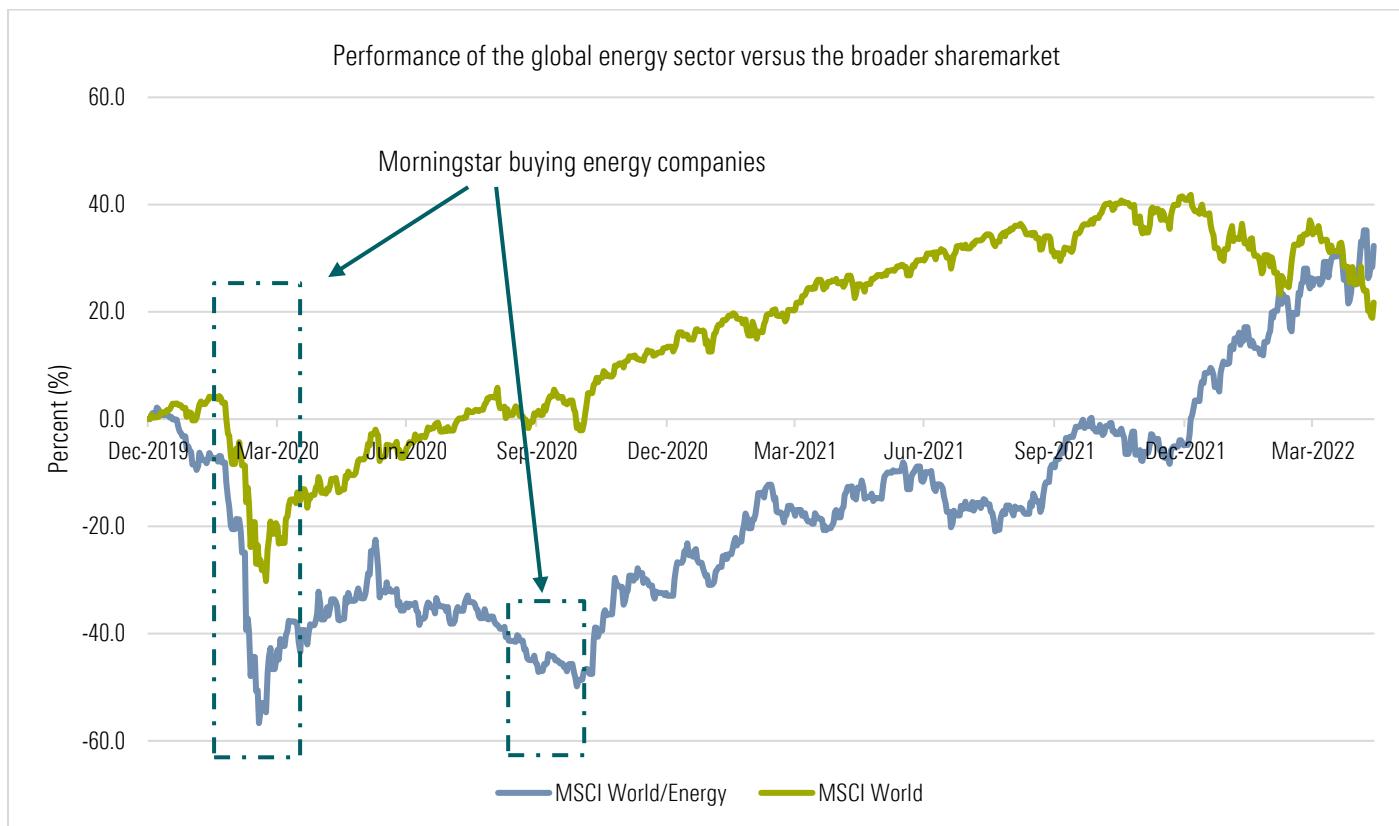
We have reduced our investment in global energy companies in favour of an increased allocation to broad international sharemarkets:

Security	Security/ APIR Code	Current Weighting	New Weighting	Increase / Decrease ²
International Shares		26.1%	26.1%	0.0%
iShares Core MSCI World (Ex Australia) ESG Leaders ETF	IWLD-AU	0.0%	1.3%	1.3%
BetaShares Global Energy Companies ETF (AUD Hedged)	FUEL-AU	3.3%	2.0%	-1.3%

² May not sum due to rounding.

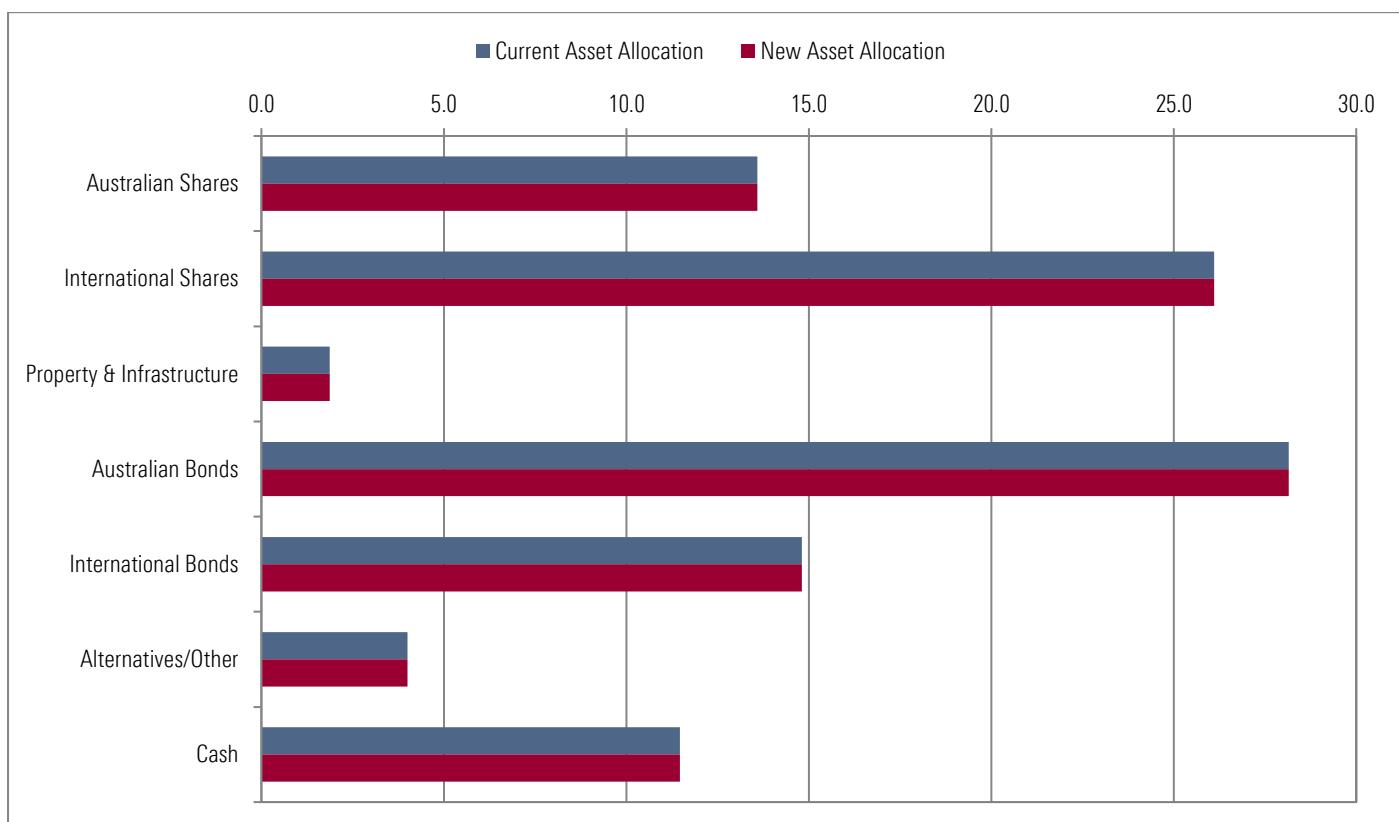
Rationale

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 ³
Australian Equities			13.6%
Brambles Limited	BXB-AU	Industrials	2.1%
Medibank Private Limited	MPL-AU	Financials	1.5%
Woodside Petroleum Limited	WPL-AU	Energy	1.2%
Westpac Banking Corporation Limited	WBC-AU	Financials	1.0%
Insurance Australia Group Limited	IAG-AU	Financials	1.0%
National Australia Bank Limited	NAB-AU	Financials	1.0%
Commonwealth Bank of Australia Limited	CBA-AU	Financials	0.9%
CSL Limited	CSL-AU	Pharmaceuticals, Biotechnology & Life Sciences	0.9%
Amcor PLC	AMC-AU	Materials	0.7%
Morningstar Australian Shares Fund	INT0002AU		3.1%
International Equities			26.1%
Morningstar International Shares Active ETF	MSTR-AU		6.3%
Morningstar International Shares Fund	INT0017AU		5.4%
BetaShares FTSE 100 ETF	F100-AU		5.3%
BetaShares Global Energy Companies ETF (AUD Hedged)	FUEL-AU		2.0%
iShares MSCI Emerging Markets ETF	IEM-AU		1.7%
iShares MSCI Japan ETF	IJP-AU		1.6%
iShares Core MSCI World (Ex Australia) ESG Leaders ETF	IWLD-AU		1.3%
iShares MSCI South Korea ETF	IKO-AU		0.9%
Vanguard FTSE Emerging Markets Shares ETF	VGE-AU		0.9%
Vanguard FTSE Europe Shares ETF	VEQ-AU		0.8%
Property & Infrastructure			1.9%
SPDR Dow Jones Global Real Estate ETF	DJRE-AU		1.0%
GPT Group	GPT-AU		0.9%
Australian Bonds			28.1%
iShares Core Composite Bond ETF	IAF-AU		17.8%
Vanguard Australian Fixed Interest ETF	VAF-AU		7.4%
BetaShares Australian Investment Grade Corporate Bond ETF	CRED-AU		2.9%
International Bonds			14.8%
Morningstar International Bonds Fund	INT0082AU		11.9%
<i>BNY Mellon Global Aggregate Bonds</i>			
<i>Colchester Global Sovereign Bonds</i>			
<i>Ashmore Emerging Market Bonds</i>			
iShares Global High Yield Bond (AUD Hedged) ETF	IHHY-AU		1.5%
Vanguard International Credit Securities (Hedged) ETF	VCF-AU		1.4%
Alternatives/Other			4.0%
Morningstar Multi Asset Real Return Fund	INT0011AU		4.0%
Cash			11.5%
BetaShares Australian High Interest Cash ETF	AAA-AU		5.7%
iShares Core Cash ETF	BILL-AU		3.3%
Platform Cash	CASH_AUD		2.5%
		Total	100.0%

³ May not sum to 100.0% due to rounding.

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Our investment principles



We put investors first



We're independent-minded



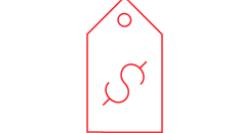
We invest for the long term



We're valuation-driven investors



We take a fundamental approach



We strive to minimise costs



We build portfolios holistically