Ventura Morningstar Defensive Managed Account Portfolio Trade Update

VMAPS

07 2022

All data and information as at 26/07/2022
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Asset Allocation themes[1]

Asset class	Change	New AA
Australian Equities	–	9.5%
International Equities	–	6.8%
Property & Infrastructure	–	0.0%
Australian Bonds	0.4	41.2%
International Bonds	–	19.2%
Alternatives/Other	–	2.0%
Cash	-0.4	21.3%

Growth vs Defensive splits[1]

Assets	Change	New Split
Growth	–	17.3%
Defensive	–	82.7%

[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.

At a glance ….

- Inflation (and interest rate) expectations have softened a little in recent weeks, amid a pullback in the oil price, with nascent talk of improving global supply chains boosting hopes that the worst of the inflationary threat may have passed.
- Portfolio cash levels have ticked up of late, with the payment of a number of distributions, following the end of the financial year. Despite rallying off recent lows, Australian bonds (in aggregate) continue to appeal, and we have increased our weighting accordingly.

Portfolio action

We have increased our allocation to Australian bonds, which we have funded from cash.

Security	Security/ APIR Code	Current Weighting	New Weighting	Increase / Decrease[2]
Australian Bonds		**40.8%**	**41.2%**	**0.4%**
Vanguard Australian Fixed Interest ETF	VAF-AU	15.1%	**15.5%**	**0.4%**
Cash		**21.7%**	**21.3%**	**-0.4%**
Platform Cash	CASH_AUD	2.9%	**2.5%**	**-0.4%**

[2] May not sum due to rounding.

Rationale

Global share and bond markets have rallied off their recent lows, boosted by a pullback in the oil price, which has served to dampen previously surging inflation and interest rate expectations. While this has come as a welcome relief to investors (and, no doubt, households) after a volatile start to 2022, it remains a challenging investment environment; one characterised by swift moves in sentiment in response to the ever-changing global outlook. Nonetheless, the portfolio's weighting to growth and defensive assets continues to be broadly in line with its target long term asset allocation, with the current environment providing opportunities for nimble, long-term focused investors like ourselves. In this regard, cash levels have risen of late, as a consequence of the payment of a number of distributions, following the end of the financial year. This leads us to top up our investment in Australian bonds, which still appear reasonably priced, on our analysis.

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Portfolio Post Changes

Security	Security/APIR Code	GICS Industry Group	New Weighting[3]
Australian Equities			**9.5%**
Brambles Limited	BXB-AU	Industrials	2.1%
Medibank Private Limited	MPL-AU	Financials	1.5%
Woodside Energy Group Limited	WDS-AU	Energy	1.3%
CSL Limited	CSL-AU	Pharmaceuticals, Biotechnology & Life Sciences	1.1%
Insurance Australia Group Limited	IAG-AU	Financials	1.0%
Commonwealth Bank of Australia Limited	CBA-AU	Financials	1.0%
Westpac Banking Corporation Limited	WBC-AU	Financials	0.9%
Newcrest Mining Limited	NCM-AU	Materials	0.7%
International Equities			**6.8%**
BetaShares FTSE 100 ETF	F100-AU		2.8%
iShares Core MSCI World (Ex Australia) ESG Leaders ETF	IWLD-AU		1.5%
Morningstar International Shares Fund	INT0017AU		0.9%
iShares Europe ETF	IEU-AU		0.9%
iShares MSCI Japan ETF	IJP-AU		0.7%
Property & Infrastructure			**0.0%**
Australian Bonds			**41.2%**
iShares Core Composite Bond ETF	IAF-AU		23.1%
Vanguard Australian Fixed Interest ETF	VAF-AU		15.5%
BetaShares Australian Bank Senior Floating Rate Bond ETF	QPON-AU		2.6%
International Bonds			**19.2%**
Morningstar International Bonds Fund	INT0082AU		17.0%
BNY Mellon Global Aggregate Bonds			
Colchester Global Sovereign Bonds			
Ashmore Emerging Market Bonds			
Vanguard International Credit Securities (Hedged) ETF	VCF-AU		2.3%
Alternatives/Other			**2.0%**
Morningstar Multi Asset Real Return Fund	INT0011AU		2.0%
Cash			**21.3%**
iShares Enhanced Cash ETF	ISEC-AU		14.4%
BetaShares Australian High Interest Cash ETF	AAA-AU		4.3%
Platform Cash	CASH_AUD		2.5%
		Total	**100.0%**

[3] May not sum to 100.0% due to rounding.

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