



VMAPS

Ventura Morningstar

Conservative

Managed Account Portfolio

Trade Update

09 2022

All data and information as at 23/09/2022
For Financial Adviser Use Only

Asset Allocation themes¹

Asset class	Change	New AA
Australian Equities	-0.3	9.2%
International Equities	–	17.7%
Property & Infrastructure	–	0.0%
Australian Bonds	–	29.4%
International Bonds	–	17.1%
Alternatives/Other	–	4.8%
Cash	0.3	21.7%

At a glance

- The portfolios continue to hold up well amongst the increasing volatility we are seeing across global financial markets.
- Following a good Australian reporting season for many of our portfolio holdings, we have taken profits on a number of names and rotated into stocks where we see more value as a result of the recent market volatility.
- We have increased our allocation to cash and defensive assets due to higher bond yields.

Growth vs Defensive splits¹

Assets	Change	New Split
Growth	-0.3	29.3%
Defensive	0.3	70.7%

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.

Portfolio action

We have taken profits in Australian Equities and rotated into assets where we currently see better value. We have also increased our allocation to cash.

Security	Security/ APIR Code	Current Weighting	New Weighting	Increase / Decrease ²
Australian Equities		9.5%	9.2%	-0.3%
Australia & New Zealand Banking Group Limited	ANZ-AU	0.0%	1.1%	1.1%
Newcrest Mining Limited	NCM-AU	0.6%	1.1%	0.5%
Brambles Limited	BXB-AU	2.3%	1.4%	0.9%
Woodside Energy Group	WDS-AU	1.3%	0.9%	0.4%
Medibank Private Limited	MPL-AU	1.5%	1.0%	0.5%
James Hardie	JHX-AU	0.0%	0.8%	0.8%
Commonwealth Bank of Australia	CBA-AU	0.9%	0.0%	0.9%
Cash		21.5%	21.7%	0.3%
Platform Cash		2.7%	3.0%	0.3%

² May not sum due to rounding.

Rationale

As has been the case for much of 2022, markets continue to exhibit elevated levels of volatility relative to what we have been accustomed to in years prior. Generally, the portfolios have held up relatively well seeing portfolio losses far superior to what we have seen in broad share and debt markets. Notwithstanding this, the portfolios continue to be monitored carefully and as part of this and in conjunction with our usual post Australian reporting season review a number of portfolio adjustments have been undertaken.

The results from the reporting season have been generally better than expectations with a key focus on the higher inflation environment. The Australian Equity component of the SMAs has significantly outperformed the broader market in 2022 YTD, big drivers of this outperformance have been Woodside, Brambles, and Medibank, therefore we have taken profits from these holdings and have rotated them into assets where we see more value. This has included increasing our holdings to ANZ and introducing James Hardie into the portfolios which is a manufacturer of fibre cement siding and backerboard. We are adding James Hardie to the portfolios given our ongoing view this is a quality business with strong market positions across its key markets. Price moves over the course of 2022 due to concerns about the impact of recession look overdone in our view and we look to add exposure to this quality business.

We have also increased our allocation to cash and defensive assets. We are now getting paid much higher yields in these portfolios, so can achieve the CPI + objective much more easily owning defensive assets. When yields were much lower than those now on offer, we had to hold higher levels of growth assets in order to achieve the objectives of the portfolio.

Portfolio Post Changes

Security	Security/APIR Code	GICS Industry Group	New Weighting ³
Australian Equities			9.2%
Brambles Limited	BXB-AU	Industrials	1.4%
Australia & New Zealand Banking Group Limited	ANZ-AU	Financials	1.1%
Newcrest Mining Limited	NCM-AU	Materials	1.1%
Medibank Private Limited	MPL-AU	Financials	1.0%
CSL Limited	CSL-AU	Pharmaceuticals, Biotechnology & Life Sciences	1.0%
Insurance Australia Group Limited	IAG-AU	Financials	1.0%
Woodside Energy Group Limited	WDS-AU	Energy	0.9%
Westpac Banking Corporation Limited	WBC-AU	Financials	0.9%
James Hardie Industries PLC	JHX-AU	Materials	0.8%
Commonwealth Bank of Australia Limited	CBA-AU	Financials	0.0%
International Equities			18.0%
BetaShares FTSE 100 ETF	F100-AU		5.0%
Morningstar International Shares Active ETF	MSTR-AU		2.6%
iShares Core MSCI World (Ex Australia) ESG Leaders ETF	IWLD-AU		2.2%
iShares MSCI Japan ETF	IJP-AU		1.7%
Vanguard FTSE Europe Shares ETF	VEQ-AU		1.3%
iShares MSCI Emerging Markets ETF	IEM-AU		1.2%
iShares China Large-Cap ETF	IZZ-AU		1.2%
Morningstar International Shares Fund	INT0017AU		0.9%
iShares Europe ETF	IEU-AU		0.9%
Vanguard FTSE Emerging Markets Shares ETF	VGE-AU		0.7%
Property & Infrastructure			0.0%
Australian Bonds			29.4%
iShares Core Composite Bond ETF	IAF-AU		18.5%
Vanguard Australian Fixed Interest ETF	VAF-AU		8.9%
BetaShares Australian Bank Senior Floating Rate Bond ETF	QPON-AU		2.0%
International Bonds			17.1%
Morningstar International Bonds Fund	INT0082AU		15.7%
<i>Insight Global Aggregate Bonds</i>			
<i>Colchester Global Sovereign Bonds</i>			
<i>Ashmore Emerging Market Bonds</i>			
Vanguard International Credit Securities (Hedged) ETF	VCF-AU		1.4%
Alternatives/Other			4.8%
Morningstar Multi Asset Real Return Fund	INT0011AU		4.8%
Cash			21.7%
iShares Enhanced Cash ETF	ISEC-AU		11.6%
BetaShares Australian High Interest Cash ETF	AAA-AU		5.5%
iShares Core Cash ETF	BILL-AU		1.7%
Platform Cash	CASH_AUD		3.0%
		Total	100.0%

³ 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.

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