



VENTURA MORNINGSTAR BALANCED MODEL

September 2023

COMMENTARY

Overview

Markets were generally positive in the second quarter of 2023, despite a range of conflicting indicators.

Some economic data such as employment and wages point to a resilient global economy that appears to be handling the burden of steep interest rate rises. Other data, such as PMIs, point to an economic slowdown.

The prospect of peak rates is supporting markets, along with that of inflation retreating. However, this is happening at different speeds around the world, causing regional performance differences.

Defensive assets continue to be shaped by higher rates, with short-dated and high-yield debt leading the way in the second quarter despite the risk of a recession if growth slows.

Model performance

30/09/2023

Period	Income %	Growth %	Total %
1 month	0.03	-2.35	-2.32
3 months	0.90	-1.96	-1.06
6 months	1.06	-1.02	0.04
1 yr pa	1.73	7.88	9.61
3 yr pa	1.80	2.84	4.64
5 yr pa	1.62	1.55	3.17
7 yr pa	1.77	1.89	3.66

The Ventura Morningstar Balanced Model has been operating since September 2014. The performance shown is indicative only and may vary to actual investor performance due to investment model trading requirements at the individual investor account level.

Model Composition

30/09/2023

Asset Class	Min	NP	Actual	Max
Australian Equities	0	16	11.1	45
Global Equities	0	23	30.7	45
AREIT			1.3	
Global Property	0	8	2.1	35
Global Infrastructure			0.0	
Alternatives	0	6	6.0	25
Aust Fixed Income	0	20	24.1	40
Global Fixed Income (Hedged)	0	14	14.0	40
Cash	10	13	10.7	55
		100	100.0	
	Growth	50	48.2	
	Income	50	51.8	

Min and Max allocations show the range in which the Model Manager can allocate, while NP refers to the Neutral Position of the Model and Actual refers to the Actual exposure at the date of this Profile.

Top Holdings

30/09/2023

	Security	Portfolio %
1	iShares Core Composite Bond ETF	14.8
2	Morningstar International Bonds (Hedged) Fund	14.0
3	Vanguard Australian Fixed Interest Index ETF	9.3
4	iShares Core Cash ETF	7.9
5	Morningstar Global Opportunities Fund	7.1
6	Morningstar International Shares Active ETF	7.1
7	Morningstar Multi Asset Real Return Fund	6.0
8	Morningstar International Shares (Unhedged) Fund	3.7
9	iShares Core MSCI World Ex Australia ESG Leaders ETF	3.5
10	iShares MSCI South Korea ETF	2.8
11	Australian Dollar	2.8
12	BetaShares FTSE 100 ETF	2.6
13	iShares Core S&P/ASX 200 ETF	2.5
14	VanEck FTSE International Property (Hedged) ETF	2.1
15	iShares China Large-Cap ETF CDI	1.7
16	iShares MSCI Japan ETF CDI	1.2
17	ANZ Group Holdings Ltd	1.1
18	Resmed	1.1
19	CSL Limited	1.1
20	Westpac Banking Corporation	1.1

Model Details

Objective	CPI+2.5%
Suggested timeframe	5 years
Number of securities	25-80
Estimated max. turnover	<40%
Model management fee	0.605%pa
Indirect Cost Ratio (ICR)	0.25%pa

Authorised Investments

ASX shares & ETFs, A-REITs, LICs, Global ETFs, Cash & Fixed Income ETFs, Managed Funds, and Cash & Term Deposits.

About Morningstar

Morningstar Investment Management Australia Limited (ABN 54 071 808 501; AFSL 228986) is a leading provider of asset allocation, portfolio construction and investment research services with over 35 years experience in the United States, Australia and other international markets. Morningstar advises and manages funds for superannuation funds, institutions, platform distributors, financial advisers and individuals.

Morningstar's Investment Approach

Morningstar's disciplined investment approach delivers independent, cost effective and holistic solutions for our clients – helping them reach their financial goals. This long-term, valuation driven approach is underpinned by an emphasis on preserving capital and undertaking meticulous comprehensive fundamental analysis of global asset classes and securities.

Portfolio Construction Process

When building diversified portfolios to achieve long-term real returns (after fees and taxes), a dynamic approach to asset allocation improves the outcome for investors. A total-portfolio-perspective approach that seeks to adjust the portfolio when the reward for risk changes, and measures risk in a more meaningful way to preserve capital for investors, is expected to provide a more stable and improved path to wealth accumulation. This approach is often contrarian to market consensus with patience and discipline provides significant investment opportunities.

Security Selection

Buying shares of superior businesses and allowing them to compound over time is the surest way to create wealth in the stock market. The long-term fundamentals of businesses, such as cash flow, competition, economic cycles, and stewardship, are the primary focus because history has shown that market sentiment is fleeting, momentum can quickly reverse, and the herd is sometimes a dangerous crowd. Occasionally, this approach causes our investment models to appear out of step, but willingness to be contrarian is an important source of outperformance.

About Ventura

Ventura Investment Management Ltd (Ventura) has been proudly managing the asset of Australian investors for over 10 years. Our mission is to assist all Australians in establishing and maintaining financial independence that will allow our investors to achieve what is most important to them.

To deliver this, we have created three series of investment solutions that can be tailored to individual circumstances and goals. Through our scale and expertise, our investors gain access to some of the world's leading asset managers.

Whether you're starting out, a sophisticated investor, or anywhere in between, we have professionally managed investment solutions that help ease the burden of the four key areas to building and maintaining investment portfolios: research, blending of selected assets, monitoring selected assets for quality and valuation and implementation.

About VMAPS

Ventura Managed Account Portfolios (VMAPS) is a next generation portfolio management solution that can be tailored to individual investor circumstances and goals. Through our scale and experience, our investors gain access to the thoughts and expertise of the world's leading asset managers.

Supported by professional financial advice, VMAPS offer investor benefits of:

1. Beneficial ownership of the investments in their portfolio (including payment of dividends)
2. Personal tax positions (including franking credits)
3. Transparency of portfolio holdings with quality online reporting
4. Low cost trading of portfolio holdings
5. Professional portfolio construction and management

With no minimum investment amount, the VMAPS solution offers choice of insurer and is available for Superannuation & Pension, or as ordinary, Non-Superannuation monies (including Self-Managed Superannuation Funds).

For more information speak to your financial adviser. 1300

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