



VENTURA MORNINGSTAR BALANCED MODEL

May 2025

QUARTERLY COMMENTARY

As the specter of a trade war grew in the first quarter of 2025, the more defensive low-volatility and yield factors tended to outperform both the market and other factors. That trend was observed globally as well as in the US. The yield factor fared well outside the US, in both developed and emerging markets, though, in those regions, low volatility finished in third place behind value. The value factor beat the market across all regions covered in this report in the first quarter. This marked a sharp turn in the US, where value steeply underperformed in 2024. Quality and momentum were among the worst performing factors in the first quarter of 2025, but among the best performing in 2024. Sharp reversals in market direction create a headwind for momentum, but all factors experience performance cyclicity. Because of their volatility, it is difficult to effectively time factor exposures.

Model performance 31/05/2025

Period	Income %	Growth %	Total %
1 month	0.1	2.1	2.2
3 months	0.4	1.2	1.6
6 months	0.8	2.2	2.9
1 yr pa	3.0	6.5	9.5
3 yr pa	2.3	4.9	7.2
5 yr pa	2.1	3.9	6.0
7 yr pa	1.9	3.2	5.1

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 31/05/2025

Asset Class	Min	NP	Actual	Max
Australian Equities	0.0	18.0	14.5	38.0
Global Equities	3.0	23.0	28.6	43.0
AREIT	0.0	0.0	1.2	20.0
Global Property	0.0	3.0	2.0	23.0
Global Infrastructure	0.0	3.0	2.6	23.0
Alternatives	0.0	6.0	6.0	25.0
Aust Fixed Income	0.0	20.0	21.2	40.0
Global Fixed Income (Hedged)	0.0	19.0	16.2	39.0
Cash	0.0	8.0	7.7	28.0
		100	100.0	
Growth		50.0	50.9	
Income		50.0	49.1	

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.

	Security	%
1	Morningstar International Bonds (Hedged) Fund	16.2
2	iShares Core Composite Bond ETF	12.5
3	Morningstar International Shares Active ETF	8.6
4	Morningstar Global Opportunities Fund	6.8
5	Vanguard Australian Fixed Interest Index ETF	6.3
6	Morningstar Multi Asset Real Return Fund	6.0
7	iShares Core S&P/ASX 200 ETF	5.6
8	iShares Core Cash ETF	5.5
9	iShares Core MSCI World Ex Australia ESG Leaders (AUD Hedged) ETF	4.5
10	iShares Core MSCI World Ex Australia ESG Leaders ETF	3.6
11	ISHARES FTSE GBL Infrastructure (AUD HEDGED) ETF	2.6
12	BetaShares Australian Investment Grade Corporate Bd ETF	2.4
13	Australian Dollar	2.2
14	VanEck FTSE International Property (Hedged) ETF	2.0
15	Westpac Banking Corporation	1.4
16	iShares MSCI South Korea ETF	1.3
17	iShares China Large-Cap ETF CDI	1.2
18	Morningstar Australian Shares Fund	1.2
19	Brambles Limited	1.1
20	ANZ Group Holdings Ltd	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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