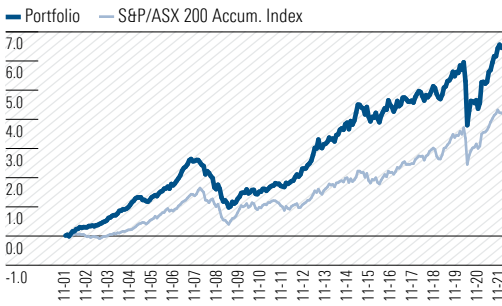


Morningstar Model Income Equity Portfolio

Performance and Allocation as at 30 November 2021

Total Return (x)

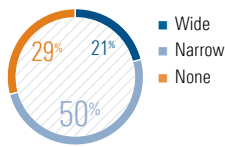


Portfolio Returns (%)

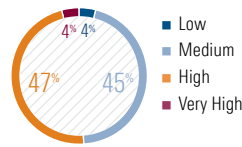
CAGR except 1 Year and YTD	Portfolio	S&P/ASX 200 Accum. Index
YTD	18.40	14.10
1 Year	18.62	15.48
3 Year	9.02	12.55
5 Year	6.62	10.11
10 Year	10.34	10.35
Since Inception	10.34	8.41

Portfolio Distributions* (%)

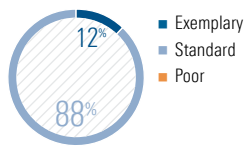
Moat Rating



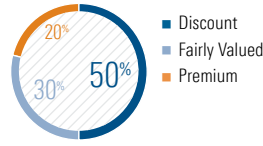
Uncertainty Rating



Capital Allocation



Price/Fair Value†



* Weighted ex-cash, hence <100%.

Style Breakdown (%)

Value	Core	Growth	Style
27	23	0	Large
18	18	4	Med
6	4	0	Small

Style Legend: 0-10, 10-25, 25-50, 51-100

Top Five Sectors (%)

Financial Services	33.7
Basic Materials	14.9
Consumer Cyclical	14.2
Industrials	12.4
Technology	9.1

Portfolio Holdings

Morningstar Ratings

⊕ = Shares Added ⊖ = Shares Sold ★ = New Holding UR = Under Review

Stock Name	% of Portfolio	Morningstar Analyst Rating	Morningstar Style Box	Uncertainty Rating	Moat Rating	Capital Allocation
Link Administration	4.69	★★★★★	■	Medium	Narrow	Standard
IRESS Ltd	4.52	★★★★	■	Medium	Narrow	Standard
Medibank Private Ltd	4.40	★★★★	■	Medium	Narrow	Standard
Computershare Ltd	4.33	★★★★	■	Medium	Narrow	Standard
Monadelphous Group Ltd	4.15	★★★★★	■	Very High	None	Standard
Growthpoint Properties	4.01	★★★★	■	Medium	None	Standard
Australian Dollar	3.94					
Bapcor Ltd	3.91	★★★★	■	Medium	Narrow	Exemplary
Aurizon Holdings Ltd	3.91	★★★★★	■	High	Narrow	Standard
Rio Tinto Ltd	3.90	★★★★	■	High	None	Standard
ANZ Banking Group Ltd	3.89	★★★★	■	High	Wide	Standard
Brambles Ltd	3.88	★★★★★	■	Medium	Wide	Standard
Ansell Ltd	3.88	★★★★★	■	Low	Narrow	Exemplary
National Australia Bank Ltd	3.74	★★★★	■	High	Wide	Standard
TPG Telecom Ltd	3.59	★★★★	■	High	Narrow	Standard
Janus Henderson Group	3.54	★★	■	High	Narrow	Exemplary
InvoCare Ltd	3.47	★★★★★	■	Medium	Wide	Standard
Perpetual Ltd	3.38	★★★★★	■	High	Narrow	Standard
Westpac Banking Corp	3.15	★★★★★	■	High	Wide	Standard
Fortescue Metals Group Ltd	3.14	★	■	High	None	Standard
Pendal Group Ltd	3.10	★★★★★	■	Medium	Narrow	Standard
BHP Group Ltd	2.75	★★★★	■	High	None	Standard
Sccentre Group	2.70	★★★★	■	High	None	Standard
Ancor PLC	2.36	★★★★	■	Medium	Narrow	Standard
South32 Ltd	2.28	★★★★	■	High	None	Standard
Dexus	2.19	★★★★	■	Medium	Narrow	Standard
Platinum Asset Mgmt Ltd	2.02	★★★★★	■	Medium	None	Standard
Inghams Group Ltd	2.02	★★★★	■	High	None	Standard
Commonwealth Bank	1.82	★★	■	High	Wide	Standard
CIMIC Group Ltd	1.37	★★★★★	■	High	None	Standard
Grand Total	100.00					

Disclaimer

Performance results represent modelled performance only. Past performance of any investment is not a reliable indicator of future performance and the performance described here is of a theoretical model. The model performance will differ from actual performance which follows that model depending on actual fees, taxes and other factors including transaction timing and divergence from constituent weightings, rounding adjustments and minimum trade sizes.

What is the Morningstar Model Income Equity Portfolio?

We started the Morningstar Model Income Equity Portfolio in 2001 as a model (theoretical) portfolio to demonstrate the returns potentially achievable (on the basis described below) from a concentrated portfolio of high quality income-producing shares. The target dividend yield for stocks in the model portfolio is greater than the benchmark S&P/ASX 200 Accum Index (the 'Benchmark Index'), which is also effectively a model equities portfolio with reinvestment of dividends. The Morningstar Model Income Equity Portfolio aims to have 15–30 holdings with limited trading. Companies with narrow or wide economic moats and low or medium uncertainty feature heavily in the model because of their more predictable cash flows, more stable dividends, and generally lower share price volatility.

How do Income Portfolio stocks compare with the Benchmark Index?

The Morningstar Model Income Equity Portfolio is generally invested in similar classes of equities as the (model) Benchmark Index in terms of investment objectives, types of investments, countries and markets/sectors covered. Both the model portfolio and the benchmark are therefore exposed to some normal investment risks such as foreign exchange, sector, manager and liquidity risk, but not to risks such as derivatives. As both represent equity investments,

they are likely to experience volatility common with the asset class, although it is our goal to generate less risk than the benchmark in the long-run. We have achieved this historically by focusing on high quality, undervalued, sustainable dividend yield investments, but cannot guarantee future success.

How is performance calculated?

Performance for both the Morningstar Model Income Equity Portfolio and the benchmark is expressed on the following basis and assumptions so that we are comparing 'apples with apples':

- ▶ before deduction of fees (ie entry, exit, performance or management fees), costs and taxes payable by either the Portfolio/benchmark or the investor;
- ▶ without allowing for franking credits or interest earned on cash balances; and
- ▶ dividends that would notionally be received are theoretically reinvested without any tax deduction.

Where this model is offered as an investable option by third party providers, management fees of between 0.44% and 0.85% (inclusive of GST) will be charged. There may also be performance fees (ranging from 10%–15% of outperformance) charged. Third party providers may also charge their own fees which will vary between providers. ■■

Morningstar Valuation & Fundamentals

Code	Fair Value (\$)	Price (\$)	Price/Fair Value	EPS (c)	DPS (c)	Franking (%) (est)	Price/Earnings (x)	Dividend Yield (%)	Market Cap (\$m)
LNK	6.35	4.95	0.78	21.1	10.0	82.0	23.4	2.0	2,539.3
IRE	11.00	12.39	1.13	41.5	46.0	38.3	29.9	3.7	2,354.6
MPL	3.30	3.45	1.05	16.0	12.7	100.0	21.5	3.7	9,501.3
CPU	18.20	19.09	1.05	69.8	63.2	80.0	27.4	3.3	11,525.2
MND	13.35	9.41	0.70	48.6	45.0	100.0	19.4	4.8	895.1
GOZ	3.95	4.15	1.05	25.1	20.0	0.0	16.5	4.8	3,204.0
BAP	7.60	7.17	0.94	38.1	20.0	100.0	18.8	2.8	2,433.6
AZJ	4.70	3.37	0.72	28.5	28.8	70.0	11.8	8.5	6,203.2
RIO	89.00	93.50	1.05	1,103.3	669.7	100.0	8.5	7.2	34,708.7
ANZ	30.00	26.70	0.89	218.4	142.0	100.0	12.2	5.3	75,268.5
BXB	13.70	10.01	0.73	47.5	27.4	30.0	21.1	2.7	14,359.8
ANN	35.00	32.02	0.91	275.7	111.7	0.0	11.6	3.5	4,098.8
NAB	28.00	27.30	0.98	199.3	127.0	100.0	13.7	4.7	89,334.7
TPG	7.40	6.75	0.91	24.0	7.5	100.0	28.1	1.1	12,550.6
JHG	55.00	62.70	1.14	386.2	184.6	0.0	16.2	2.9	1,835.5
IVC	15.30	11.42	0.75	20.4	12.5	100.0	56.0	1.1	1,645.2
PPT	42.50	34.33	0.81	220.4	180.0	100.0	15.6	5.2	1,944.3
WBC	29.00	20.52	0.71	146.4	118.0	100.0	14.0	5.8	75,279.5
FMG	10.00	17.01	1.70	493.0	358.0	100.0	3.5	21.0	52,373.2
PDL	9.00	6.17	0.69	48.2	41.0	10.0	12.8	6.6	2,361.1
BHP	41.00	39.37	0.96	451.7	403.5	100.0	8.7	10.2	116,151.4
SCG	2.85	3.09	1.08	-71.8	7.0	0.0	-4.3	2.3	16,038.3
AMC	16.70	16.22	0.97	98.1	62.9	0.0	16.5	3.9	13,524.1
S32	3.60	3.53	0.98	13.8	9.3	100.0	25.6	2.6	16,462.7
DXS	10.55	11.17	1.06	64.4	51.8	10.0	17.3	4.6	12,014.1
PTM	4.25	2.71	0.64	28.0	24.0	100.0	9.7	8.9	1,589.9
ING	3.60	3.46	0.96	23.3	16.5	100.0	14.9	4.8	1,286.0
CBA	83.00	93.18	1.12	488.5	350.0	100.0	19.1	3.8	159,001.6
CIM	33.50	18.37	0.55	189.0	60.0	20.0	9.7	3.3	5,718.5
			0.93			74.0	16.9	4.7	