

Morningstar Model Income Equity Portfolio

Portfolio Date: 30/11/2024

Portfolio Returns (%)

	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (1/8/2001)
Portfolio	17.92	26.67	13.04	9.43	8.35	10.69
S&P/ASX 200 TR AUD	15.07	23.42	9.55	8.28	9.08	8.55

Investment Growth

Time Period: 1/08/2001 to 30/11/2024



■ Portfolio

■ S&P/ASX 200 TR AUD

Style Breakdown (%)

Portfolio Date: 30/11/2024

	Value	Blend	Growth	Equity Style	%
Large	25	24	11	Equity Style Value %	46.4
				Equity Style Core %	34.9
				Equity Style Growth %	18.7
Mid	16	11	8		
Small	5	0	0		

Top Five Sectors (%)

Time Period: 30/11/2024 to 30/11/2024

	Weights
Financial Services	22.86
Basic Materials	14.96
Industrials	13.88
Healthcare	12.06
Communication Services	10.98

Portfolio Holdings

Portfolio Date: 30/11/2024

	Portfolio Weighting %	Morningstar Rating for Stocks	Equity Style Box	Fair Value Uncertainty	Economic Moat	Stock Capital Allocation Rating
BHP Group Ltd	5.63	★★★	■	Medium	None	Standard
ASX Ltd	5.49	★★★★	■	Low	Wide	Poor
Woodside Energy Group Ltd	4.98	★★★★★	■	Medium	None	Standard
Telstra Group Ltd	4.86	★★★★	■	Medium	Narrow	Standard
ANZ Group Holdings Ltd	4.84	★★★	■	Medium	Wide	Standard
ResMed Inc CHESS Depository Interests on a ratio of 10 CDIs per ord.sh	4.55	★★★	■	Medium	Narrow	Exemplary
Transurban Group	4.32	★★★	■	Medium	Wide	Standard
Rio Tinto Ltd	4.30	★★★	■	Medium	None	Standard
Brambles Ltd	3.92	★★★★	■	Medium	Wide	Exemplary
Charter Hall Group	3.88	★★★	■	Medium	Narrow	Exemplary
Aurizon Holdings Ltd	3.86	★★★★	■	Medium	None	Standard
Bapcor Ltd	3.67	★★★★	■	High	Narrow	Exemplary
Newmont Corp Chess Depository Interest	3.33	★★★★	■	Medium	None	Standard
Computershare Ltd	3.32	★★	■	Medium	Wide	Standard
CAR Group Ltd	3.24	★	■	Medium	Narrow	Exemplary
Ansell Ltd	3.08	★★★	■	Medium	Narrow	Exemplary
Westpac Banking Corp	3.02	★★	■	Medium	Wide	Standard
Perpetual Ltd	3.01	★★★★	■	Medium	Narrow	Standard
Ramsay Health Care Ltd	2.97	★★★★★	■	Medium	Narrow	Exemplary
National Australia Bank Ltd	2.94	★★	■	Medium	Wide	Standard
TPG Telecom Ltd Ordinary Shares	2.88	★★★★	■	Medium	None	Standard
Dexus	2.65	★★★★	■	Medium	None	Standard
Australian Dollar	2.62	—	—	—	—	—
Ventia Services Group Ltd	1.80	★★★	■	Medium	None	Standard
Amcor PLC ADR	1.69	★★★★	■	Medium	Narrow	Standard
South32 Ltd	1.68	★★★	■	High	None	Standard
Endeavour Group Ltd Ordinary Shares	1.67	★★★★★	■	Low	Wide	Exemplary
Goodman Group	1.66	★	■	Medium	Narrow	Exemplary
Scentre Group	1.52	★★★	■	Medium	None	Standard
Fisher & Paykel Healthcare Corp Ltd	1.46	★	■	Medium	Narrow	Exemplary
Inghams Group Ltd	1.16	★★★★	■	Medium	None	Standard

Morningstar Valuation & Fundamentals

Portfolio Date: 30/11/2024

	Morningstar Fair Value Per Share	Market Price (Mo-End)	Price/Fair Value	EPS TTM	Dividend per Share TTM	P/E Ratio (TTM)	Dividend Yield % TTM	Market Cap (mil) (Daily)
BHP Group Ltd	39.00	40.57	1.04	1.56	2.28	16.95	5.42	206,360.12
ASX Ltd	75.00	66.06	0.91	2.45	2.13	26.99	3.04	13,254.18
Woodside Energy Group Ltd	40.00	24.51	0.60	0.97	2.05	16.38	8.05	45,683.92
Telstra Group Ltd	4.50	3.94	0.89	0.14	0.18	28.14	4.51	46,102.17
ANZ Group Holdings Ltd	32.00	31.17	0.97	2.15	1.77	14.49	5.33	92,642.10
ResMed Inc CHESS Depository Interests on a ratio of 10 CDIs per ord.sh	40.50	38.40	0.92	0.75	0.29	33.09	0.82	54,945.99
Transurban Group	12.80	12.80	1.00	0.11	0.62	120.75	4.85	39,669.51
Rio Tinto Ltd	112.00	118.24	1.07	6.58	6.21	11.69	5.46	194,529.06
Brambles Ltd	22.00	19.03	0.89	0.56	0.44	22.19	2.67	27,143.06
Charter Hall Group	16.60	15.72	0.90	-0.47	0.45	—	3.02	7,052.39
Aurizon Holdings Ltd	4.50	3.38	0.74	0.22	0.18	15.29	5.07	6,166.36
Bapcor Ltd	7.30	4.51	0.65	-0.47	0.21	—	3.18	1,602.03
Newmont Corp Chess Depository Interest	76.00	65.09	0.84	-2.12	1.28	—	1.99	72,565.29
Computershare Ltd	28.00	31.89	1.18	0.59	0.78	25.22	2.48	19,504.63
CAR Group Ltd	29.00	41.50	1.38	0.66	0.67	62.69	1.82	15,097.80
Ansell Ltd	33.50	33.16	1.01	0.59	0.64	36.46	1.70	4,921.23
Westpac Banking Corp	29.00	33.36	1.13	1.92	1.47	17.40	4.61	112,636.19
Perpetual Ltd	24.50	21.68	0.89	-4.21	1.30	—	5.40	2,503.19
Ramsay Health Care Ltd	62.00	39.59	0.65	3.89	0.65	34.36	1.99	9,267.58
National Australia Bank Ltd	32.00	39.10	1.21	2.23	1.68	17.30	4.36	238,545.35
TPG Telecom Ltd Ordinary Shares	6.40	4.50	0.70	0.02	0.18	281.25	4.01	8,348.44
Dexus	9.60	7.28	0.73	-1.47	0.48	—	6.88	7,507.45
Ventia Services Group Ltd	4.50	4.55	0.95	0.24	0.18	19.36	4.40	3,644.43
Amcor PLC ADR	17.80	16.51	0.90	0.53	0.76	20.16	4.80	22,813.19
South32 Ltd	3.30	3.72	1.10	-0.05	0.05	—	1.43	16,344.59
Endeavour Group Ltd Ordinary Shares	6.10	4.37	0.71	0.29	0.22	15.28	5.01	7,789.78
Goodman Group	27.00	37.91	1.35	-0.05	0.30	—	0.82	69,907.08
Scentre Group	3.50	3.68	1.05	0.08	0.17	44.66	4.62	19,090.42
Fisher & Paykel Healthcare Corp Ltd	23.00	34.52	1.44	0.30	0.38	126.21	1.15	19,545.24
Inghams Group Ltd	3.70	3.10	0.85	0.27	0.22	11.40	6.37	1,167.07

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. This document is issued by Morningstar Investment Management Australia Limited (ABN 54 071 808 501, AFS Licence No. 228986) ("Morningstar"). © 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/fsq. Before making any decision about whether to invest in a financial product, individuals should obtain and consider the disclosure document.

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 0.41% 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.