MORNINGSTAR®

Quarterly Economic Briefing

Morningstar Manager Research
May 2024

Contents

1 Executive Summary
2 International Equity
7 Australian Equity
8 Listed Property
12 Global Infrastructure
14 Fixed Interest
18 Asset Allocation

Important Disclosure
The conduct of Morningstar's analysts is governed by Code of Ethics Policy, and Investment Research Integrity Policy. For information regarding conflicts of interest, please visit: http://global.morningstar.com/equitydisclosures

Executive Summary

Investors appear to be shrugging off news that the central banks may postpone rate cuts as board members await additional cooling signs amid resilient global economic activity, a strong job market, and elevated inflation readings. Strong corporate earnings results are helping equity markets, especially for artificial-intelligence-related companies.

Let's remember that investors went into the start of the year optimistic that a soft landing was in store for the economy, inflation would continue to normalize, and central banks would start cutting interest rates by midyear. Fast-forward a few months, and rate-cut expectations have been pushed out as economic data proves resilient in many parts of the globe.

That said, equity returns have been far from uniform across countries. Japanese stocks are rising strongly, while UK equities have eked out small gains despite a recession announcement. Performance has been similarly divergent across emerging markets, with Chinese and Brazilian stocks enduring losses, while India has gained.

While this creates a complex landscape, we still see positives in this environment and opportunities to add value. A short list of our convictions include:

- Chinese tech stocks
- Emerging-markets debt
- Government bonds

The market's proclivity for mega-cap stocks is a major talking point, with the "Magnificent Seven" dominating performance in recent memory, although this has been heavily swayed by Nvidia, which rose more than 80% in the first quarter of 2024. Outside of Nvidia, Tesla was down 27% in the quarter—the worst performer in the entire S&P 500. Apple was also down 11%, while Google was up 8% but trailing the broad market. Notwithstanding these changes, market concentration in the very largest stocks has reached a level not seen since the "Nifty Fifty" era of the early 1970s.

Turning to bonds, improving news on the global economy is causing yields to inch higher, providing a headwind for fixed-income asset classes. High-yield bonds have been a standout among fixed income.

Exhibit 1 Asset-Allocation Summary—Growth Risk Profile (as at March 31, 2024)

Growth Portfolio	SAA (%)	Current Allocation (%)	Over/Underweight (%)	Previous Allocation (%)	Change (%)
Australian Equity	27.0	26.0	-1.0	25.0	1.0
International Equity (Hedged)	15.3	14.4	-0.9	14.4	0.0
International Equity (Unhedged)	18.7	17.6	-1.1	17.6	0.0
Australian Listed Property	2.5	2.0	-0.5	2.0	0.0
International Listed Property	2.5	3.0	+0.5	3.0	0.0
Global Infrastructure	4.0	5.0	+1.0	6.0	-1.0
Australian Fixed Interest	13.0	15.0	+2.0	16.0	-1.0
International Fixed Interest	13.0	13.0	+0.0	12.0	1.0
Cash	4.0	4.0	+0.0	4.0	0.0
Total Defensive	30.0	32.0	+2.0	32.0	0.0
Total Growth	70.0	68.0	-2.0	68.0	0.0

Source: Morningstar Direct.

Exhibit 2 Market Returns to March 31, 2024 (AUD)

Asset Class	QTR	YTD	1yr	3yr
Australian Cash	1.1	1.1	4.2	2.2
Australian Fixed Income	1.0	1.0	1.5	-1.3
Global Fixed Income	-0.3	-0.3	2.5	-2.4
Australian REITs	16.2	16.2	2.5	11.5
Global REITs	-0.9	-0.9	6.7	0.6
Global Infrastructure	2.6	2.6	2.7	5.5
Australian Equities	5.3	5.3	14.4	9.6
Global Equities (AUD)	13.9	13.9	28.4	14.4

Source: Morningstar Direct.

International Equity

Review

US stocks continued last year's trajectory, finishing up more than 10% in the first three months in local-currency terms.

While last year was defined by mega-cap technology companies—notably the Magnificent Seven—the market showed its strength might lie in more than a single industry. Two members of the Mag 7—Tesla and Apple—fell back to earth in the quarter. However, these details are hidden behind the S&P 500's headline return. So, where did the returns come from? Well, certain members of the Mag 7—notably Nvidia and Meta—remained as top-performing stocks in the market, but we also observed strong returns in the energy, financial, and industrial sectors, which are industry groups that have lagged in recent years.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Entering the year, we questioned the narrative that high-flying growth stocks were unimpeachable. The verdict is still being deliberated, but there appears to be some early indications that market leadership could be evolving. As valuation-driven investors, we would welcome this outcome, as we continue to believe some of the most compelling US equity opportunities exist outside of the technology sector and other hot areas of the market.

Emerging-markets were positive in the quarter in local-currency terms, but the continued underperformance relative to other global equity markets is what many investors are focused on.

China makes up around a fourth of the index and plays a heavy hand in determining the fate of broader emerging-markets equities. China's disappointing economic indicators, including weaker growth, debt concerns, and property downturn, has corresponded with negative sentiment. Despite this, China may be more attractive than conventional wisdom would indicate. Valuations are very cheap, and the challenges confronting China are well understood by the markets, with pessimistic economic scenarios already priced in.

Stepping back, the structural story around emerging markets remains intact. Collectively, these countries represent approximately 80% of the world's population and nearly 70% of the world's gross domestic product growth but less than 10% of the total global equity market cap. A burgeoning middle class continues to develop and should present interesting opportunities for investors, albeit with higher volatility.

Outlook

It's important to note that our conviction for the US equity market remains a Medium overall conviction—which implies a balanced approach is warranted. The scores across two key "pillars"—absolute valuation and relative valuation—have improved moderately, while scores for contrarian indicators and fundamental risk remained unchanged. This is not to say that we consider US equities to be an outright bargain—we don't. But our process tells us that the situation has moderately improved, which is reflected in our conviction.

At a deeper level, valuation spreads—the disparity in valuation levels between sectors—is where we see opportunity. In 2020–21, we identified opportunities clustered in more cyclical (or economically sensitive) areas of the market. Specifically, regarding energy stocks: Our valuation approach incorporates a mean-reversion framework for energy prices longer term, which leads us to conclude that energy producers in particular have become more fully valued. However, we acknowledge that a prolonged period of structurally higher commodity prices has not been fully priced into these shares and also that companies have shown fairly strong capital discipline even as pricing has firmed, which is a

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

significant, positive departure from previous cycles. Energy infrastructure shares remain relatively appealing within the energy sector.

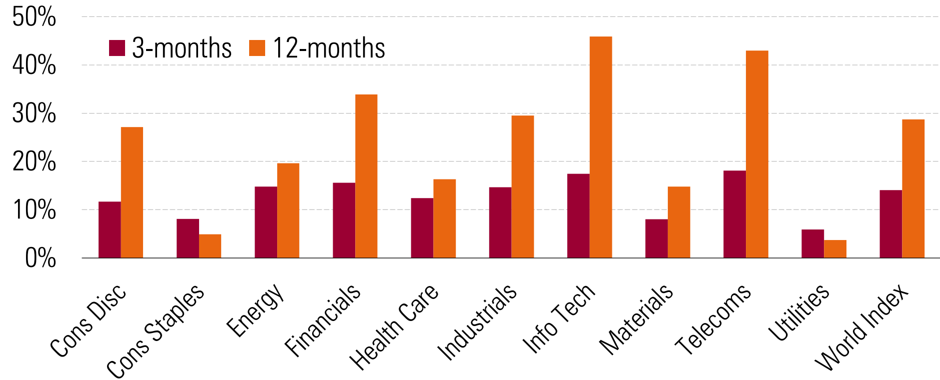
On financials, our research leads us to believe that large US banks are still relatively attractive, though not without risk. The last area on our radar is defensive sectors, most notably healthcare, which have improved in our relative rankings and could help offset equity risk as they are not highly correlated with economic cycles. Regarding technology stocks, we don't assess these stocks with a broad brush, though we are wary of the potential for a crowding situation in the sector, which, in aggregate, has been "overearning" relative to its own history (meaning, profit margins of late have been elevated versus long-term averages). So, care is required in this space, especially with interest-rate rises and valuation multiple implications from those increases. We have recently updated our work on the communication services sector in the US. Despite excellent share returns—most notably, Meta—our updated work suggests that, while not as compelling as was the case at year-end 2022, valuations in the sector are still reasonable on an absolute basis and, when compared with other equity asset classes (particularly those in more growth-oriented sectors), relatively appealing.

All this to say—a long-term perspective remains a critical ingredient for investor success. This is perhaps even more relevant during periods of market volatility.

We retain our conviction at Medium to High for emerging markets. We consider emerging-markets equities to be among our preferred equity regions (alongside selected European equities). Emerging markets as a whole continue to offer attractive valuations, with a forward price/earnings ratio of 12.1 times, well below developed-world peers.

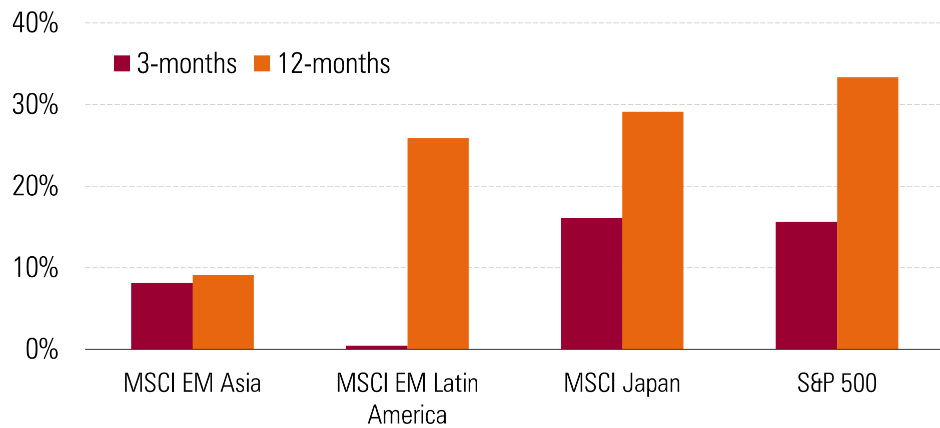
© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Exhibit 3.1 Global Subsectors and Market (AUD)—Trailing Returns to March 31



Source: Morningstar Direct.

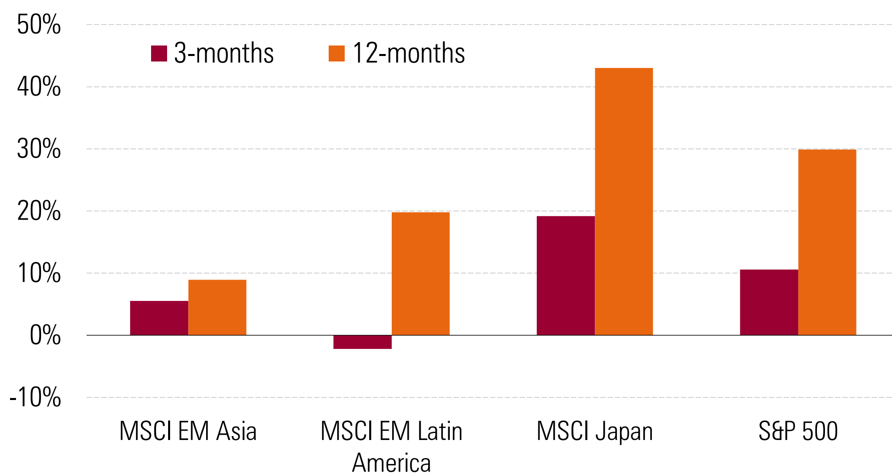
Exhibit 3.2 Regional Indexes (AUD)—Trailing Returns to March 31



Source: Morningstar Direct.

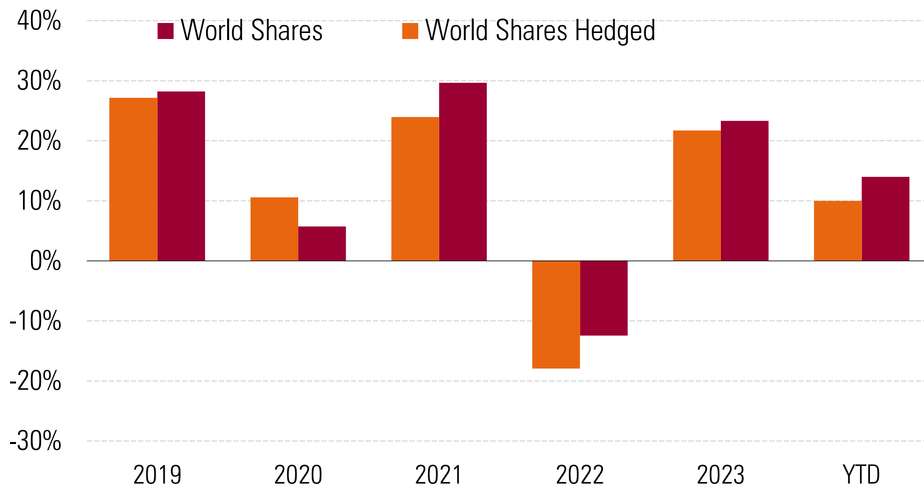
© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Exhibit 3.3 Regional Indexes (LCL)—Trailing Returns to March 31



Source: Morningstar Direct.

Exhibit 3.4 Global Shares Hedged vs. Unhedged (AUD)—Calendar-Year Returns to March 31



Source: Morningstar Direct.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Australian Equity

Review

Australian equities delivered positive returns but underperformed global benchmarks. Given where many other equity markets finished, this was a disappointing result.

Relative to other markets, Australia has not benefited from the "tech tailwind," as its largest industries are the financials and materials sectors. Australian equities trade on lower P/E multiples compared with US equities, but earnings growth has also been less impressive in comparison. Notably, given its large exposure to materials, China has historically been a large buyer of Australia's natural resources (iron ore, coal, metals, and so on). As China's economy has slowed, Australia's equity market fortunes have slowed in unison.

Outlook

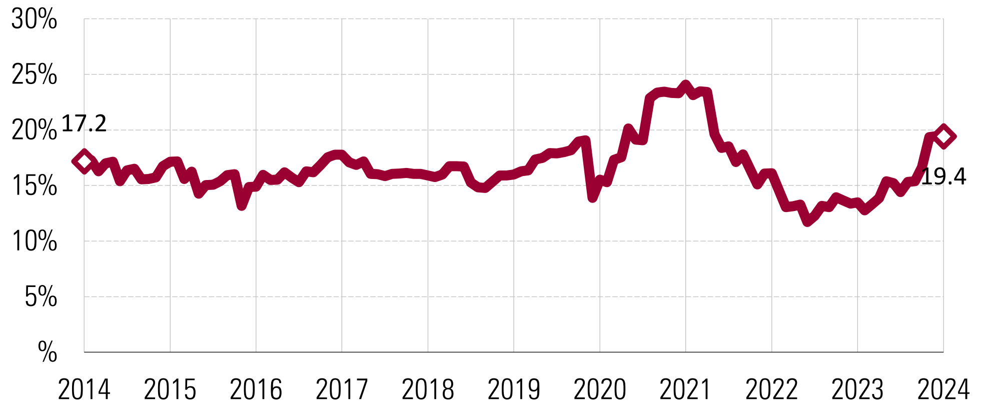
Headwinds exist, but performance in the last year relative to the major global indexes was subdued. Australian shares retain a Medium conviction, in line with many major global peers, according to our analysis. While opportunities do exist at a more granular level—especially for those willing to invest differently from the index—we continue to see greater merit in global exposure, including Chinese equities on valuation grounds and other select emerging markets.

Exhibit 4.1 Market Dividend Yield Style Factor—10 Years to March 31

Source: Morningstar Direct.

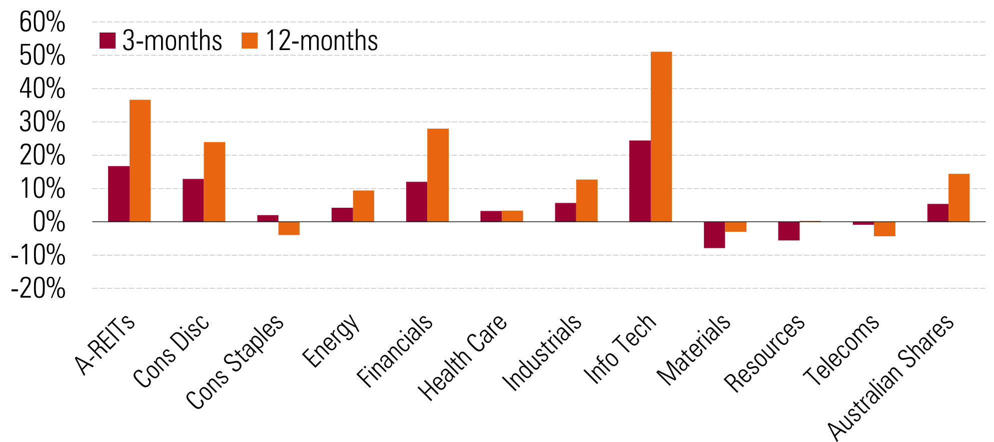
© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Exhibit 4.2 Market P/E Ratio—10 Years to March 31



Source: Morningstar Direct.

Exhibit 4.3 S&P/ASX 200 Subsectors and Market (AUD)—Trailing Returns to March 31



Source: Morningstar Direct.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Listed Property

Review

Real estate was one of the worst-performing sectors in the quarter, finishing modestly negative, after rallying strongly in late 2023. During 2024, the market's expectations regarding central banks' interest-rate cuts have moderated both in terms of timing (now expected to be later) and magnitude (less cuts).

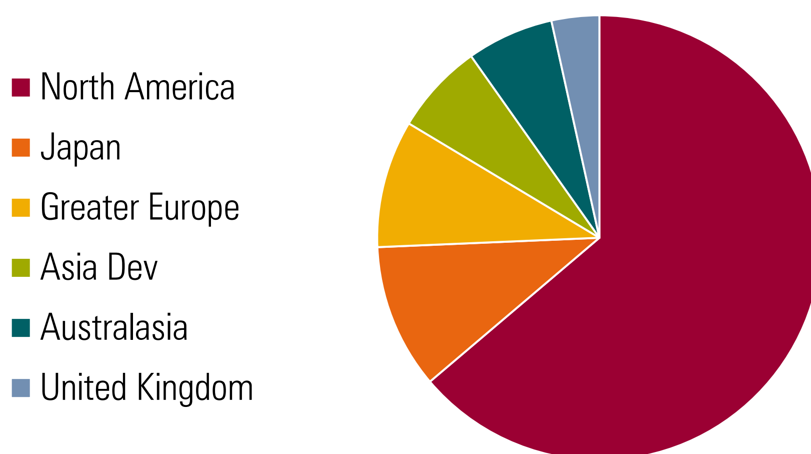
The real estate asset class continues to make plenty of headlines, mostly tied to office assets in urban city-centers that have been underperforming because of work-from-home, tenant bankruptcies, and/or debt-funding concerns. But it's important to remember that real estate is a large category and office assets represent only a small slice of a much larger pie.

Global REITs had been an underweighting across our portfolios for several years, but recent negative sentiment has created better relative value.

Outlook

REITs continue to remain dually exposed to economic conditions—both from a top-line rental growth perspective and also from a funding conditions perspective. As trusts that pay out high levels of earnings as dividends, REITs rely heavily on debt (and equity) markets to fund their highly capital-intensive operations. While we see better relative value in listed property, investors need to tread carefully. With debt-funding costs and construction costs on the rise, investors need to be wary of trusts exhibiting highly leveraged balance sheets and/or large property development exposure increasing the chances of dilutive and discounted equity raisings taking place.

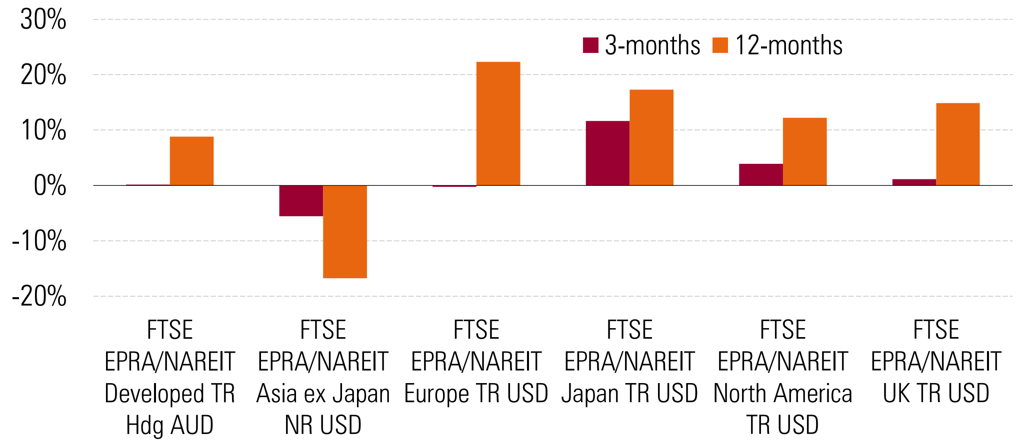
Exhibit 5.1 Global REITs—FTSE EPRA/NAREIT Index Regional Exposure as at March 31



Source: Morningstar Direct.

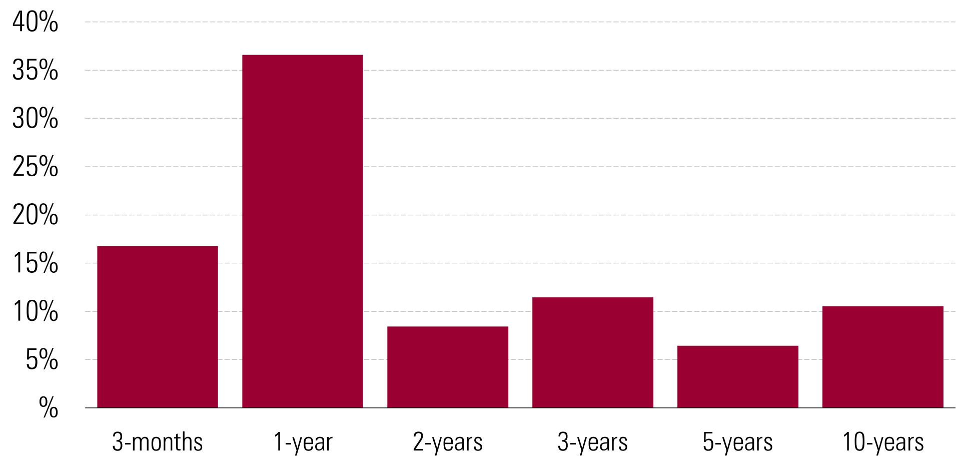
© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Exhibit 5.2 Global REITs (AUD)—Trailing Returns to March 31



Source: Morningstar Direct.

Exhibit 5.3 A-REITS (AUD)—Trailing Returns to March 31



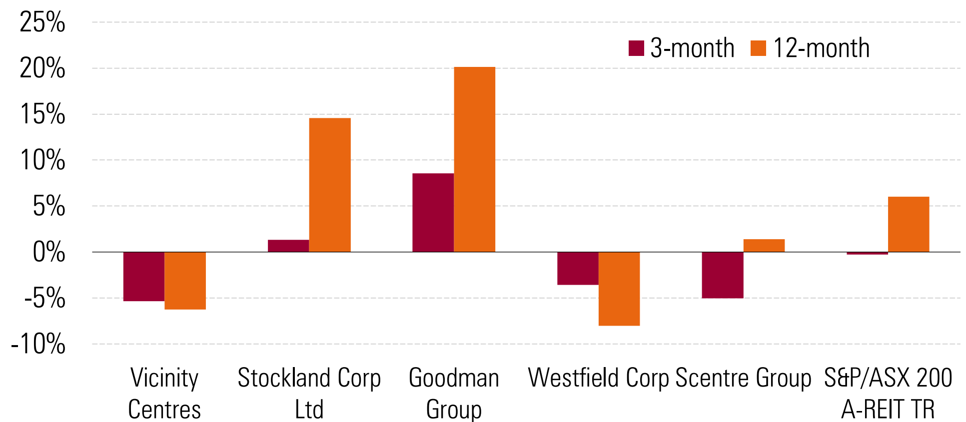
Source: Morningstar Direct.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Exhibit 5.4 S&P/ASX 200 A-REITS Index—Exposure to Top 5 Holdings as at March 31

Source: Morningstar Direct.

Exhibit 5.5 Top 5 A-REITS (AUD) Trailing Returns to March 31



Source: Morningstar Direct.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Global Infrastructure

Review

Global infrastructure represents a wide collection of income-producing assets, which includes utilities, airports, rail, and energy-related holdings. Global infrastructure indexes delivered small positive returns over the quarter, lagging the broader equities market's strong start to the year. Within infrastructure, European airports and North American railroads performed well, while communications infrastructure continued to struggle due to concerns over their more leveraged balance sheets.

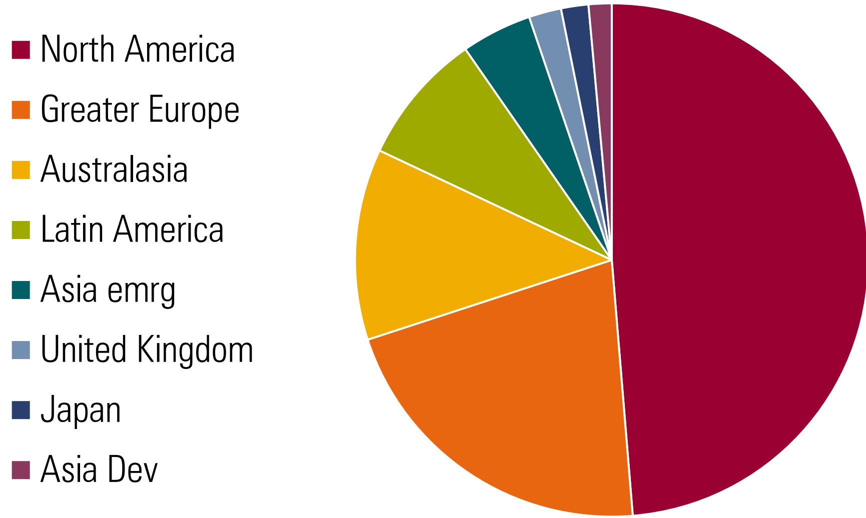
An area that has been showing strength of late but remains relatively appealing in our view is oil and gas master limited partnerships. MLPs are publicly traded partnerships focusing on energy infrastructure, serving as "the pipes and plumbing" that move oil and gas. They trade like stocks, on exchanges, derive 90% of their revenue from energy activities, and pass along the bulk of their earnings through distributions. Those distributions mean a hefty yield bolsters the total return for these companies, but they also carry reasonable valuations compared with the broader US energy market, greater capital discipline in recent times, stronger balance sheets of late, and potential upside—though arguably not as great as that of the producers—should energy prices stay higher for longer.

Outlook

As infrastructure is an income-focused asset class, we continue to see its outlook as being strongly influenced by the outlook for interest rates. Utilities comprise a significant weight within infrastructure. We see utilities as presenting better relative value today, particularly when compared with more cyclical and higher growth areas of the market, which have done well over the past year. That said, we still see an uncertain road ahead for utilities as companies balance up their renewable energy infrastructure spending plans against ensuring they receive attractive returns on these new investments in the face of higher interest rates, construction costs, and electricity bills for customers.

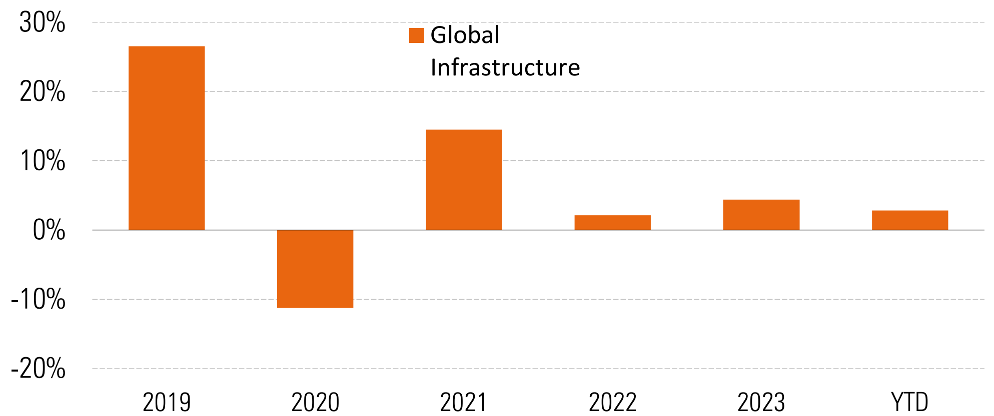
© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Exhibit 6.1 S&P Global Infrastructure—Regional Exposure as at March 31



Source: Morningstar Direct.

Exhibit 6.2 Global Infrastructure (AUD)—Calendar-Year Returns to March 31



Source: Morningstar Direct.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Fixed Interest

Review

The bond market has not provided the defensive features over the past few years that investors had become accustomed to. In aggregate, bonds have been in a drawdown for more than 44 months, the longest drought in recorded history.

On top of that, many government-bond markets turned in another negative quarter, making investors a bit restless with this part of their portfolio.

The good news? Given where yields sit today, it's not unreasonable to believe the worst could be behind us. A key aspect of the bond market is that interest rates adjusting higher from zero hurts most at the beginning, like we saw in the past few years. Any increase in rates from where we sit today will likely be much less dramatic than what already happened (that is, going from 0% to 5%) for the simple fact that you're getting paid a coupon now that isn't replicated with 1%–2% yields. In short, higher yields will ultimately translate to higher future expected returns.

Much of the discussion around developed-markets sovereign bonds is applicable to investment-grade bonds as well. Investment-grade bond returns traveled a similar path in the first quarter.

Obviously, one quarter does not change our views on what this asset class represents; we still believe investment-grade bonds continue to be an extremely valuable part of investor portfolios. Both of 1) declining interest rates, and/or 2) the higher yields that exist today should serve as a benefit going forward.

High-yield bonds had a decent quarter and topped the leaderboard among fixed-income assets.

Generally, the high-yield bond market in the US and Europe offers yields in the high single digits and, in some cases, low double digits. While these bonds carry higher risks, their advantages become more apparent when managed with a diversified portfolio that includes high-quality bonds.

Inflation-protected securities were approximately flat in the quarter. Compared with other areas of the bond market, this was a fine result on relative basis.

Inflation remains a very real concern, especially in the US economy. A key point to remember is that US Treasury Inflation-Protected Securities generally protect against unexpected inflation. If the trends observed in the March inflation report continue, TIPS will likely draw more investor interest.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Outlook

The material increase in bond yields has improved forward-looking prospects, which applies positively to the US, UK, and Australia. Europe is also rising from a very low base, although absolute yields remain broadly unattractive. Yields now cover inflation in many instances, offering positive "real" yields.

Going slightly deeper, the ability to add income to portfolios while mitigating duration/default risk looks attractive to us currently. Healthy government-bond yields are a positive for future return generation, and we expect this asset class to continue playing a role for investors. That said, overall, we feel that managing duration risk makes sense in most scenarios. We are cognizant of the potentially sizable drawdown risk from longer duration assets and adjusting our bond allocations higher at a moderate pace. Adding materially to duration might make sense at some point, but any changes should be measured and deliberate, given the fast-changing response from central banks and the threat of stickier inflation. The key risk for fixed income is that interest rates fail to sufficiently slow economic growth and inflation.

For corporates, many firms are using free cash flow to fund capital expenditure, not debt, and service-oriented firms are less reliant on debt financing than industrials. At the consumer level, most mortgages have locked in lower rates, and while we are seeing signs of slowing housing activity, the risk of a collapse is relatively contained. In this sense, government bonds are in an odd spot. On the one hand, the global macro environment is widely uncertain, with a range of outcomes. The domestic economy is challenged with slowing growth and persistent inflation that has the potential to reduce aggregate demand. To complicate matters, central banks have been late to make decisions to address inflation that could ultimately lead them to a tough bridge—balancing between a hard and soft landing. Further, given the delicate nature of both the domestic and global economy, long-term sovereign bonds seem appropriate to hedge against risks, whether that is aggressive central bank action, a weakening of demand, or both.

Both locally and globally, the higher yields have improved the attractiveness of this asset class over the long run, albeit from a low base. A key element is credit spreads—the difference between corporate-bond yields and government-bond yields—which remain below where they should be, in our analysis, and not enough to be deemed attractive. In this regard, one should be careful of lower-rated companies with high debt levels, as a heightened default cycle can't be ruled out.

In summary, this space has improved, but the inherent appeal remains muted relative to government bonds. We see some attraction as a middle ground—providing some extra yield versus government bonds and a duration profile that can help in portfolio construction.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Our overall conviction is Medium. In our view, this bears watching. While headline default risks are still deemed to be low, this could change with central banks tightening conditions and recessionary preconditions festering. A shorter duration profile relative to other bonds is also a potential positive in a rising-rate environment.

Emerging-markets debt in local currency, which we still prefer over hard currency, continues to offer healthy absolute yields, accounting for the added risk. Our view remains that many emerging-markets sovereigns, though with notable exceptions, have improved their fundamental strength compared with history. This includes improved current account balances, enhanced reserves, movement to orthodox monetary policy, and a buildout of a local investor base allowing for a shift to local-currency funding. In addition, the aggregation of emerging-markets currencies also looks undervalued overall and could offer a tailwind over time.

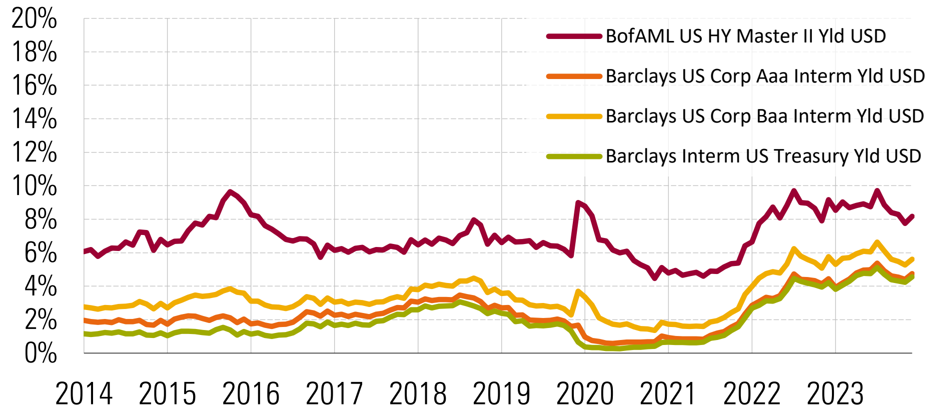
TIPS should eventually benefit from higher interest rates, and it wouldn't take much for markets to reprice inflation, which could offer an upside. One important consideration is duration risk, where inflation-linked bonds are often longer-dated securities with meaningful interest-rate sensitivity.

Exhibit 7.1 Global Bond Yield — Barclays Global Aggregate Yield (USD) — 10 Years to March 31

Source: Morningstar Direct.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Exhibit 7.2 U.S. Bond Yield Indexes—AAA to High Yield—10 Years to March 31



Source: Morningstar Direct.

Exhibit 7.3 Australian Bond Yield—Barclays Global Australia Yield (AUD)—10 Years to March 31

Source: Morningstar Direct.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Asset Allocation

Strategic Asset Allocations Summary

The table below presents the key attributes of the five portfolios. Morningstar derived the portfolios using the optimization process based on mean-variance analysis. In designing the portfolios, Morningstar aimed to balance the objective of income and growth requirements for a typical investor in each of the five risk profiles: conservative, moderate, balanced, growth, and aggressive.

Exhibit 8.1 Strategic Asset Allocations

Risk Profile	Conservative	Moderate	Balanced	Growth	Aggressive
Minimum Investment Period (Years)	3+	3+	5+	7+	9+
Portfolio Characteristics %					
Growth Assets	15.0	30.0	50.0	70.0	90.0
Defensive Assets	85.0	70.0	50.0	30.0	10.0
Strategic Asset Allocation %					
Australian Equity	5.0	11.0	19.0	27.0	36.0
International Equity (45% Hedged)	7.0	14.0	24.0	34.0	43.0
Australian Listed Property	0.0	0.0	0.0	2.5	3.0
International Listed Property	0.0	2.5	3.5	2.5	3.0
Global Infrastructure	3.0	2.5	3.5	4.0	5.0
Australian Fixed Interest	29.0	26.0	21.0	13.0	4.0
International Fixed Interest	29.0	26.0	21.0	13.0	4.0
Cash	27.0	18.0	8.0	4.0	2.0
Expected Long-Term Return %[1]					
Total	4.2	4.8	5.6	6.3	7.0
Income	3.6	3.5	3.4	3.2	3.1
Growth	0.5	1.2	2.0	2.8	3.5
Franking Credit	0.1	0.1	0.2	0.3	0.4
Projected Range of Returns % per Year (95% Confidence Interval)[2]					
5 Years	1.3 to 7.1	0.7 to 8.9	-0.4 to 11.6	-1.8 to 14.4	-3.2 to 17.3
10 Years	2.2 to 6.3	1.9 to 7.7	1.3 to 9.9	0.6 to 12	-0.2 to 14.3
20 Years	2.8 to 5.7	2.8 to 6.9	2.6 to 8.6	2.3 to 10.4	1.9 to 12.1
Risk[2]					
Probability of a Negative Return Over Any Single Year %	10.2	15.2	20.8	24.7	27.4
Magnitude of Loss Over 1 Year % (3 Std Dev)	-5.7	-9.2	-15.0	-21.4	-28.1

Source: Morningstar Direct. [1]Income, growth, and other capital market assumptions refer to long-term expectations over multiple decades. Over shorter periods, outcomes may vary significantly. [2]Analytics shown in this table are a forecast, not a prediction. The projected balance and results are only estimates; the actual amounts may be higher or lower.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Strategic and Tactical Asset Allocations

Exhibit 8.2 Conservative Portfolio

Conservative Portfolio	Previous SAA (%)	New SAA (%)	Current Allocation (%)	Over/Underweight (%)	Previous Allocation (%)
Australian Equity	5.0	5.0	4.0	-1.0	4.0
International Equity (Hedged)	3.2	3.2	2.7	-0.5	2.7
International Equity (Unhedged)	3.9	3.9	3.3	-0.6	3.3
Australian Listed Property	0.0	0.0	0.0	+0.0	0.0
International Listed Property	0.0	0.0	0.0	+0.0	0.0
Global Infrastructure	3.0	3.0	3.0	+0.0	3.0
Australian Fixed Interest	31.0	29.0	31.0	+2.0	34.0
International Fixed Interest	26.0	29.0	31.0	+2.0	28.0
Cash	28.0	27.0	25.0	-2.0	25.0
Total Defensive	85.0	85.0	87.0	+2.0	87.0
Total Growth	15.0	15.0	13.0	-2.0	13.0
Total Domestic	64.0	61.0	60.0	-1.0	63.0
Total International	36.0	39.0	40.0	+1.0	37.0
Australian Dollar Exposure	96.2	96.2	96.7	+0.5	96.7
Foreign-Currency Exposure	3.9	3.9	3.3	-0.6	3.3
Currency Hedge Ratio	45%	45%	45%	0%	45%

Source: Morningstar Direct.

Exhibit 8.3 Moderate Portfolio

Moderate Portfolio	Previous SAA (%)	New SAA (%)	Current Allocation (%)	Over/Underweight (%)	Previous Allocation (%)
Australian Equity	11	11.0	10.0	-1.0	10.0
International Equity (Hedged)	5.85	6.3	5.6	-0.7	5.9
International Equity (Unhedged)	7.15	7.7	6.9	-0.8	7.2
Australian Listed Property	0	0.0	0.0	+0.0	0.0
International Listed Property	3	2.5	3.0	+0.5	3.0
Global Infrastructure	3	2.5	2.5	+0.0	2.0
Australian Fixed Interest	26	26.0	28.0	+2.0	29.0
International Fixed Interest	22	26.0	26.0	+0.0	23.0
Cash	22	18.0	18.0	+0.0	20.0
Total Defensive	70	70.0	72.0	+2.0	72.0
Total Growth	30	30.0	28.0	-2.0	28.0
Total Domestic	59	55.0	56.0	+1.0	59.0
Total International	41	45.0	44.0	-1.0	41.0
Australian Dollar Exposure	92.85	92.3	93.1	+0.8	92.9
Foreign-Currency Exposure	7.15	7.7	6.9	-0.8	7.2
Currency Hedge Ratio	45%	45%	45%	0%	45%

Source: Morningstar Direct.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Exhibit 8.4 Balanced Portfolio

Balanced Portfolio	Previous SAA (%)	New SAA (%)	Current Allocation (%)	Over/Underweight (%)	Previous Allocation (%)
Australian Equity	19	19.0	18.0	-1.0	18.0
International Equity (Hedged)	9.9	10.8	9.9	-0.9	9.9
International Equity (Unhedged)	12.1	13.2	12.1	-1.1	12.1
Australian Listed Property	0	0.0	0.0	+0.0	0.0
International Listed Property	4	3.5	4.0	+0.5	4.0
Global Infrastructure	5	3.5	4.0	+0.5	4.0
Australian Fixed Interest	21	21.0	23.0	+2.0	24.0
International Fixed Interest	18	21.0	21.0	+0.0	19.0
Cash	11	8.0	8.0	+0.0	9.0
Total Defensive	50	50.0	52.0	+2.0	52.0
Total Growth	50	50.0	48.0	-2.0	48.0
Total Domestic	51	48.0	49.0	+1.0	51.0
Total International	49	52.0	51.0	-1.0	49.0
Australian Dollar Exposure	87.9	86.8	87.9	+1.1	87.9
Foreign-Currency Exposure	12.1	13.2	12.1	-1.1	12.1
Currency Hedge Ratio	45%	45%	45%	0%	45%

Source: Morningstar Direct.

Exhibit 8.5 Growth Portfolio

Growth Portfolio	Previous SAA (%)	New SAA (%)	Current Allocation (%)	Over/Underweight (%)	Previous Allocation (%)	Previ
Australian Equity	26	27.0	26.0	-1.0	25.0	
International Equity (Hedged)	14.4	15.3	14.4	-0.9	14.4	
International Equity (Unhedged)	17.6	18.7	17.6	-1.1	17.6	
Australian Listed Property	3	2.5	2.0	-0.5	2.0	
International Listed Property	3	2.5	3.0	+0.5	3.0	
Global Infrastructure	6	4.0	5.0	+1.0	6.0	
Australian Fixed Interest	14	13.0	15.0	+2.0	16.0	
International Fixed Interest	12	13.0	13.0	+0.0	12.0	
Cash	4	4.0	4.0	+0.0	4.0	
Total Defensive	30	30.0	32.0	+2.0	32.0	
Total Growth	70	70.0	68.0	-2.0	68.0	
Total Domestic	47	46.5	47.0	+0.5	47.0	
Total International	53	53.5	53.0	-0.5	53.0	
Australian Dollar Exposure	82.4	81.3	82.4	+1.1	82.4	
Foreign-Currency Exposure	17.6	18.7	17.6	-1.1	17.6	
Currency Hedge Ratio	45%	45%	45.0%	0%	45%	

Source: Morningstar Direct.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Exhibit 8.6 Aggressive Portfolio

Aggressive Portfolio	Previous SAA (%)	New SAA (%)	Current Allocation (%)	Over/Underweight (%)	Previous Allocation (%)
Australian Equity	34.0	36.0	35.0	-1.0	33.0
International Equity (Hedged)	18.5	19.4	18.5	-0.9	18.5
International Equity (Unhedged)	22.6	23.7	22.6	-1.1	22.6
Australian Listed Property	3.0	3.0	1.0	-2.0	2.0
International Listed Property	5.0	3.0	5.0	+2.0	5.0
Global Infrastructure	7.0	5.0	6.0	+1.0	7.0
Australian Fixed Interest	4.0	4.0	6.0	+2.0	6.0
International Fixed Interest	4.0	4.0	4.0	+0.0	4.0
Cash	2.0	2.0	2.0	+0.0	2.0
Total Defensive	10.0	10.0	12.0	+2.0	12.0
Total Growth	90.0	90.0	88.0	-2.0	88.0
Total Domestic	43.0	45.0	44.0	-1.0	43.0
Total International	57.0	55.0	56.0	+1.0	57.0
Australian Dollar Exposure	77.5	76.4	77.5	+1.1	77.5
Foreign-Currency Exposure	22.6	23.7	22.6	-1.1	22.6
Currency Hedge Ratio	45%	45%	45.0%	0%	45%

Source: Morningstar Direct.

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.

Copyright, Disclaimer and Other Information

This report has been issued and distributed by Morningstar Australasia Pty Ltd ABN: 95 090 665 544, AFSL: 240892 and/or Morningstar Research Limited NZBN: 9429039567505, subsidiaries of Morningstar, Inc.

The report has been prepared for clients of Morningstar Australasia Pty Ltd and/or New Zealand wholesale clients of Morningstar Research Ltd. Any general advice has been provided without reference to your objectives, financial situation or needs. For more information please refer to our Financial Services Guide available at: www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement.

Copyright

© The material contained in this document is copyright of Morningstar, Inc., its licensors and any related bodies corporate that are involved in the document's creation. All rights reserved. Except as permitted by the Copyright Act 1968 (Australia) or Copyright Act 1994 (New Zealand), you may not reproduce, transmit, disseminate, sell or publish this information without the written consent of Morningstar, Inc.

Trademarks

Morningstar and the Morningstar logo are registered trademarks of Morningstar, Inc.

Disclaimer

All care has been taken in preparing this report. However, please note we base our financial product research on current information provided to us by third parties (including financial product issuers) which we cannot necessarily verify. While we use all reasonable efforts to obtain information from reliable sources, we do not guarantee the data or content contained herein to be accurate, complete or timely. To the extent that our research is based on information received from other parties, no liability is accepted by Morningstar, its affiliates nor their content providers for errors contained in the report or omissions from the report. Morningstar determines its ratings on information disclosed to it by financial product issuers and on past performance of products. Past performance is no guarantee of future performance.

More Information

If you wish to obtain further information regarding this report, licensing and our services, please contact us on:

Morningstar.com.au subscribers
Tel: 1800 03 44 55
Email: help.au@morningstar.com

Advisers/Institutions/Others
Tel: +61 2 9276 4446
Email: helpdesk.au@morningstar.com

For further information on our analysts and research methodologies, we recommend you visit:
www.morningstar.com/company/disclosures

© 2024 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.