Morningstar CFS FC Moderate Core (FirstChoice Managed Account Range:

MORNINGSTAR® Colonial First State

Quarterly Performance Update

31 March 2022

Benchmark: Morningstar Category Average - Multisector Balanced
Inception Date : 27/09/2021

Trailing Returns

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inceptoin
Morningstar CFS FC Moderate Core	0.96	-2.50	-0.38				-1.07
Morningstar CFS FC Moderate Core Pension	1.09	-2.78	-0.41				-1.19
Category Average Multisector Balanced	0.48	-2.33	-0.56	4.18	5.24	4.92	-0.56
Category Average Multisector Balanced Pension	0.46	-2.53	-0.70	4.40	5.23	5.02	-0.70

Past performance is not a reliable indicator of future performance. Category Average inception returns based on first full month of performance.

Sector Allocation

	%
Fixed Interest	39.0
International Equities	22.0
Australian Equities	19.0
Cash	11.0
Property and Infrastructure	9.0
Total	**100.0**

Quarterly Commentary

The Morningstar CFS FC Moderate Core portfolios had a negative quarter, slightly underperforming against the category average benchmarks. Global equities and fixed income were key detractors with Australian equities adding value.

Domestically in fixed interest, the Bloomberg AusBond Composite had a negative quarter returning -5.88%. Australian yields followed developed market bond yields higher as the market priced in an accelerated path for RBS cash rate increases. Globally in fixed interest, the Bloomberg Global Aggregate had a negative quarter returning -4.98%. Global bonds suffered their worst quarter on record as markets priced in aggressive interest rate increases by central banks. Key contributors were multi-decades high inflation, large increases in commodity prices and more supply-side shortages caused by the Russia-Ukraine conflict. First Sentier Cash lagged the cash index, which was slightly positive, by 12 basis points. Colchester Global Government Bond outperformed the world government bond benchmark. Underweight positions in the US, Europe and UK were key contributors. Schroder Absolute Return Income lagged the RBA cash rate over the quarter. Australian corporate exposure detracted from performance. Perpetual Diversified Income underperformed the fund's benchmark over the quarter. Credit spread dynamics was the most substantial detractor for performance.

Australian equities had a positive quarter returning 2.24%. Higher commodity prices caused by the Russia-Ukraine conflict favourably impacted Australian equities. Energy, Materials and Financials all led the market higher. Banks gained on expectations of higher interest rates and the positive flow on effect that this could have on net interest margins. Fidelity Australian Equities underperformed the index over the quarter. Stock selection in real estate and consumer discretionary held back gains whilst selected material names contributed to relative returns. Overweight positions, relative to index, in Dominos, Domain and Goodman impacted performance. Realindex Australian Share Fund strongly outperformed the benchmark over the quarter as value outperformed growth. Materials was the largest contributor for the month driven by the portfolio's overweight to that sector and positive stock selection in Metals & Mining.

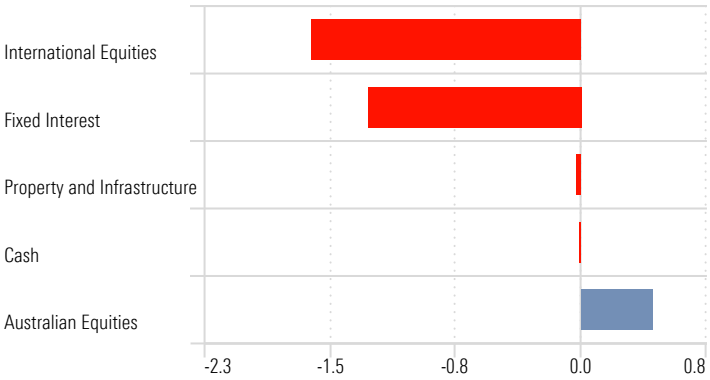
Global equities had a poor quarter with MSCI World Ex-Australia delivering -8.42%. Global stocks tumbled as the Russia-Ukraine conflict heighted uncertainty about the economic outlook and boosted energy and grain prices in an environment where inflation is already at decade highs. US inflation is at its highest in 40 years. Most sectors of the market fell with Consumer Discretionary falling the most at -11%. US and European stocks fell on higher inflation with Japan also losing ground amid global uncertainty. Realindex Global Share Fund outperformed the index over the quarter. Value stocks outperformed Growth stocks during the period. Regionally being underweight to North America added value whilst the largest detractor was the overweight to Developed Asia. Being underweight to Meta (Facebook) was the largest contributor at stock level. Stewart Investors Worldwide Sustainability underperformed the index over the quarter. Being overweight in Information Technology was a key detractor.

Global real estate had a negative quarter with the benchmark returning -3.35%. A poor first two months of 2022 resulted in a negative quarter despite a positive month in March. Macro headwinds impacting global markets similarly impacted real estate companies.

Global infrastructure had a strong quarter returning 7.29% for the quarter as measured by the S&P Global Infrastructure index. Inflation protection characteristics of global infrastructure was one of the key drivers of performance. Prices of infrastructure companies within the Energy sector increased from the Russia-Ukraine conflict fallout as investors sought safe haven assets. Magellan Infrastructure underperformed the index over the quarter. Key detractors to performance were the tower operators American Tower Corp and Crown Castle. These companies have fixed near term price increases and fell when US inflation hit a 40 year high.

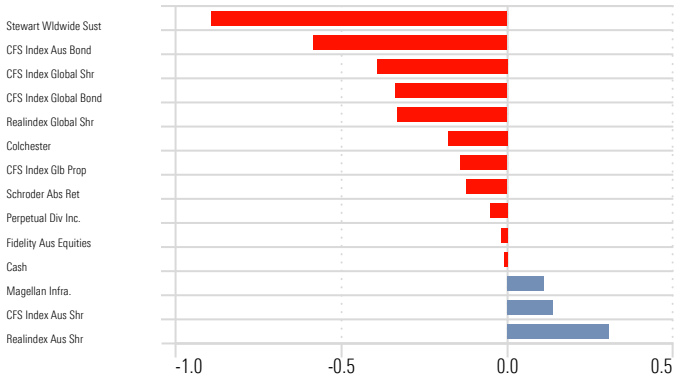
Asset Class Quarterly Contribution to Performance

Time Period: 1/01/2022 to 31/03/2022



Manager Quarterly Contribution to Performance

Time Period: 1/01/2022 to 31/03/2022



* An individual investor's performance will differ from the modelled performance depending on factors such as transaction timing, actual management fees, whether income is paid and any divergence from model portfolio weighting. Returns are calculated on an annualised basis using exit price to exit price with distributions reinvested, net of management costs, transaction costs and for FirstChoice Wholesale Personal Super and FirstChoice Employer Super net of tax payable by the trustee. All return calculations exclude contribution surcharge, excess contribution tax or individual taxes payable by the investor and all other fees and rebates disclosed in the relevant Product Disclosure Statements.

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Source: Morningstar Direct

Portfolio Holdings

As of Date: 31/03/2022

	Return					
	1 Mth	3 Mth	6 Mth	1 Year	3 Years	5 Years
Australian Equities						
CFS FC W PSup-Fidelity W Aus Equities	6.66	-0.46	1.88	16.81	11.44	9.81
CFS FC W PSup-CFS W Index Aus Share	6.20	1.86	4.59	14.25	10.26	9.02
CFS FC W PSup-Realindex W Aus Shr	6.23	6.29	8.88	17.42	11.73	9.67
S&P/ASX 200 TR AUD	6.89	2.24	4.38	14.97	10.59	9.22
Cash						
CFS FC W PSup-FSI W Strategic Cash	-0.07	-0.09	-0.16	-0.10	0.39	0.87
RBA Bank accepted Bills 90 Days	0.01	0.03	0.04	0.05	0.39	0.98
Fixed Interest						
CFS FC W PSup-Perpetual W Divers Inc	-0.18	-0.76	-0.96	-0.28	1.60	1.90
CFS FC W PSup-Colchester W Glb Gov Bnd	-1.72	-3.61	-4.25	-3.84		
CFS FC W PSup-Schroder W Abs Return Inc	-0.84	-1.57	-2.05	-1.39	1.19	1.77
CFS FC W PSup-CFS W Index Aus Bond	-3.36	-5.36	-6.63	-5.23	-0.65	1.25
CFS FC W PSup-CFS W Index Global Bond	-1.67	-4.22	-3.77	-3.41	0.41	
Bloomberg Global Aggregate TR Hdg AUD	-2.13	-4.98	-4.95	-4.01	0.84	1.99
Bloomberg AusBond Composite 0+Y TR AUD	-3.75	-5.88	-7.25	-5.55	-0.32	1.86
International Equities						
CFS FC W PSup-CFS W Index Global Shr-Hgd	2.05	-4.91	1.61	9.11	11.77	10.12
CFS FC W PSup-Realindex W Global Shr	-1.85	-4.38	-0.84	7.96	8.55	8.87
CFS FC W PSup-Stewart Inv W Wldwide Sus	-1.10	-14.41	-10.60	2.03	7.96	9.14
MSCI World Ex Australia NR AUD	-0.89	-8.42	-1.84	11.60	12.93	12.88
Property and Infrastructure						
CFS FC W PSup-Magellan W Infrastructure	5.98	2.21	9.87	13.23	4.23	6.16
CFS FC W PSup-CFS Index Glb Property Sec	4.49	-3.63	6.32	15.98	4.81	
FTSE EPRA Nareit Developed TR Hdg AUD	4.84	-3.35	6.68	16.56	5.17	6.88
S&P Global Infrastructure NR Hdg AUD	5.46	7.29	12.08	17.17	5.71	6.06

* Returns are calculated on an annualised basis and are net of fees and tax.

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Source: Morningstar Direct