
Global Equity Sector Wrap

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Executive Summary

2016 was a year of macro events and volatility. In the first half, emerging markets were the only major bright spot, with developed markets slightly down, especially Europe and Japan. Mining and energy stocks fell hard, then posted a sudden rebound. Midyear brought the surprise Brexit referendum and the bottoming of long-end interest rates. And last was the US presidential election that spurred the "reflation trade." The second half saw significant change as most regions experienced good gains; emerging markets particularly delivered strongly after several lackluster years.

The first article in this Global Equity Sector Wrap explores investment styles. Last year, we mentioned that value could be due for a rebound any time, but we didn't expect to be proved correct so quickly. Value stocks outperformed so strongly in 2016 that in our article this year we reverse our advice and urge investors not to throw out their growth funds, but be aware of the styles in their portfolio while arguing for a level diversification among styles.

The active versus passive debate continued to rage in 2016, and our second article highlights volatility at a market and stock level as a potential reason for the relative success of passive strategies. While passive might be having its time in the sun currently, this hasn't always been the case. Superior active managers will prove their worth across varying market cycles, in our view.

Next, we take a closer look at passive and strategic-beta funds. Our research approach has remained the same, but we have increased our coverage of passive funds and made some ratings changes.

Finally, we examine key-person risk. A number of high-profile equity portfolio managers left their post in 2016 resulting in a detailed review of these funds, and in some cases a change in rating. We're now able to highlight these changes in Manager Research's Analyst Notes to keep our clients up to date.

We conclude by outlining our changes to Morningstar Analyst Ratings™ and detail changes to our coverage list.

Value, Growth, and Quality: A Rotation Through Styles

Our 2016 Global Equity Sector Wrap warned investors against throwing value funds out of their portfolio too hastily. We knew our warnings would be worthwhile, but we weren't expecting to be proved correct so quickly. Exhibit 1 shows that global value stocks (as represented by the MSCI World Value Index) outperformed growth stocks (MSCI World Growth index) returning 12.87% versus 3.29% in 2016—a 9.58% difference, most of it in the fourth quarter. Growth underperformed by so much that we now need to reverse our warning: Don't throw out your growth funds just because they underperformed in 2016! By all means, reassess your portfolio, but don't be tempted into knee-jerk changes; here we explore why it's a good idea to hold funds with a variety of investment styles.

Exhibit 1 Cumulative Excess Returns of Value Index Versus Growth Index, 2016 (%)



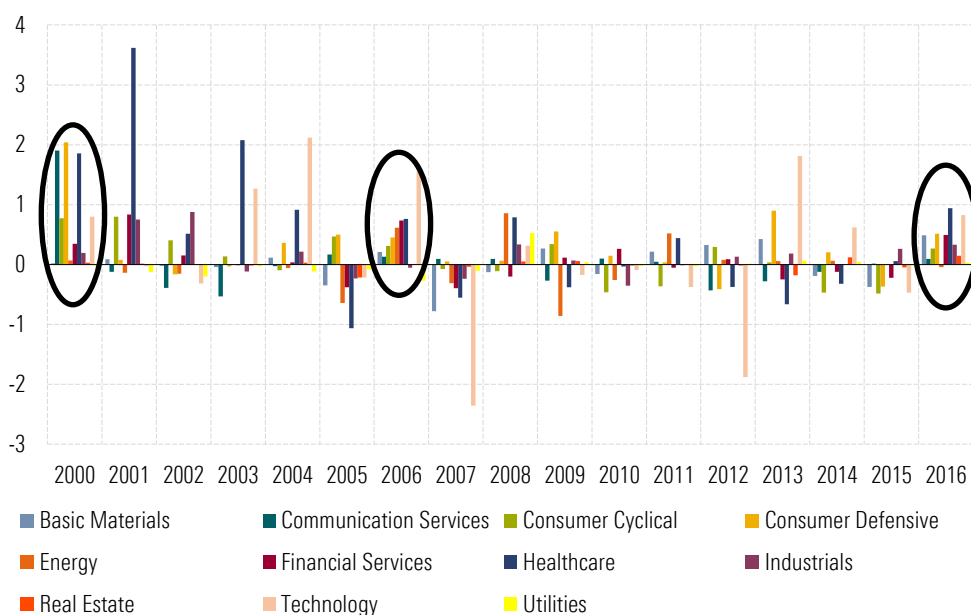
Source: Morningstar Direct

Energy and material sectors were the big movers in 2016, followed by financials, technology, and industrials. Notably, financials stocks made a staggering recovery in the second half of 2016 after being under water for most of the year, returning more than 20% in the fourth quarter alone. Emerging markets in Eastern Europe and Latin America delivered more than 30% each. On the other hand, markets in China, Japan, and Europe all languished.

At the fund level, **Antipodes Global (15312)**, **Orbis Global Equity (41069)**, and **Dimensional Global Value Trust (5841)** stood out, each rising more than 15% in 2016. The common thread among this trio? Valuation-driven investment styles. Antipodes shone through excellent stock selection in global defensives and cyclical industries, and a preponderance of stock picks in Asia, which outperformed western markets. Orbis' contrarian style was back in favour: Financials and technology positioning, alongside a large underweighting in consumer staples contributed strongly. Dimensional's diversified value portfolio soared as the cheaper stocks bounced across the board.

While some sectors did better than others, Exhibit 2 shows that the rally in value stocks in 2016 was right across sectors. This figure shows the selection effect of the value index dating back to 2000 (it's the difference in performance between holdings in the value index and the benchmark). This was positive in almost all sectors in 2016. During this span, only in 2000 and 2006 has the rally in value been so broadly based.

Exhibit 2 Selection Effect of the Value Index, 2000-17 (%)



Source: Morningstar Direct

Causes

In 2016, virtually all value's outperformance came after September, tempting many to call it the Trump rally. Interestingly, a specific macro catalyst is difficult to pinpoint as the upturn in value was after the stabilising in commodity prices (February 2016) and the Brexit referendum (23 June 2016), after the low of US long-end interest rates (July 2016) and before the US presidential election (8 Nov 2016). Some of the reasons bandied about investment circles have been: the expected US fiscal stimulus; rising interest rates; and increasing inflation stemming from rising commodity prices. Following the US election, a change to the corporate tax rate is anticipated in the US, which would

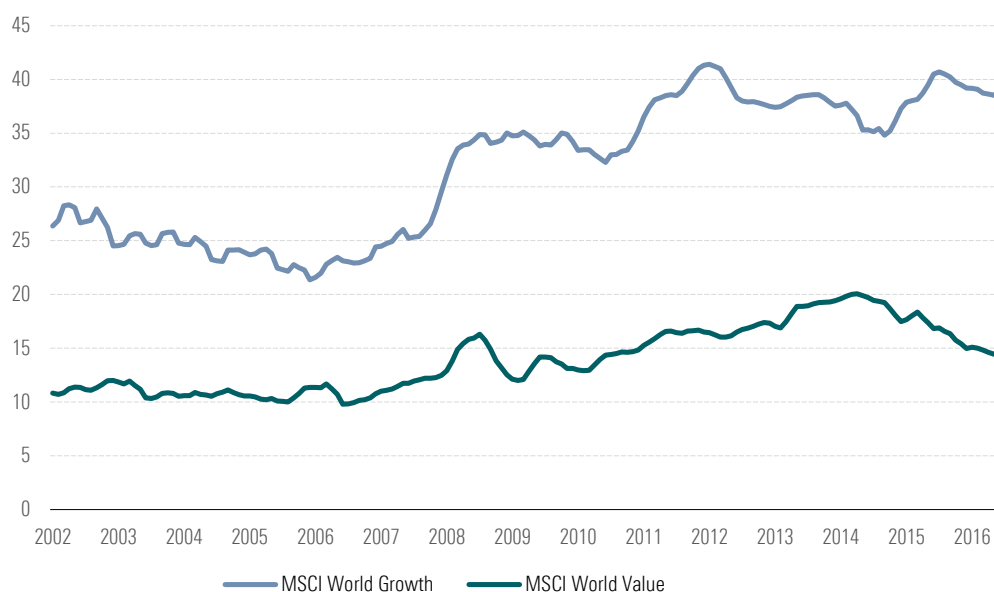
provide a boost to profits and potentially inflation. It doesn't seem any one of these caused the market to move by themselves, but in aggregate it shifted investor sentiment significantly.

The relationship between rising interest rates and valuation offers a logical explanation for the shift to value stocks. Rising interest rates cause analysts to use a higher discount rate on all assets, reducing the present value of future earnings. That could hurt growth companies trading on lofty multiples more because of their rising earnings forecasts, whereas value companies benefit immediately from any cyclical upturn. This illustrates how growth companies have been the beneficiaries of the low-interest-rate environment and could end up lagging if and when interest rates rise.

Value and Growth and Quality Overlap

It's important to recognise that definitions of value and growth aren't absolute. For example, the MSCI Value and Growth indexes naturally have companies of their style, but they also have allocations to companies Morningstar classifies as core, and even companies from the opposite style. Quality is another popular lens through which we can view portfolios. The MSCI Quality Index aims to hold a collection of quality growth companies — companies characterised by higher returns on equity, more stable earnings, and lower financial leverage. A style analysis of the quality index is noteworthy for investors, as Exhibit 3 shows. Though the makeup varies, it has a much greater proportion of growth companies than it does value.

Exhibit 3 Overlap With the Quality Index (%)



Source: Morningstar Direct

Style Returns

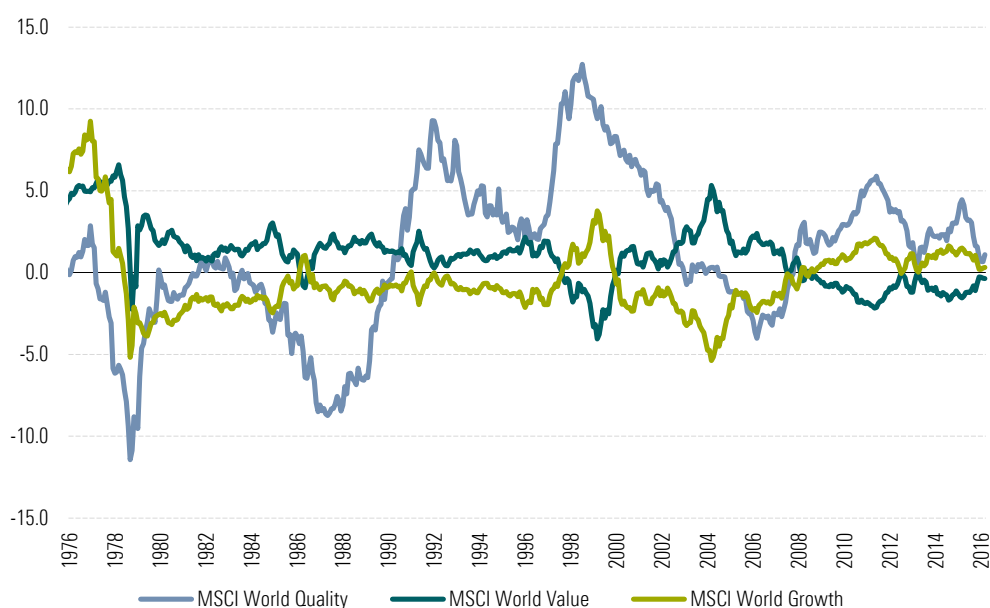
Questions may arise now about value investing's likely fortunes going forward, particularly after a year like 2016 in global equity markets. No one knows how or what styles will outperform in 2017, but it's worth noting how value has performed relative to growth during a longer time frame. Exhibit 4 shows relative performance can be volatile short term but can persist long term. This exhibit also gives some perspective to value's rally in 2016 but probably raises more questions than answers whether now would be a good time to invest in a value strategy. We argue the more important questions to ask are: What type of value manager do I have, and do I have an appropriate balance of investment styles in my portfolio?

Exhibit 4 Cumulative Excessive Returns MSCI Value Versus MSCI Growth (%)



Source: Morningstar Direct

When comparing all three indexes together in Exhibit 5, we see the MSCI World Quality Index (rolling five-year excess returns) outperforming the broader market for much of the past 25 years while also comparing favourably with both the value and growth indexes. Similar to value and growth, it can go through periods of underperformance, but clearly it has added meaningful excess returns.

Exhibit 5 Rolling 5-Year Excess Returns for MSCI Indexes

Source: Morningstar Direct

Looking at return characteristics in another way, many investors probably think the value index has the best downside capture ratio (the proportion of downside compared to the index, the MSCI World NR Index in this instance). But Exhibit 6 shows the quality index comes out on top—by quite a margin. And it also keeps up reasonably well in the upside capture ratio stakes.

Exhibit 6 Downside and Upside Capture Ratios, 1997-2017

	Down Capture Ratio	Up Capture Ratio
MSCI World Growth	103.7	101.45
MSCI World Value	97.12	98.07
MSCI World Quality	82.82	98.46

Source: Morningstar Direct

At this point it might be tempting for investors jump to the nearest quality exchange-traded fund, but it's important to remember that all factors go in and out of favour (and there are many ways to assess quality, too, so be careful if you are seeking out an ETF). Factor valuations can consequently rise and fall at short notice—just look back at what happened in 2016. And while a conscious bias to one factor is perfectly acceptable, we encourage investors to ensure their portfolios are not wholly exposed to a single style but have elements of other styles to help smooth out variability in returns. Morningstar Analyst Ratings examine risk-adjusted returns and downside protection to shine a spotlight on not only the quality aspects of a fund's process, but other prevailing styles as well.

Using Investment Styles in Your Portfolio

Constructing a portfolio should be done holistically. It's important to avoid allowing for any one factor to dwarf the others, just as one would manage sector or regional exposures. The fact that investment styles go in and out of favour highlights how overexposure to one can amplify a portfolio's relative volatility. A common mistake is to performance-chase funds or a style.

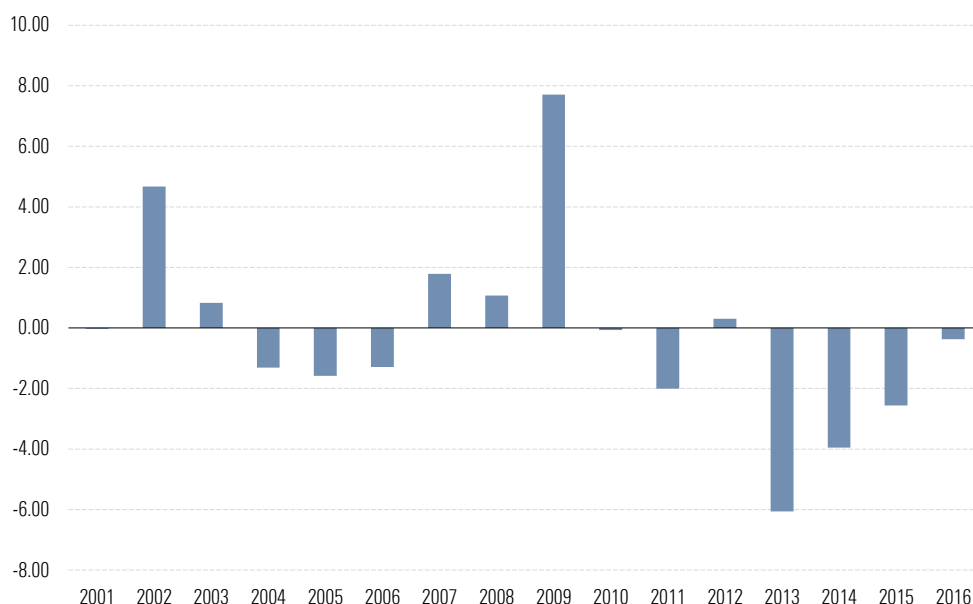
Value's outperformance in 2016 was different in that it was a result of a rotation out of growth and quality stocks that were trading at extended valuations. This may well provide an opportunity for investors to reassess the style balance in their portfolios. Conscious investment tilts are OK, but we argue that one-way bets in a portfolio court unnecessary risk.

Active Management: Opportunities and Costs

The debate about active versus passive management has reached fever pitch in recent times. In the United States, investors have moved into passive options in droves. In this article, we'll look at how local actively managed global equity managers performed relative to passive managers in 2016 and then consider the year in a historical context. Then, we'll try to offer some reasons to help explain the discrepancy and what this means for investors looking forward.

Exhibit 7 shows the excess returns of active managers versus a Vanguard index fund. The numbers are asset-weighted, reflecting the typical investor's experience, so these relative returns are heavily influenced by the global equity favourites Platinum and Magellan, which account for roughly a quarter of active assets.

Exhibit 7 Active Global Equity Asset-Weighted Return Versus Vanguard International (%)



Source: Morningstar Direct

Relative to the Vanguard index, the chart shows that active funds did very well in 2002 and 2009 and very poorly in 2013 and 2014. Indexlike performance in 2016 can be explained by the returns of the largest strategies: Gold-rated **Magellan Global (15699)** and **Platinum International (4505)** languished, Silver-rated **MFS Global Equity Trust (4532)** kept pace, and Silver-rated **Walter Scott**

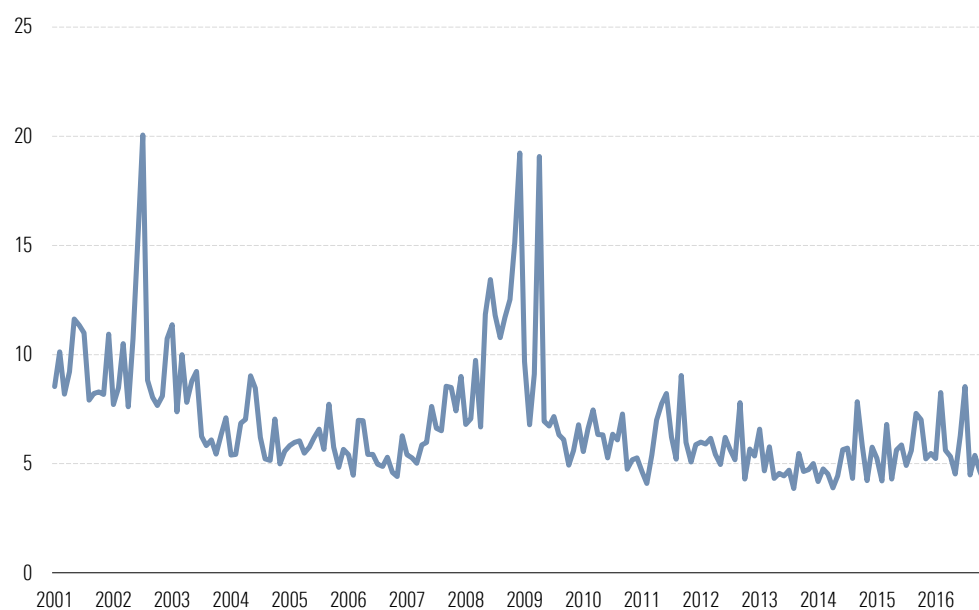
Global Equity (12329) and **IFP Global Franchise (12160)** stuttered. There were some bright spots: Silver-rated **Orbis Global Equity Retail Class (41069)** led the active charge with a thumping 2016 result. Active managers have long argued that they will protect investors on the downside, but this hasn't always been the case—2001 and 2011 being notable examples. To understand the pattern of performance, we think it is interesting to look at the relationship between active returns and volatility.

Volatility: A Decrease in Dispersion or a Desperate Diversion?

During spells of high volatility, there may be more instances of mispriced securities. In the same vein, active managers suggest they have been impeded as calmer conditions (particularly after 2009) have reduced their opportunity to take advantage of stock mispricing. But has this really happened, and does this reduce the opportunities for stock pickers?

To try to answer this question, we have tried to estimate the dispersion of stock returns. Exhibit 8 shows the cross-sectional volatility of the monthly stock returns in Vanguard's portfolio (as at the end of 2016) every month. A high cross-sectional volatility figure suggests the stock returns are quite dispersed around the sample's average return and vice versa.

Exhibit 8 Cross-Sectional Volatility of Vanguard's 200 Largest Stock Holdings (%).



Source: Morningstar Direct

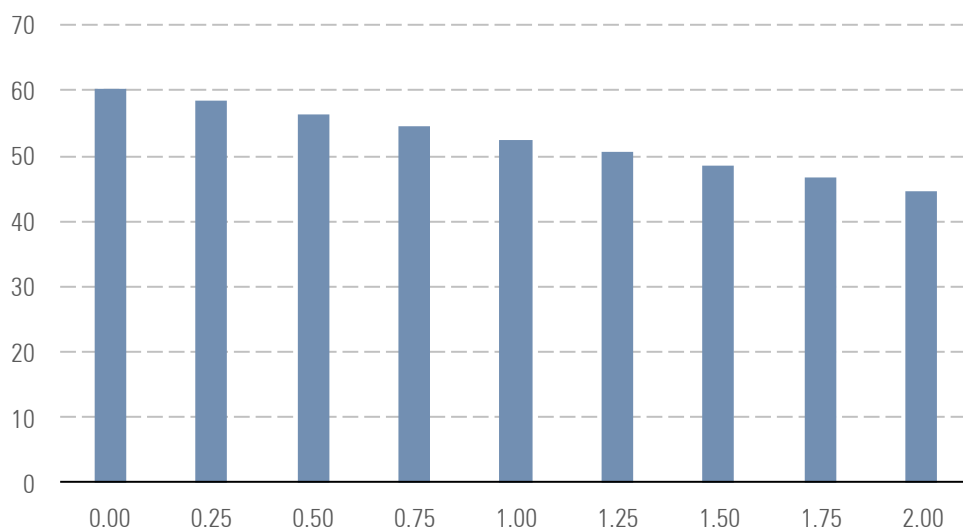
Notably, the cross-sectional volatility of returns has been unstable periodically. In the early 2000s, volatility spiked during the technology crisis and then returned to more-subdued levels. A similar pattern occurred later in the decade with a spike in the 2008-09 crisis, followed by an extended period of muted volatility. These relatively benign periods (between instances of market stress) have coincided with weaker active management performance, as we saw in Exhibit 7.

In these calmer regimes, investors would have achieved good results by simply participating in the market with low-cost beta exposure. However, we are not advocating a wholesale shift to passive. We have high ratings across a broad range of styles and believe strongly in a selection of active and passive options. Furthermore, it is important for investors to recognise that different market and volatility regimes may be particularly helpful—or harmful—for active managers and set their expectations accordingly. This has been an extended period of relatively muted volatility, and history suggests these regimes eventually reverse, conditions during which skillful active managers could capitalise.

Do Active Managers Justify Their Price Tag?

Evaluating the respective merits of active and passive strategies is not complete without considering fees. Compared with the other criteria in our process, it is a relatively simple causal relationship: Higher fees (all other things held constant) mean lower returns. So, implicit in our historical performance comparisons is the significant impact of cost. We aren't simply comparing active versus passive, we are comparing active and expensive versus passive and cheap. In the spirit of fairness, we've decided to level the playing field by looking at a sample of active strategies on a gross-of-fees basis. Morningstar collects gross-of-fees performance for around 80 global equity separate accounts, including some of the most popular strategies with local investors. Using this database of monthly excess returns (gross of fees), we have generated a large sample of annual excess returns that represents the potential alpha that could be achieved by investing in active global equity strategies.

Exhibit 9 uses the distribution of those returns to show the percentage of outperformers at various fee levels. Interestingly, 60% of the sample outperforms Vanguard (excluding fees). This indicates that, before fees, the majority possess skill. In reality, active managers don't offer their wares for free. By levying a 1% fee, the percentage of outperformers drops to 52%. Applying the average cost of active managers in our coverage list (1.25%) makes the percentage of outperformers fall to 50%. Unsurprisingly, the magnitude of the fee has a significant impact on the chance of generating alpha.

Exhibit 9 Percentage of Outperformers Over Various Fee Levels

Source: Morningstar Direct

There is one other point to consider: absolute returns after fees. Many asset allocators around the globe are trimming their expected return forecasts for global equities (and other asset classes). If they are proved correct, then the magnitude of absolute returns will compress. Consequently, the fee can take a bigger bite out of what an investor ultimately earns. Active managers don't have to sit idle: For example, Platinum will respond with a fee reduction across a range of its pooled funds in July 2017. However, this move is far from the norm, and most index strategies remain materially cheaper than their active peers.

Final Thoughts

In an undispersed return environment, the data suggests that most active global equity managers struggle to add value after costs. That said, it's always dangerous to make predictions by looking in the rearview mirror. We don't know when volatility/dispersion of returns will increase, but history suggests it will at some point. And in this environment there are reasonable grounds for thinking that the better active managers could enjoy greater success.

While it's tricky to predict market conditions, the impact of fees is more straightforward. Charging an incrementally higher fee reduces the probability of outperformance. At a fee of 1.25% per year, the chance of outperformance becomes similar to a coin flip. If investors believe future returns for global equities will be lower from here, their scrutiny of fees should intensify. A high fee manager may still be a worthwhile option, but investors should have a greater degree of confidence in their ability to outperform. After all, the impact of a fixed fee on a declining absolute return will have a proportionately larger impact on what investors take home.

It is worth emphasising again that the active/passive decision doesn't need to be binary. Regardless, investors should ensure they are comfortable with the outcomes promised and the charges levied by their managers.

Passive Ratings: Same but Different

Investors would have noticed a few tweaks to our passive coverage of global equity funds during the past few years. These changes include:

- ▶ Substantially increasing our coverage of passive and strategic-beta funds/ETFs.
- ▶ Adding Pillar ratings to our ETF reports, which gives investors insight into Morningstar's views on each fund's People, Process, Parent, Performance and Price. We sometimes have reason to vary the emphasis on each pillar, particularly for passive funds, but ultimately these five pillars drive our outlook for both index and active funds alike.
- ▶ We recently changed the ratings on a handful of international equity index funds/ETFs.

Before we discuss each of the above changes, let's recap what has *not* changed.

Our Analyst Ratings have, for the most part, remained the same. This is typical, because our ratings are long-term views on a fund. For passive funds and ETFs, we ask ourselves, "does it make sense to invest in this asset class using an index fund?" In global equities, we have long believed that the answer is "yes," given our belief that well-structured passive funds will perform above the median manager after fees. There are a number of active funds that have sustainable investment advantages, where we are confident they can beat the index. But we are highly confident that index funds will beat the average active fund through a full investment cycle. This explains why many passive funds earn ratings of Bronze or higher.

Today, we are in uncharted territory with the amount of money moving into passive funds. If this continues, at some point active funds may gain the upper hand again, but it's difficult to see strong signs we are approaching that yet, as the number and proliferation of funds (active, passive, and everything in between) is still high.

Our recent review, however, did uncover a few areas where ratings changes were justified.

US Equities

Major US equity indexes have always been tough to beat, with these markets heavily researched by brokers and intense competition among active fund managers. Relatively few managers have been able to outdo the S&P 500 consistently in the long run, and this has become even more difficult—technology improvements have allowed information and capital to flow across borders more easily, reducing the alpha and arbitrage opportunities for professional money managers. In addition, US

equity ETFs cut their fees in 2016 to incredibly low levels: **Vanguard US Total Market Shares ETF VTS** now costs 0.05%, **iShares S&P 500 (AU) ETF IVV** charges an astounding 0.04%, and its hedged sister **iShares S&P 500 AUD Hedged IHVV** charges 0.10%. These changes only add to our confidence that for US equity exposure, passive options remain very tough to beat, so we upgraded some ETFs to Gold.

Japan

Dynamics in Japan have been similar to the US, with active funds finding it tough to beat the major benchmarks. Recognising this, we upgraded **iShares MSCI Japan (AU) IJP** to Bronze from Neutral. The vehicle is held back from earning a higher rating primarily by its fee, which is high for an index fund, but there are relatively few alternative routes for Australian investors to get dedicated exposure to Japanese equities.

Emerging Markets

Emerging-markets indexes are dominated by state-owned enterprises, especially in China, and this skew is increasing as China opens up its markets, and more China A-shares are included in emerging-markets indexes. China makes up as much as 30% of emerging-markets indexes, and if all Chinese shares were included, we can envisage a scenario in which China accounts for half of major indexes. Given this bias, we think active management has some merit in emerging markets, especially given excellent active managers are numerous in emerging markets. Investing passively in emerging markets has appeal, but investors do need to be aware of the tilts within indexes. On top of that, new emerging-markets ETFs have launched, undercutting the prices of some older and pricier ETFs. We therefore downgraded the rating on **iShares MSCI Emerging Markets (AU) IEM** to Neutral from Bronze as its price is considerably higher than some rival ETFs. **Dimensional Emerging Markets 6468** was upgraded to Bronze from Neutral, recognising the firm's flexibility in setting its own universe and investment constraints, which can help to limit the dominance of any single country.

Global Equities

We upgraded the ratings on several passive global equity strategies, in recognition of their incredibly low cost, and the challenges faced by active managers in outdoing major global equity benchmarks. This saw several vehicles go to Silver from Bronze, including **Vanguard International Shares Index 4489**, **Vanguard MSCI Index International ETF VGS**, **Vanguard MSCI Index International (Hedged) ETF VGAD**, and **BlackRock Indexed International Equity 9154**. However, not all global equity index products got upgraded, particularly those with less competitive fees, or benchmarks that aren't as representative. For example, **iShares Global 100 (AU) IOO** stayed at Bronze—while it's one of the longest-running and largest global equity ETFs, in some ways it has been superseded by lower-cost ETFs that track more-diversified benchmarks.

You can find a full list of our global equity passive fund and ETF ratings and changes in Exhibit 10.

Exhibit 10 Morningstar Passive Fund/ETF Ratings

Global Equities	Ticker	Fund/ETF Name	Price	Old Rating	New Rating
Global	4489	Vanguard International Shares Index	0.18	Bronze	Silver
Global	I00	iShares Global 100 (AU)	0.40	Bronze	Bronze
Global	WXOZ	SPDR® S&P World ex Australia ETF	0.30	Bronze	Bronze
Global	VGS	Vanguard MSCI Index Intl ETF	0.18	Bronze	Silver
Global	9154	BlackRock Indexed Int Equity Fund	0.20	Bronze	Silver
ex-US	IVE	iShares MSCI EAFE (AU)	0.33	Bronze	Bronze
ex-US	VEU	Vanguard All-World ex-US Shares ETF	0.13	Bronze	Bronze
Hedged	IH00	iShares Global 100 AUD Hedged	0.46	Bronze	Bronze
Hedged	WXHG	SPDR® S&P World ex Australia(Hedged) ETF	0.35	Bronze	Bronze
Hedged	VGAD	Vanguard MSCI Index Intl (Hdg) ETF	0.21	Bronze	Silver
Regional equity					
US	VTS	Vanguard US Total Market Shares ETF	0.05	Bronze	Gold
US	IWV	iShares Core S&P 500 (AU)	0.04	Bronze	Gold
US Hedged	IHVV	iShares S&P 500 AUD Hedged	0.10	Bronze	Gold
Europe	IEU	iShares Europe (AU)	0.60	Neutral	Neutral
Japan	IJP	iShares MSCI Japan (AU)	0.48	Neutral	Bronze
Strategic Beta					
Quality	QUAL	VanEck Vectors MSCI Wld ex Aus Qlty ETF	0.40	Neutral	Bronze
Dividend	WDIV	SPDR® S&P Global Dividend ETF	0.50	Neutral	Neutral
HighDiv LowVol	ZYUS	ANZ ETFS S&P 500 Hi-Yld Low Volatil ETF	0.35	Neutral	Neutral
Dividend/Book	16953				
Value/Sales/Earnings		Realindex Global Share-Class A	0.58	Bronze	Bronze
High Yield/Low Volatility	ZYUS	ETFS S&P 500 High Yield Low Volatil ETF	0.35	Neutral	Neutral
Asia/EM					
Asia	IAA	iShares Asia 50 (AU)	0.50	Bronze	Bronze
Asia	IZZ	iShares China Large-Cap (AU)	0.74	Neutral	Neutral
EM	IEM	iShares MSCI Emerging Markets (AU)	0.68	Bronze	Neutral
EM	4743	Vanguard Emerging Markets Shares Index	0.56	Bronze	Bronze
EM	VGE	Vanguard FTSE Emerging Markets Shrs ETF	0.48	Bronze	Bronze
EM Value/Small-Cap/Profitability	6468				
		Dimensional Emerging Markets	0.71	Neutral	Bronze
EM Dividend/Book	18952				
Value/Sales/Earnings		Realindex Emerging Markets-Class A		Neutral	Neutral
Global Small Caps					
Small	15897	Vanguard International Small Companies	0.39	Bronze	Bronze
Small	6467	Dimensional Global Small Company Trust	0.65	Bronze	Bronze

Source: Morningstar Direct

Key-Person Risk: As Topical as Ever

The uncertainty surrounding Hunter Hall International in the wake of Peter Hall's shock resignation in December 2016 highlights an enduring feature of the fund management industry: asset management is a people business, and key-person risk is an important consideration for investors. Not only can the departure of a key portfolio manager with equity lead to substantial firm ownership changes, but it can also disrupt the consistency of the fundamental investment process. Indeed, the past year has seen several changes at the portfolio management level across a range of funds we cover, which highlight this issue.

Simon Trevett announced his surprise resignation from **Platinum International Brands 6643** in February 2017, which saw former analyst Jamie Halse promoted to lead portfolio manager. This change led us to downgrade the fund to Neutral from Silver, as we considered Trevett's unique investing talent would not easily be replaced by a new portfolio manager with limited portfolio management experience.

Threadneedle Global Equity Income Unhedged 19679 announced the sad passing of Stephen Thornber in January 2017, which resulted in co-portfolio manager Jonathan Crown taking over the fund. Given the systematic investment process of the fund, and that Crown had been deputy portfolio manager since 2011, it resulted in us retaining the fund's Neutral rating.

Peter Hall's resignation had a number of large implications for **Hunter Hall Value Growth Trust 3876** and **Hunter Hall Global Value HHV**. Not only was he a substantial shareholder of **Hunter Hall International HHL** which resulted in an ownership battle between **Washington H. Soul Pattison SOL** and **Pinnacle Investment Management PNI**, but he was also a dominant personality in the firm. The ensuing uncertainty and distractions and the risk of further staff departures caused us to question the efficacy of the investment approach going forward. This led us to downgrade our ratings on these funds to Negative from Neutral.

A number of funds are actively managing the transition of portfolio managers, including Angus Tulloch's retirement from **Stewart Investors Global Emerging Markets Leaders 17803**, David Mannheim's impending retirement from **MFS Global Equity Trust 4532**, and Irene Cheng's pending retirement from **Zurich Investments Global Thematic Share 4951**. These firms have spent a long time preparing for these changes and provide good examples of proactive and well-managed succession planning. Key-person risk remains a hot topic for funds led by what are seen as dominant personalities. These include Kerr Neilson at **Platinum International 4505**, Hamish

Douglass at **Magellan Global 15699**, Paul Moore at **PM Capital Global Companies 6828**, and Jacob Mitchell at **Antipodes Global 5667**.

The extent to which portfolio manager changes disrupt the business or pose a threat to future performance lies with the fund manager's succession planning. This is one key component we look at when assessing a fund manager's Parent Pillar rating.

A Bigger Issue for Active Qualitative Managers

The importance of an individual or key person is particularly relevant for active managers with a qualitative investment process. These funds are heavily reliant on the experience, judgement, and skill of the portfolio manager, who is responsible for formulating and adhering to an investment process, and constructing a portfolio in a risk-aware manner.

Quantitative managers typically have a systematic application of a defined investment process that evolves over time with the input of a team of quantitative experts. To this extent, there is less reliance on a single individual, but consistency of the team is important. Similarly, passive managers simply implement the replication of a defined index, so again there is less reliance on the individual.

Managing the Risk: Individual Versus Team Approach

Different active fund managers adopt different approaches with respect to dealing with individual portfolio manager risk.

A number of global managers have multiple portfolio managers operating within a relatively flat structure—for example, **Walter Scott Global Equity 12329**, **IFP Global Franchise 12160**, and **Capital Group New Perspectives (AU) 40984** all have a team of portfolio managers responsible for portfolio construction. There is a delicate balance to be made to ensure there is coherence in the approach of multiple individuals and not a dilution of individual talent. Typically, the better funds with multiple managers have a strict and high-conviction investment process that the team can rally behind.

Others manage a range of products allowing for analysts to adopt portfolio management responsibilities over time—this includes the Platinum Group, which has seen talented individuals promoted over a number of years. For example, Clay Smolinski started as an analyst at the firm in 2006, before being promoted to comanager of **Platinum European 5344** in May 2009. This put him on solid footing to take over **Platinum Unhedged 15326** in May 2014 when Jacob Mitchell departed to found Antipodes. In February 2017 Smolinski was given the additional responsibility of managing a 10% sleeve of **Platinum International 4505**, which helps add a layer of backup to Kerr Neilson, in addition to Andrew Clifford. We applaud this approach from Platinum, and while Neilson remains an important figure, we can see a sensible path being laid out for his succession over time.

There are still a number of funds that have a particular reliance on an individual, which is a watch point. Hamish Douglass at Magellan is a portfolio manager we hold in high regard, and while he has a large team beneath him, we still see him as critical for the success of the firm. Initial steps are

being taken towards the development of portfolio management skills below Douglass, with a number of senior individuals given responsibility for new low-carbon investment vehicles that have been seeded by the firm. This is a positive, but it's an area we'll be monitoring in the future.

PM Capital is dominated by its founder, Paul Moore, in terms of ownership and portfolio management. The firm's reliance on him only increased with the departure of co-portfolio manager Ashley Pittard in February 2016, which followed on from several senior exits in the past decade. This backwards step on succession planning warrants caution and serves as an example of a firm where key-person risk remains an unresolved concern. That said, a mitigating factor is Moore's substantial personal investments in the firm's funds, and his personal interest in investing, meaning he remains engaged with the business and the funds.

Antipodes Global is a relatively young boutique manager in global equities, founded by former Platinum chief investment officer Jacob Mitchell. With Mitchell as the sole portfolio manager, there is undoubtedly key-person risk, although he is supported by two deputy portfolio managers in Graham Hay and Andrew Baud, who have the potential to increase responsibilities over time. This is an area in which we would like to see continued progress as the business matures.

Action Item: Stay Informed

Key-person risk is an important watch point as portfolio managers can leave at very short notice. We review it every year, and it forms a consideration in our People and Parent Pillar ratings. Most importantly, investors need to stay up to date and informed on the funds they use or are contemplating using. To this end, the introduction of Manager Research's Analyst Note feature provides timely updates to investors in the event of a material change. A change in portfolio manager will often lead to a more detailed review of the fund and may result in a rating change. Ultimately, it's important to recognise that individual skill plays an important role in active management, and the firms that proactively seek to minimise key-person risk are better placed to serve investors well over the long term.

Changes to Morningstar Analyst Ratings

We take a medium- to long-term outlook when determining qualitative recommendations. Our views about the merits of investment strategies move over time based on manager-specific factors such as investment team composition, changes to investment process, and our degree of relative conviction.

In this review, the international sector coverage went through a few changes: we upgraded our Morningstar Analyst Ratings on six strategies, downgraded one, ceased coverage on six, and initiated coverage on five. Our total coverage list consists of 96 distinct strategies.

Upgrades

BT Asian Share

We upgraded BT Asian Share to Silver from Bronze as our confidence in its portfolio manager, Samir Mehta, has grown strongly. He has more than 25 years of investment experience and expresses top-drawer investment insights. He is well supported by co-portfolio manager Cho-Yu Kooi—the two have worked together for more than a decade and complement each other well. The strategy here is distinctive. Detailed stock-level research focuses on firms that boast sustainable long-term growth, an ability to consistently generate high returns on capital, and resilience during economic downturns. The end portfolio is truly index-agnostic. We believe this fund gives investors a very strong choice in the Asia ex Japan space.

Acadian Global Managed Volatility Equity

We upgraded Acadian Global Managed Volatility Equity to Bronze from Neutral as our belief in the strategy has grown. Acadian has been at the forefront of research on the low-volatility effect, where lower-risk stocks outperform higher-risk securities. Acadian applies its stock-picking model to create a value-leaning portfolio. But it's the fundamental ballast from the quantitative signals that give us increased confidence. The firm understands the common pitfalls of low-volatility investing, which includes investing into expensive companies and having too much exposure to interest-rate-sensitive stocks. Overall, this strategy will suit investors looking for an investment in equities but with a focus on minimising the losses.

Acadian Wholesale Global Equity Long Short

We upgraded Acadian Wholesale Global Equity Long Short to Bronze from Neutral based on our views of the strength of the team and the conviction in the process. Chief investment officer John Chisholm is well-regarded, leading Acadian's highly credentialed investment team of 90.

Furthermore, it's pleasing to see that Acadian has continued to reinvest in its team. Performance fees have been a stumbling block for us in the past, given it makes it harder for this vehicle to outperform. But for investors who wish to look past it, this strategy has true investment merit.

Dimensional Emerging Markets Trust

We upgraded Dimensional Emerging Markets Trust to Bronze from Neutral based on its pronounced value tilt, efficient construction, and low fee, which we believe give it an edge in the long run. While it takes considerable value and size risk, the fund effectively diversifies firm-specific risk and keeps country risk in check, with a 17.5% limit on exposure to any one market—tighter than many index fund rivals that are often dominated by China. But sector concentration can be a risk. Not surprisingly, this has been one of the most-volatile funds in its category. But for investors who are in for the long haul, we think this strategy will pay off.

VanEck Vectors MSCI World ex Australia Quality ETF (QUAL)

We upgraded VanEck Vectors MSCI World ex Aus Quality ETF to Bronze from Neutral because of its scale, low fee, and exposure to the quality factor. That should help it deliver better risk-adjusted returns than market-cap peers over the long term. QUAL has almost doubled in size to AUD 168 million during 2016, while trading volumes have increased in that period, and bid-ask spreads remain low relative to peers. The strategy targets firms with high return on equity, stable earnings growth, and low financial leverage. The portfolio's quality means it tends to fare better than average during market downturns. Investors should be aware of some inherent biases, like skews towards large-cap companies and the technology, healthcare, and consumer cyclicals sectors. But overall, this vehicle is a good way to gain access to the quality factor.

Downgrades

CFS Wholesale Global Resources

We downgraded CFS Wholesale Global Resources to Neutral from Silver because we would have anticipated a steadier outperformance against the composite index given the investment team's experience and strong focus on finding low-cost mining/energy companies with quality assets.

Hunter Hall Global Value Ord

We downgraded Hunter Hall Global Value Ord to Negative from Neutral because of the instability surrounding the investment manager's team and ownership. Peter Hall's sudden and surprising resignation as CIO and CEO of Hunter Hall (the boutique investment firm he founded in 1993) and the fire sale of his shareholding are material events, which have a negative impact on our assessment of people, parent, and the overall rating. Since 2011, Hunter Hall has experienced a steady stream of resignations but has maintained a solid group of knowledgeable investment professions including the impressive interim CIO James McDonald. However, when the founder and dominant member of the investment team abruptly resigns, this shows a significant disregard for investors. Peter Hall's resignation after 23 years of running Hunter Hall is undoubtedly causing disruption and distraction within the business.

New Coverage

Capital Group New Perspectives

We initiated coverage of Capital Group New Perspectives at an Analyst Rating of Gold. This strategy is best in class thanks to its exemplary stewardship of investor's capital. Though new to Australia, it has a multidecade history in the US. Capital employs an internal multimanager approach to investing, where each of the seven portfolio managers on the strategy independently manage a slice of the portfolio. The investment process seeks growth across the globe but buy when it is mispriced or misunderstood, often hanging on through subsequent rough patches. With an attractive fee, this is one of our top picks in international equities.

Antipodes Global—Long Only I

We initiated coverage of Antipodes Global—Long Only at an Analyst Rating of Silver. Esteemed international equity investor Jacob Mitchell is at the helm here. He is the sole portfolio manager but is supported by a capable investment team including two deputy portfolio managers and six investment analysts. Antipodes adopts well-considered and structured investment processes to achieve its investment objectives. Quantitative filters, investment analyst knowledge/intuition, and fundamental bottom-up qualitative research combine in a detailed and comprehensive stock-selection process. The strategy has shown solid early promise and gives positive indications regarding future performance.

Stewart Investors W Worldwide Sustainability

We initiated coverage of Stewart Investors W Worldwide Sustainability at an Analyst Rating of Silver. Though it is a reasonably new fund, it has earned our praise thanks to a quality team we've known for some time applying a time-tested approach. Portfolio manager Nick Edgerton is the key decision-maker here, but there's significant team work that goes on from this group of investors. Collectively they produce some of the strongest research we come across—and it's one of the key strengths. The firm's long-held and well-respected signature process leads it to strong franchises with good management and excellent corporate governance. Despite being a relatively new offering, investors can take comfort in the time-tested people and process.

CFS Asian Growth - A

We initiated coverage of CFS Asian Growth at an Analyst Rating of Silver. It is a strong all-around fund, giving investors an index-agnostic approach to Asian equities. While this strategy has been available in Australia only since March 2016, it has a long international track record dating back to 1999. The impressive Richard Jones is tasked with managing this strategy, and he and his team exhibit strong stock insights. The process has been applied consistently for many years, looks for stocks based on perceived quality, the ability to deliver sustainable and predictable growth, and a strong management team. We think this is a great option for differentiated Asian-equity exposure.

Antipodes Global P (Long/Short)

We initiated coverage of Antipodes Global P (Long/Short) at an Analyst Rating of Bronze. Esteemed international equity investor Jacob Mitchell is at the helm here. He is the sole portfolio manager but is supported by a capable investment team including two deputy portfolio managers and six

investment analysts. The investment style is benchmark-agnostic, high-conviction, and often growth-orientated. The concentrated long-short portfolio (holds 30-60 long positions) is permitted a net equity exposure (longs minus shorts) of 50%-100% and gross equity exposure (sum of longs and shorts) of 150%. Portfolio construction is highly flexible—it may include emerging-markets stocks, index ETFs, and currency positions. This fund has solid features, and we are confident it will reward investors in the future.

Orbis Global Equity

We initiated coverage of Orbis Global Equity at an Analyst Rating of Silver. While William Gray is the named portfolio manager, the strategy is managed using a team-based approach. The team members are all high-quality and experienced. It's common for Orbis' investors to have gained experience outside the investment industry, often leading to contrarian views. That said, the diverse group employs a long-term approach that focuses on company fundamentals. Orbis' portfolio will look and perform differently to the benchmark, and inevitably there will be periods of underperformance. However, we think there are the ingredients for sound future risk-adjusted returns.

Passive Strategies

We've changed Analyst Rating on a number of passive strategies that have been explained in the section of this sector wrap entitled 'Passive Ratings: Same but Different'

Ceased Coverage

Schroder Global Value

UBS International Share

Goldman Sachs Global Small Companies WS

Marlin Global Limited

Fisher Funds International Growth

Capital Group Global Equity

We ceased coverage of Schroder Global Value, UBS International Share, Goldman Sachs Global Small Companies WS, Marlin Global Limited, Fisher Funds International Growth, and Capital Group Global Equity as these vehicles failed to meet our criteria for ongoing research.

Exhibit 11 Changes to Morningstar Analyst Ratings

Strategy	Ticker	Old Rating	New Rating
Upgrade			
BT Asian Share WS	4246	Bronze	Silver
Acadian Global Managed Volatility Equity	19591	Neutral	Bronze
Acadian Wholesale Global Eqty Long Short	14288	Neutral	Bronze
Dimensional Emerging Markets Trust	6468	Neutral	Bronze
VanEck Vectors MSCI Wld ex Aus Qlty ETF	QUAL	Neutral	Bronze
Vanguard International Shares Index	4489	Bronze	Silver
Vanguard MSCI Index Intl ETF	VGS	Bronze	Silver
BlackRock Indexed Int Equity Fund	9154	Bronze	Silver
Vanguard MSCI Index Intl (Hdg) ETF	VGAD	Bronze	Silver
Vanguard US Total Market Shares ETF	VTS	Bronze	Gold
iShares Core S&P 500 (AU)	IVV	Bronze	Gold
iShares S&P 500 AUD Hedged	IHW	Bronze	Gold
iShares MSCI Japan (AU)	IJP	Neutral	Bronze
Market Vectors MSCI Wld ex Aus Qlty ETF	QUAL	Neutral	Bronze
Dimensional Emerging Markets	6468	Neutral	Bronze
Downgrade			
CFS Wholesale Global Resources	4713	Silver	Neutral
iShares MSCI Emerging Markets (AU)	IEM	Bronze	Neutral
Hunter Hall Global Value Ord	HHV	Neutral	Negative
New Coverage			
Capital Group New Perspective (AU)	40984		Gold
Antipodes Global Fund - Long Only I	15312		Silver
Stewart Investors W Wrldwide Sustainabty	40543		Silver
CFS Asian Growth - A	41320		Silver
Orbis Global Equity Fund Retail Class	41069		Silver
Antipodes Global P	5667		Bronze
Ceased Coverage			
Schroder Global Value	15210	Neutral	
UBS International Share	3353	Neutral	
Goldman Sachs Global Small Companies WS	5812	Neutral	
Marlin Global Limited	MLN	Neutral	
Fisher Funds International Growth Fund	23557	Neutral	
Capital Group Global Equity (AU)	40954	Neutral	

Source: Morningstar Direct

Morningstar Medalists

Exhibit 12 Morningstar Medalists

Global Equity Large Cap		
Name	Ticker	Morningstar Analyst Rating
Aberdeen International Equity	4768	Silver
Acadian Global Managed Volatility Equity	19591	Bronze
Acadian Wholesale Global Eqty Long Short	14288	Bronze
Antipodes Global Fund - Class P	5667	Bronze
Antipodes Global Fund - Long Only I	15312	Silver
Arrowstreet Global Equity	14739	Silver
BlackRock Indexed Int Equity Fund	9154	Silver
BT Wholesale Core Global Share	2951	Bronze
Capital Group New Perspective (AU)	40984	Gold
Carnegie WorldWide Equity Trust	4542	Bronze
CFS Wholesale Global Resources	4713	Bronze
Dimensional Global Core Equity Trust	14573	Bronze
Dimensional Global Large Company Trust	6466	Bronze
Dimensional Global Value Trust	5841	Bronze
Franklin Global Growth W	16740	Silver
Generation Wholesale Global Share	15813	Bronze
Grant Samuel Epoch Gbl Eq Shldr Yld Uhg	16301	Bronze
IFP Global Franchise	12160	Silver
iShares Global 100 (AU)	100	Bronze
iShares Global 100 AUD Hedged	IH00	Bronze
iShares MSCI EAFE (AU)	IVE	Bronze
iShares S&P 500 (AU)	IWV	Gold
iShares S&P 500 AUD Hedged	IHWV	Gold
Magellan Global	15699	Gold
Magellan Global Equities	MGE	Silver
MFS Concentrated Global Equity Trust W	19689	Silver
MFS Global Equity Trust	4532	Silver
Orbis Global Equity Fund Retail Class	41069	Silver
Platinum Global Fund	40540	Silver
Platinum International Fund	4505	Gold
Platinum Unhedged Fund	15362	Silver

Source: Morningstar Direct

Exhibit 12 Morningstar Medalists (Continued)

Name	Ticker	Morningstar Analyst Rating
Realindex RAFI® Wholesale Global Shr	16880	Bronze
Robeco BP Global Premium Equities AUD	40752	Silver
Sanlam Managed Risk Global Shr-Class A	40853	Bronze
SPDR® S&P World ex Australia ETF	WXOZ	Bronze
SPDR® S&P World ex Australia(Hedged) ETF	WXHG	Bronze
Stewart Investors W Worldwide Leaders	4672	Silver
Stewart Investors W Wrldwide Sustainabty	40543	Silver
T. Rowe Price Global Equity	14479	Bronze
VanEck Vectors MSCI Wld ex Aus Qlty ETF	QUAL	Bronze
Vanguard All-World ex-US Shares ETF	VEU	Bronze
Vanguard International Shares Index	4489	Silver
Vanguard MSCI Index Intl (Hdg) ETF	VGAD	Silver
Vanguard MSCI Index Intl ETF	VGS	Silver
Vanguard US Total Market Shares ETF	VTS	Gold
Walter Scott Global Equity	12329	Silver
Zurich Investments Gbl Thematic Shr	4951	Silver

Source: Morningstar Direct

Exhibit 13 Morningstar Medalists**Global Equity Small Cap**

Name	Ticker	Morningstar Analyst Rating
Dimensional Global Small Company Trust	6467	Bronze
Lazard Global Small Cap W	10701	Bronze
Vanguard International Small Companies	15897	Bronze

Source: Morningstar Direct

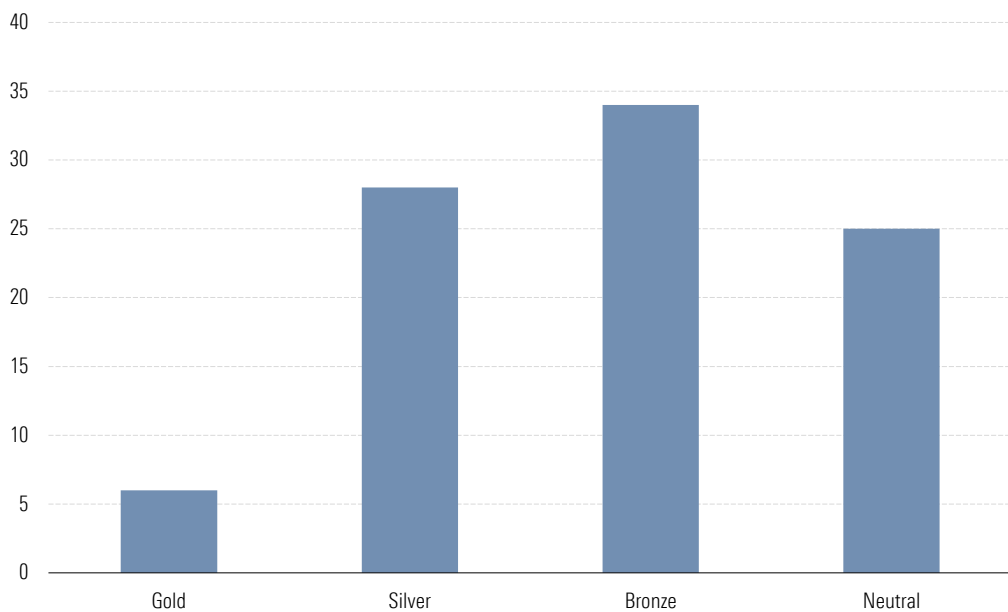
Exhibit 14 Morningstar Medalists

Asian and Emerging Markets		
Name	Ticker	Morningstar Analyst Rating
Aberdeen Asian Opportunities	10438	Bronze
Aberdeen Emerging Opportunities	11594	Silver
BT Global Emerging Markets Opportunit WS	19536	Bronze
BT Wholesale Asian Share	4246	Silver
CFS Asian Growth - A	41320	Silver
Dimensional Emerging Markets Trust	6468	Bronze
Harding Loevner Emerging Markets Eq B	41058	Silver
iShares Asia 50 (AU)	IAA	Bronze
iShares MSCI Japan (AU)	IJP	Bronze
Lazard Emerging Markets Equity I	4870	Silver
Macquarie Asia New Stars No.1	18337	Bronze
Platinum Asia	9894	Silver
Robeco Emerging Conservative Equity AUD	40081	Bronze
Stewart Investors Glb Emerg Mkts Leaders	17803	Silver
T. Rowe Price Asia ex-Japan	17615	Bronze
Vanguard Emerging Markets Shares Index	4743	Bronze
Vanguard FTSE Emerging Markets Shrs ETF	VGE	Bronze

Source: Morningstar Direct

Investment strategies with Morningstar Analyst Ratings™ of Gold, Silver, or Bronze carry the tag Morningstar Medalists. These are the strategies that in our opinion truly stand out and share common traits including a capable and stable team, robust processes, and an ability to deliver in a variety of market conditions. We designated 67 of the 94 international equity strategies we assessed as Morningstar Medalists. Six achieved the highest possible Morningstar Analyst Rating of Gold. Twenty-seven strategies attained a Silver designation, and we designated a further 34 as Bronze.

Exhibit 15 Distribution of Morningstar Analyst Ratings for International Equity Funds at June 2017



Source: Morningstar Direct

Appendix 1 Basic Data

Fund Manager/Strategy	Ticker	Inception Date	Morningstar Analyst Rating	Global Fund Report Analysis Date	Fund Size Base Currency	Fund Size Date	Indirect Cost Ratio (ICR)
Aberdeen Asian Opportunities	10438	20/10/2003	Bronze	29/12/2016	396,267,564	31/05/2017	1.18
Aberdeen Emerging Opportunities	11594	1/07/2004	Silver	29/12/2016	1,121,457,157	31/05/2017	1.50
Aberdeen International Equity	4768	1/07/1996	Silver	24/04/2017	146,969,899	31/05/2017	0.98
Acadian Global Managed Volatility Equity	19591	19/01/2012	Bronze	1/05/2017	313,624,477	31/05/2017	0.64
Acadian Wholesale Global Eqty Long Short	14288	20/01/2006	Bronze	1/05/2017	61,094,480	31/05/2017	1.27
Acadian Wholesale Global Equity	12403	16/05/2005	Neutral	1/05/2017	73,839,372	31/05/2017	1.23
Advance International Shr Multi-Blend W	4863	23/03/1998	Neutral	25/08/2016	50,883,453	31/05/2017	1.10
Altrinsic Global Equities Trust	19392	7/11/2011	Neutral	12/03/2017	310,577,200	31/05/2017	1.25
AMP Capital Res Inv Leaders Intl Shr A	6842	20/04/2001	Neutral	23/01/2017	145,845,453	30/04/2017	1.16
Antipodes Global Fund - Class P	5667	28/06/1994	Bronze	30/01/2017	1,610,754,577	31/05/2017	1.51
Antipodes Global Fund - Long Only I	15312	1/02/2006	Silver	30/01/2017	573,755,188	31/05/2017	1.00
Arrowstreet Global Equity	14739	18/12/2006	Silver	21/02/2017	834,585,080	31/05/2017	1.28
BlackRock Indexed Int Equity Fund	9154	12/12/2001	Silver	31/10/2016	415,851,019	30/04/2017	0.20
BlackRock Scientific Intl Equity Fund	3307	15/10/1994	Neutral	23/02/2017	805,375,888	30/04/2017	0.89
BT Global Emerging Markets Opportunit WS	19536	28/08/2012	Bronze	23/01/2017	20,183,097	31/05/2017	1.40
BT Wholesale Asian Share	4246	22/08/1996	Silver	17/01/2017	172,087,294	31/05/2017	1.00
BT Wholesale Core Global Share	2951	6/10/1992	Bronze	26/02/2017	251,615,723	31/05/2017	0.97
Capital Group New Perspective (AU)	40984	20/11/2015	Gold	22/02/2017	50,886,123	30/04/2017	1.04
Carnegie WorldWide Equity Trust	4542	20/05/1997	Bronze	21/02/2017	171,630,000	30/04/2017	0.99
CFS Asian Growth - A	41320	3/03/2016	Silver	26/02/2017	11,042,180	31/05/2017	1.30
CFS Wholesale Global Resources	4713	3/06/1997	Bronze	14/03/2017	541,831,286	31/05/2017	1.18
Dimensional Emerging Markets Trust	6468	31/08/2000	Bronze	16/05/2017	455,590,000	31/05/2017	0.71
Dimensional Global Core Equity Trust	14573	5/12/2006	Bronze	3/04/2017	1,527,480,000	31/05/2017	0.39
Dimensional Global Large Company Trust	6466	18/08/2000	Bronze	3/04/2017	135,639,999	31/05/2017	0.35
Dimensional Global Small Company Trust	6467	18/08/2000	Bronze	3/04/2017	267,070,000	31/05/2017	0.65
Dimensional Global Value Trust	5841	26/08/1999	Bronze	3/04/2017	753,430,000	31/05/2017	0.46
Elevation Capital Value Fund	23600	9/12/2008	Neutral	15/06/2017	25,184,933	31/05/2017	
ETF5 S&P 500 High Yield Low Volatil ETF	ZYUS	10/06/2015	Neutral	15/06/2017	47,285,422	21/06/2017	
Fidelity Global Equities	4897	1/04/1998	Neutral	6/03/2017	209,270,000	31/05/2017	1.15
FirstChoice WS Asian Share	15001	30/04/2007	Neutral	21/02/2017	147,796,982	31/05/2017	1.53
FirstChoice WS Emerging Markets	16844	19/05/2008	Neutral	21/02/2017	143,050,919	31/05/2017	1.53
FirstChoice WS Global Share	11297	23/04/2002	Neutral	21/02/2017	448,953,420	31/05/2017	1.23
Franklin Global Growth W	16740	1/10/2008	Silver	11/04/2017	119,898,448	31/05/2017	1.13
Generation Wholesale Global Share	15813	3/09/2007	Bronze	13/03/2017	604,755,153	31/05/2017	2.22
Grant Samuel Epoch Gbl Eq Shldr Yld Uhgd	16301	15/05/2008	Bronze	6/02/2017	2,237,650,122	31/05/2017	1.25
Harding Loevner Emerging Markets Eq B	41058	4/12/2015	Silver	2/05/2017			1.20
Hunter Hall Global Value Ord	HHV	19/03/2004	Negative	22/01/2017	301,641,946	21/06/2017	1.77
Hunter Hall Value Growth Trust	3876	2/05/1994	Negative	22/01/2017	443,092,556	31/03/2017	1.80
IFP Global Franchise	12160	17/11/2004	Silver	26/03/2017	2,146,445,678	31/05/2017	1.38
Ironbark Royal London ConcentratedGlbShr	14109	4/10/1996	Neutral	21/02/2017	114,500,000	30/04/2017	1.02
iShares Asia 50 (AU)	IAA	13/11/2007	Bronze	8/11/2016	283,880,837	31/05/2017	0.52

Fund Manager/Strategy	Ticker	Inception Date	Morningstar Analyst Rating	Global Fund Report Analysis Date	Fund Size Base Currency	Fund Size Date	Indirect Cost Ratio (ICR)
iShares China Large-Cap ETF	IZZ	5/10/2004	Neutral	8/11/2016	74,874,129	31/05/2017	0.73
iShares Europe ETF	IEU	10/10/2007	Neutral	8/11/2016	595,270,921	31/05/2017	0.60
iShares Global 100 AUD Hedged ETF	IH00	15/12/2014	Bronze	8/11/2016	29,331,557	21/06/2017	
iShares Global 100 ETF	I00	10/10/2007	Bronze	8/11/2016	1,207,602,482	31/05/2017	0.40
iShares MSCI EAFE	IVE	14/08/2001	Bronze	8/11/2016	271,504,692	31/05/2017	0.35
iShares MSCI Emerging Markets ETF	IEM	7/04/2003	Neutral	31/10/2016	483,879,009	31/05/2017	0.72
iShares MSCI Japan ETF	IJP	12/03/1996	Bronze	31/10/2016	175,953,749	31/05/2017	0.56
iShares S&P 500 AUD Hedged ETF	IHW	15/12/2014	Gold	31/10/2016	117,012,058	21/06/2017	
iShares S&P 500 ETF	IIV	15/05/2000	Gold	31/10/2016	2,260,820,706	31/05/2017	0.09
Lazard Emerging Markets Equity I	4870	22/10/1997	Silver	19/04/2017	1,081,277,258	21/06/2017	1.15
Lazard Global Small Cap W	10701	22/10/1997	Bronze	19/04/2017	209,431,047	21/06/2017	1.12
Macquarie Asia New Stars No.1	18337	27/05/2010	Bronze	1/02/2017	434,332,898	31/05/2017	2.50
Magellan Global	15699	29/06/2007	Gold	26/02/2017	9,496,905,000	31/05/2017	1.66
Magellan Global Equities	MGE	2/03/2015	Silver	26/02/2017	859,274,062	31/05/2017	1.35
MFS Concentrated Global Equity Trust W	19689	30/06/2008	Silver	18/04/2017	237,800,000	31/05/2017	0.90
MFS Global Equity Trust	4532	1/07/1997	Silver	17/04/2017	7,546,500,000	31/05/2017	0.77
MLC Wholesale Global Share	4776	1/01/1998	Neutral	6/03/2017	122,383,918	31/05/2017	0.85
OneAnswer SAC International Share	22885	1/05/1997	Gold	8/05/2016	176,903,534	21/06/2017	
Orbis Global Equity Fund Retail Class	41069	1/12/2015	Silver	18/04/2017	5,735,000,001	31/05/2017	3.49
Perpetual Global Share Class A	40544	26/08/2014	Neutral	1/02/2017	49,529,576	31/03/2017	1.10
Platinum Asia	9894	4/03/2003	Silver	26/01/2017	4,517,330,301	31/05/2017	1.54
Platinum Global Fund	40540	8/09/2014	Silver	15/05/2017	34,856,400	31/05/2017	1.54
Platinum International Brands Fund	6643	18/05/2000	Neutral	16/03/2017	954,851,201	31/05/2017	1.54
Platinum International Fund	4505	30/04/1995	Gold	15/05/2017	10,599,277,500	31/05/2017	1.54
Platinum Unhedged Fund	15362	5/03/2007	Silver	22/03/2017	250,355,400	31/05/2017	1.54
PM Capital Global Companies	6828	28/10/1998	Neutral	19/04/2017	329,260,000	31/05/2017	1.89
Realindex RAFI® Emerging Markets-Class A	18952	20/01/2011	Neutral	26/04/2017	177,630,976	31/05/2017	0.77
Realindex RAFI® Global Share-Class A	16953	17/11/2008	Bronze	26/04/2017	1,252,551,510	31/05/2017	0.58
Robeco BP Global Premium Equities AUD	40752	26/11/2014	Silver	21/02/2017	7,155,925	30/04/2017	0.85
Robeco Emerging Conservative Equity AUD	40081	4/10/2013	Bronze	13/03/2017	59,924,308	30/04/2017	0.90
Sanlam Managed Risk Global Shr-Class A	40853	18/05/2015	Bronze	16/01/2017	21,282,208	31/05/2017	0.74
SPDR® S&P Global Dividend ETF	WDIV	1/11/2013	Neutral	8/11/2016	122,642,266	31/05/2017	0.50
SPDR® S&P World ex Australia ETF	WXOZ	18/03/2013	Bronze	8/11/2016	158,017,982	31/05/2017	0.42
SPDR® S&P World ex Australia(Hedged) ETF	WXHG	8/07/2013	Bronze	8/11/2016	79,781,411	31/05/2017	0.48
Stewart Investors Glb Emerg Mkts Leaders	17803	22/03/2010	Silver	24/04/2017	84,431,877	31/05/2017	1.37
Stewart Investors W Worldwide Leaders	4672	1/07/1997	Silver	12/02/2017	277,541,358	31/05/2017	1.17
Stewart Investors W Wrldwide Sustainabty	40543	21/02/2013	Silver	12/02/2017	394,821,137	31/05/2017	1.23
T. Rowe Price Asia ex-Japan	17615	18/03/2008	Bronze	1/02/2017	236,160,000	31/05/2017	1.20
T. Rowe Price Global Equity	14479	15/09/2006	Bronze	20/02/2017	1,683,430,000	31/05/2017	1.18
Templeton Global Growth Fund Ord	TGG	28/05/1987	Neutral	14/02/2017	347,387,522	21/06/2017	
Templeton Global Trust Fund	5291	11/09/1996	Neutral	13/02/2017	329,269,815	31/05/2017	0.96
Threadneedle Global Equity Income Unhdgd	19679	30/11/2012	Neutral	16/03/2017	51,100,000	31/03/2017	1.09

Fund Manager/Strategy	Ticker	Inception Date	Morningstar Analyst Rating	Global Fund Report Analysis Date	Fund Size Base Currency	Fund Size Date	Indirect Cost Ratio (ICR)
VanEck Vectors MSCI Wld ex Aus Qlty ETF	QUAL	29/10/2014	Bronze	6/03/2017	227,545,491	21/06/2017	0.40
Vanguard All-World ex-US Shares ETF	VEU	12/05/2009	Bronze	8/11/2016	869,377,081	31/05/2017	0.14
Vanguard Emerging Markets Shares Index	4743	31/12/1997	Bronze	7/11/2016	1,173,811,433	31/05/2017	0.56
Vanguard FTSE Emerging Markets Shrs ETF	VGE	18/11/2013	Bronze	8/11/2016	98,401,979	31/05/2017	0.48
Vanguard International Shares Index	4489	6/06/1997	Silver	1/11/2016	12,230,014,345	31/05/2017	0.18
Vanguard International Small Companies	15897	31/10/2007	Bronze	7/11/2016	410,914,288	31/05/2017	0.39
Vanguard MSCI Index Intl (Hdg) ETF	VGAD	18/11/2014	Silver	31/10/2016	236,873,086	31/05/2017	0.21
Vanguard MSCI Index Intl ETF	VGS	18/11/2014	Silver	31/10/2016	491,842,268	31/05/2017	0.18
Vanguard US Total Market Shares ETF	VTS	12/05/2009	Gold	31/10/2016	1,011,754,735	31/05/2017	0.05
Walter Scott Global Equity	12329	18/03/2005	Silver	12/01/2017	2,349,173,076	31/05/2017	1.28
Wingate Global Equity Fund	16734	1/08/2008	Neutral	1/05/2017	210,998,212	31/05/2017	1.15
Zurich Investments Gbl Thematic Shr	4951	25/07/1997	Silver	26/04/2017	786,234,602	31/05/2017	0.98
Zurich Investments Unhedged Global Gr	17504	31/08/2009	Neutral	19/04/2017	507,682,981	31/05/2017	0.98

Appendix 2 Portfolio Characteristics

Fund Manager/Strategy	Ticker	Portfolio Date	# of Holdings (Long)	% Asset in Top 10 Holdings	Tracking Error 3 Yr (Mo-End) AUD
Aberdeen Asian Opportunities	10438	31/05/2017	57	51.57	4.58
Aberdeen Emerging Opportunities	11594	31/05/2017	65	48.19	4.92
Aberdeen International Equity	4768	31/05/2017	70	30.18	5.23
Acadian Global Managed Volatility Equity	19591	28/02/2017	548	10.27	5.46
Acadian Wholesale Global Eqty Long Short	14288	28/02/2017	271	26.20	5.71
Acadian Wholesale Global Equity	12403	28/02/2017	308	28.47	3.28
Advance International Shr Multi-Blend W	4863	31/10/2016	1,069	10.85	1.76
Altrinsic Global Equities Trust	19392	31/10/2016	78	23.99	2.93
AMP Capital Res Inv Leaders Intl Shr A	6842	31/03/2017	282	26.73	2.39
Antipodes Global Fund - Class P	5667	31/05/2017	62	27.97	5.20
Antipodes Global Fund - Long Only I	15312	31/05/2017	60	27.81	5.44
Arrowstreet Global Equity	14739	30/04/2017	451	15.62	3.35
BlackRock Indexed Int Equity Fund	9154	31/05/2017	1,624	10.79	0.33
BlackRock Scientific Intl Equity Fund	3307	31/05/2017	507	13.84	1.94
BT Global Emerging Markets Opportunit WS	19536	30/04/2017	54	41.81	5.30
BT Wholesale Asian Share	4246	30/04/2017	41	41.57	8.43
BT Wholesale Core Global Share	2951	30/04/2017	418	12.95	1.98
Capital Group New Perspective (AU)	40984	30/04/2017	2	99.99	
Carnegie WorldWide Equity Trust	4542	31/05/2017	30	51.54	4.98
CFS Asian Growth - A	41320	28/02/2017	43	42.77	
CFS Wholesale Global Resources	4713	28/02/2017	84	38.66	10.73
Dimensional Emerging Markets Trust	6468	31/05/2017	1,440	16.72	3.63
Dimensional Global Core Equity Trust	14573	31/05/2017	5,786	7.21	2.07
Dimensional Global Large Company Trust	6466	31/05/2017	1,577	9.38	0.76
Dimensional Global Small Company Trust	6467	31/05/2017	4,356	1.38	1.58
Dimensional Global Value Trust	5841	31/05/2017	535	15.70	4.46
Elevation Capital Value Fund	23600	31/05/2017	27	36.46	6.57
ETFS S&P 500 High Yield Low Volatil ETF	ZYUS	22/06/2017	51	26.35	
Fidelity Global Equities	4897	31/05/2017	95		2.41
FirstChoice WS Asian Share	15001	28/02/2017	135	22.88	2.66
FirstChoice WS Emerging Markets	16844	28/02/2017	285	23.17	2.72
FirstChoice WS Global Share	11297	28/02/2017	1,331	10.29	2.32
Franklin Global Growth W	16740	31/03/2017	41	29.16	4.90
Generation Wholesale Global Share	15813	28/02/2017	65	41.43	4.27
Grant Samuel Epoch Gbl Eq Shldr Yld Uhg	16301	31/03/2017	95	17.43	5.55
Harding Loevner Emerging Markets Eq B	41058	30/06/2016	79	27.84	
Hunter Hall Global Value Ord	HHV	30/06/2016	58	43.22	14.27
Hunter Hall Value Growth Trust	3876	31/05/2017	52	27.34	12.74
IFP Global Franchise	12160	31/12/2016	30	44.05	5.23
Ironbark Royal London ConcentratedGlbShr	14109	28/02/2017	36	40.01	5.23
iShares Asia 50 (AU)	IAA	21/06/2017	51	56.62	2.73
iShares China Large-Cap ETF	IZZ	21/06/2017	51	56.77	7.33
iShares Europe ETF	IEU	21/06/2017	375	18.16	0.26

Fund Manager/Strategy	Ticker	Portfolio Date	# of Holdings (Long)	% Asset in Top 10 Holdings	Tracking Error 3 Yr (Mo-End) AUD
iShares Global 100 AUD Hedged ETF	IH00	21/06/2017	105	35.11	
iShares Global 100 ETF	I00	21/06/2017	112	34.42	2.59
iShares MSCI EAFE	IVE	21/06/2017	952	11.06	4.65
iShares MSCI Emerging Markets ETF	IEM	21/06/2017	854	24.05	0.18
iShares MSCI Japan ETF	IJP	21/06/2017	323	18.65	0.20
iShares S&P 500 AUD Hedged ETF	IHV	20/06/2017	1	101.61	
iShares S&P 500 ETF	IW	21/06/2017	508	19.04	0.55
Lazard Emerging Markets Equity I	4870	31/03/2017	71	33.08	5.05
Lazard Global Small Cap W	10701	31/03/2017	96	15.08	4.17
Macquarie Asia New Stars No.1	18337	31/12/2016	66	29.95	8.14
Magellan Global	15699	31/03/2017	26	46.46	3.94
Magellan Global Equities	MGE	31/03/2017	26	46.47	
MFS Concentrated Global Equity Trust W	19689	30/04/2017	27	48.61	4.36
MFS Global Equity Trust	4532	30/04/2017	95	23.80	2.61
MLC Wholesale Global Share	4776	28/02/2017	1,013	12.70	5.05
OneAnswer SAC International Share	22885	31/05/2017	556	16.46	2.02
Orbis Global Equity Fund Retail Class	41069	31/03/2017	103		
Perpetual Global Share Class A	40544	31/03/2017	41	31.34	
Platinum Asia	9894	30/04/2017	82	27.61	3.96
Platinum Global Fund	40540	30/04/2017	91	24.03	
Platinum International Brands Fund	6643	30/04/2017	49	34.50	6.29
Platinum International Fund	4505	30/04/2017	148	16.07	5.64
Platinum Unhedged Fund	15362	30/04/2017	55	31.24	7.49
PM Capital Global Companies	6828	31/03/2017	49	46.46	8.83
Realindex RAFI® Emerging Markets-Class A	18952	28/02/2017	427	27.43	5.75
Realindex RAFI® Global Share-Class A	16953	28/02/2017	1,384	8.48	3.97
Robeco BP Global Premium Equities AUD	40752	30/04/2017	130	20.94	
Robeco Emerging Conservative Equity AUD	40081	30/04/2017	248	16.09	4.95
Sanlam Managed Risk Global Shr-Class A	40853	28/02/2017	2	93.15	
SPDR® S&P Global Dividend ETF	WDIV	20/06/2017	121	14.96	6.12
SPDR® S&P World ex Australia ETF	WXOZ	20/06/2017	1,570	10.95	0.54
SPDR® S&P World ex Australia(Hedged) ETF	WXHG	20/06/2017	4	99.19	0.56
Stewart Investors Glb Emerg Mkts Leaders	17803	28/02/2017	58	36.77	6.80
Stewart Investors W Worldwide Leaders	4672	28/02/2017	33	50.88	6.72
Stewart Investors W Worldwide Sustainability	40543	28/02/2017	52	40.57	6.85
T. Rowe Price Asia ex-Japan	17615	31/03/2017	77	33.07	3.82
T. Rowe Price Global Equity	14479	31/03/2017	136	18.50	3.94
Templeton Global Growth Fund Ord	TGG	30/06/2016	118	18.07	4.86
Templeton Global Trust Fund	5291	31/03/2017	100	19.53	4.22
Threadneedle Global Equity Income Unhdgd	19679	31/05/2017	92	22.58	3.55
VanEck Vectors MSCI Wld ex Aus Qlty ETF	QUAL	21/06/2017	307	28.96	
Vanguard All-World ex-US Shares ETF	VEU	31/05/2017	2,596	8.22	5.01
Vanguard Emerging Markets Shares Index	4743	31/05/2017	850	23.25	0.90
Vanguard FTSE Emerging Markets Shrs ETF	VGE	31/05/2017	4,021	16.18	3.12
Vanguard International Shares Index	4489	31/05/2017	1,605	10.89	0.22
Vanguard International Small Companies	15897	31/05/2017	3,952	1.39	0.34

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Fund Manager/Strategy	Ticker	Portfolio Date	# of Holdings (Long)	% Asset in Top 10 Holdings	Tracking Error 3 Yr (Mo-End) AUD
Vanguard MSCI Index Intl (Hdg) ETF	VGAD	31/05/2017	1,606	10.88	
Vanguard MSCI Index Intl ETF	VGS	31/05/2017	1,605	10.89	
Vanguard US Total Market Shares ETF	VTS	31/05/2017	3,600	15.39	1.09
Walter Scott Global Equity	12329	31/05/2017	52	25.82	2.92
Wingate Global Equity Fund	16734	30/11/2016	36	34.47	5.10
Zurich Investments Gbl Thematic Shr	4951	31/05/2017	107	14.56	3.63
Zurich Investments Unhedged Global Gr	17504	31/05/2017	102	19.98	3.61

Appendix 3 People

Fund Manager/Strategy	Ticker	Manager Name
Aberdeen Asian Opportunities	10438	Flavia Cheong
Aberdeen Emerging Opportunities	11594	Devan Kaloo
Aberdeen International Equity	4768	Stephen Docherty
Acadian Global Managed Volatility Equity	19591	Ryan D. Taliaferro;Mark J. Birmingham;Dan M. Le;
Acadian Wholesale Global Eqty Long Short	14288	Rui Tang;Alexandre Voitenok;Christopher Zani;Adoito Haroon;
Acadian Wholesale Global Equity	12403	Brendan O. Bradley;John R. Chisholm;
Advance International Shr Multi-Blend W	4863	Mark Vrkcic
Altrinsic Global Equities Trust	19392	John Hock;John L. Devita;
AMP Capital Res Inv Leaders Intl Shr A	6842	Tanya Debakhpouve;Trent Loi;
Antipodes Global Fund - Class P	5667	Graham Hay;Jacob Mitchell;Andrew Baud;
Antipodes Global Fund - Long Only I	15312	Graham Hay;Jacob Mitchell;Andrew Baud;
Arrowstreet Global Equity	14739	Alex Merlis;George Pararas-Carayannis;John C. Capeci;John Y. Campbell;Marta Campillo;Michael Zervas;Peter L. Rathjens;Sam Thompson;Tuomo Vuolteenaho;Yijie Zhang;Derek Vance;Michelle Morpew;Alex Ogan;Manolis Liodakis;
BlackRock Indexed Int Equity Fund	9154	Karsten Kumpf
BlackRock Scientific Intl Equity Fund	3307	Karsten Kumpf;George Zhu;Ron Montgomery;Sasha Akoulov;
BT Global Emerging Markets Opportunit WS	19536	James Syme;Paul Wimborne;
BT Wholesale Asian Share	4246	Cho-Yu Kooi;Samir Mehta;
BT Wholesale Core Global Share	2951	Jacques A. Friedman
Capital Group New Perspective (AU)	40984	
Carnegie WorldWide Equity Trust	4542	Bengt Seger;Bo Knudsen;Lars Winccentsen;
CFS Asian Growth - A	41320	Alistair Thompson;Richard Jones;
CFS Wholesale Global Resources	4713	Joanne Warner;Todd Warren;
Dimensional Emerging Markets Trust	6468	Murray Cockerell;Bhanu P. Singh;
Dimensional Global Core Equity Trust	14573	Bhanu P. Singh;Robert Ness;
Dimensional Global Large Company Trust	6466	Bhanu P. Singh;Robert Ness;
Dimensional Global Small Company Trust	6467	Bhanu P. Singh;Robert Ness;
Dimensional Global Value Trust	5841	Bhanu P. Singh;Robert Ness;
Elevation Capital Value Fund	23600	Christopher Swasbrook
ETFs S&P 500 High Yield Low Volatil ETF	ZYUS	
Fidelity Global Equities	4897	Amit Lodha
FirstChoice WS Asian Share	15001	Andrew Howlett;Peter Dymond;Scott Tully;
FirstChoice WS Emerging Markets	16844	Andrew Howlett;Peter Dymond;Scott Tully;
FirstChoice WS Global Share	11297	Peter Dymond;Scott Tully;Andrew Howlett;
Franklin Global Growth W	16740	Coleen F. Barbeau;Donald G. Huber;
Generation Wholesale Global Share	15813	Mark Ferguson;Miguel Nogales;
Grant Samuel Epoch Gbl Eq Shldr Yld Uhgd	16301	Eric L. Sappenfield;Michael A. Welhoelter;William W. Priest;John M. Tobin;Kera Van Valen;
Harding Loevner Emerging Markets Eq B	41058	Craig Shaw;G. Rusty Johnson;
Hunter Hall Global Value Ord	HHV	
Hunter Hall Value Growth Trust	3876	Peter Hall;James McDonald;Jonathan Rabinovitz;Li Zhang;Yizhong Chan;Simon Bridger;
IFP Global Franchise	12160	Hassan Elmasry;Jayson Vowles;Michael Allison;
Ironbark Royal London ConcentratedGlbShr	14109	James Clarke;Peter Rutter;Will Kenney;
iShares Asia 50 (AU)	IAA	Not Disclosed
iShares China Large-Cap ETF	IZZ	Patrick O'Connor;S. Jane Leung;

Fund Manager/Strategy	Ticker	Manager Name
iShares Europe ETF	IEU	Patrick O'Connor;S. Jane Leung;
iShares Global 100 AUD Hedged ETF	IH00	
iShares Global 100 ETF	IOO	Not Disclosed
iShares MSCI EAFE	IVE	Not Disclosed
iShares MSCI Emerging Markets ETF	IEM	Patrick O'Connor;S. Jane Leung;
iShares MSCI Japan ETF	IJP	Patrick O'Connor;S. Jane Leung;
iShares S&P 500 AUD Hedged ETF	IHV	
iShares S&P 500 ETF	IWV	Not Disclosed
Lazard Emerging Markets Equity I	4870	James M. Donald;Rohit Chopra;Monika Shrestha;
Lazard Global Small Cap W	10701	Edward Rosenfeld;Patricia Biggers;Michael DeBernardis;Neal Doying;Alex Ingham;Steven Fockens;
Macquarie Asia New Stars No.1	18337	John Bugg;Sam Le Cornu;
Magellan Global	15699	Hamish Douglass
Magellan Global Equities	MGE	
MFS Concentrated Global Equity Trust W	19689	Benjamin S. Kottler;David R. Mannheim;Sanjay Natarajan;Roger M. Morley;Chris Sunderland;Victoria J. Higley;Ryan P. McAllister;
MFS Global Equity Trust	4532	David R. Mannheim;Benjamin S. Kottler;Sanjay Natarajan;Roger M. Morley;Chris Sunderland;Victoria J. Higley;Ryan P. McAllister;
MLC Wholesale Global Share	4776	Myooran Mahalingam
OneAnswer SAC International Share	22885	Alan Clarke;Stuart Millar;
Orbis Global Equity Fund Retail Class	41069	Adam Karr;Benjamin Preston;Brett Moshal;Stefan Magnusson;William Gray;Jeremie Teboul;Edward Blain;Nick Purser;
Perpetual Global Share Class A	40544	Garry Laurence
Platinum Asia	9894	Joseph Lai
Platinum Global Fund	40540	Kerr Neilson
Platinum International Brands Fund	6643	Jamie Halse
Platinum International Fund	4505	Kerr Neilson;Andrew Clifford;Clay Smolinski;
Platinum Unhedged Fund	15362	Clay Smolinski
PM Capital Global Companies	6828	Paul Moore
Realindex RAFI® Emerging Markets-Class A	18952	Raelene de Souza;Megan Ford;
Realindex RAFI® Global Share-Class A	16953	Raelene de Souza;Megan Ford;
Robeco BP Global Premium Equities AUD	40752	Christopher K. Hart
Robeco Emerging Conservative Equity AUD	40081	Arlette van Ditshuizen;Pim van Vliet;Jan Sytze Mosselaar;Maarten Polfliet;Arnoud Klep;
Sanlam Managed Risk Global Shr-Class A	40853	Adam Schenck;David Itzkovits;Ken Mungan;Ram Kelkar;
SPDR® S&P Global Dividend ETF	WDIV	
SPDR® S&P World ex Australia ETF	WXOZ	Not Disclosed
SPDR® S&P World ex Australia(Hedged) ETF	WXHG	Not Disclosed
Stewart Investors Glb Emerg Mkts Leaders	17803	Tom Prew;Ashish Swarup;
Stewart Investors W Worldwide Leaders	4672	Nick Edgerton;Sashi Reddy;
Stewart Investors W Wrldwide Sustainabty	40543	David Gait;Nick Edgerton;
T. Rowe Price Asia ex-Japan	17615	Anh Lu
T. Rowe Price Global Equity	14479	R. Scott Berg
Templeton Global Growth Fund Ord	TGG	
Templeton Global Trust Fund	5291	Peter Wilmshurst
Threadneedle Global Equity Income Unhdgd	19679	Jonathan Crown;William Davies;
VanEck Vectors MSCI Wld ex Aus Qlty ETF	QUAL	Russel Chesler
Vanguard All-World ex-US Shares ETF	VEU	Not Disclosed
Vanguard Emerging Markets Shares Index	4743	Rodney Comegys

Fund Manager/Strategy	Ticker	Manager Name
Vanguard FTSE Emerging Markets Shrs ETF	VGE	
Vanguard International Shares Index	4489	Rodney Comegys
Vanguard International Small Companies	15897	Rodney Comegys
Vanguard MSCI Index Intl (Hdg) ETF	VGAD	
Vanguard MSCI Index Intl ETF	VGS	
Vanguard US Total Market Shares ETF	VTS	Not Disclosed
	12329	Charlie Macquaker;Des Armstrong;Fraser Fox;Jane E Henderson;Lindsay Scott;Maxim Skorniakov;Rodger H Nisbet;Roy M Leckie;Yuanli Chen;Murdo MacLean;Alan Lander;Thomas Miedema;Jamie Zegleman;Alex Torrens;Alan Edington;Jennifer Lord;Fiona MacRae;Paul
Walter Scott Global Equity		
Wingate Global Equity Fund	16734	Chad Padowitz
Zurich Investments Gbl Thematic Shr	4951	Andrew Norris;Irene T. Cheng;Nicolas Bratt;Steve M. Wreford;John King;
Zurich Investments Unhedged Global Gr	17504	Brent Puff;Keith Creveling;Ted Harlan;

Appendix 4 Style Box Breakdown

Fund Manager/Strategy	Equity Style Box (Long)	Market Cap Giant %	Market Cap Large %	Market Cap Mid %	Market Cap Small %	Market Cap Micro %
Aberdeen Asian Opportunities	Large Blend	55.54	31.88	2.00	0.00	0.00
Aberdeen Emerging Opportunities	Large Growth	45.97	34.24	8.42	0.00	0.00
Aberdeen International Equity	Large Growth	60.52	32.49	4.94	0.00	0.00
Acadian Global Managed Volatility Equity	Large Blend	26.80	22.10	26.89	12.47	4.96
Acadian Wholesale Global Eqty Long Short	Mid Value	50.92	12.72	6.58	10.30	17.86
Acadian Wholesale Global Equity	Large Value	55.63	5.54	7.03	14.52	13.28
Advance International Shr Multi-Blend W	Large Growth	32.47	34.27	23.19	3.16	0.40
Altrinsic Global Equities Trust	Large Blend	50.16	29.23	10.74	3.36	0.00
AMP Capital Res Inv Leaders Intl Shr A	Large Blend	41.27	34.35	15.82	3.53	0.16
Antipodes Global Fund - Class P	Large Value	36.06	27.85	13.10	5.25	0.51
Antipodes Global Fund - Long Only I	Large Value	36.46	29.92	14.08	5.92	0.00
Arrowstreet Global Equity	Large Blend	38.55	34.36	14.69	2.05	0.74
BlackRock Indexed Int Equity Fund	Large Blend	50.36	34.61	12.88	0.06	0.00
BlackRock Scientific Intl Equity Fund	Large Blend	34.44	42.59	21.51	0.55	0.00
BT Global Emerging Markets Opportunit WS	Large Blend	63.28	19.37	4.51	3.25	0.00
BT Wholesale Asian Share	Large Growth	47.92	36.24	10.48	0.00	1.21
BT Wholesale Core Global Share	Large Value	28.38	46.95	19.14	0.01	0.00
Capital Group New Perspective (AU)	Large Growth	54.32	29.31	6.91	0.33	0.00
Carnegie WorldWide Equity Trust	Large Growth	85.25	10.82	2.32	0.00	0.00
CFS Asian Growth - A	Large Growth	56.03	32.65	3.46	2.71	0.00
CFS Wholesale Global Resources	Large Blend	26.65	29.40	25.04	8.54	1.89
Dimensional Emerging Markets Trust	Large Value	33.67	34.21	16.47	7.35	2.26
Dimensional Global Core Equity Trust	Large Blend	32.31	26.79	26.09	11.03	2.89
Dimensional Global Large Company Trust	Large Blend	46.40	34.49	17.83	0.32	0.00
Dimensional Global Small Company Trust	Small Blend	0.00	0.54	44.62	41.29	12.47
Dimensional Global Value Trust	Large Value	42.29	38.82	18.13	0.07	0.00
Elevation Capital Value Fund	Mid Value	2.69	4.17	28.08	20.73	5.33
ETFS S&P 500 High Yield Low Volatil ETF	Large Value	25.78	43.80	27.66	0.00	0.00
Fidelity Global Equities	Large Growth	45.30	26.35	22.61	2.00	0.00
FirstChoice WS Asian Share	Large Blend	52.53	32.11	5.55	1.02	0.67
FirstChoice WS Emerging Markets	Large Blend	57.94	24.64	7.43	1.64	0.00
FirstChoice WS Global Share	Large Blend	43.85	28.21	15.52	4.13	0.88
Franklin Global Growth W	Large Growth	16.36	46.94	33.44	0.00	0.00
Generation Wholesale Global Share	Large Growth	39.44	23.14	28.99	1.31	0.17
Grant Samuel Epoch Gbl Eq Shldr Yld Uhgd	Large Value	53.13	33.63	8.26	0.79	0.00
Harding Loevner Emerging Markets Eq B	Large Blend	56.56	24.29	9.11	1.84	0.00
Hunter Hall Global Value Ord	Small Blend	1.53	7.87	29.75	29.06	12.16
Hunter Hall Value Growth Trust	Mid Growth	16.76	20.44	17.96	9.88	10.44
IFP Global Franchise	Large Blend	61.11	35.19	2.09	0.00	0.00
Ironbark Royal London ConcentratedGlbShr	Large Blend	37.98	29.91	28.43	2.43	0.00
iShares Asia 50 (AU)	Large Blend	97.35	2.30	0.00	0.00	0.00
iShares China Large-Cap ETF	Large Value	89.95	5.83	0.00	0.00	0.00
iShares Europe ETF	Large Blend	61.23	32.67	4.99	0.00	0.00
iShares Global 100 AUD Hedged ETF	Large Value	90.27	11.74	0.00	0.00	0.00
iShares Global 100 ETF	Large Value	88.07	11.42	0.00	0.00	0.00
iShares MSCI EAFE	Large Blend	56.93	34.56	7.17	0.02	0.00
iShares MSCI Emerging Markets ETF	Large Blend	55.58	33.12	7.64	0.17	0.09
iShares MSCI Japan ETF	Large Blend	51.88	39.22	7.88	0.00	0.00
iShares S&P 500 AUD Hedged ETF	Large Blend	49.92	37.46	13.63	0.13	0.00
iShares S&P 500 ETF	Large Blend	49.15	36.88	13.37	0.13	0.00

Fund Manager/Strategy	Equity Style Box (Long)	Market Cap Giant %	Market Cap Large %	Market Cap Mid %	Market Cap Small %	Market Cap Micro %
Lazard Emerging Markets Equity I	Large Value	60.02	24.09	10.77	0.35	0.00
Lazard Global Small Cap W	Mid Growth	0.00	1.06	43.80	41.38	7.90
Macquarie Asia New Stars No.1	Large Blend	4.34	43.64	36.48	6.39	0.00
Magellan Global	Large Growth	53.12	31.69	0.00	0.00	0.00
Magellan Global Equities	Large Growth	53.17	31.68	0.00	0.00	0.00
MFS Concentrated Global Equity Trust W	Large Growth	57.75	35.17	5.67	0.00	0.00
MFS Global Equity Trust	Large Growth	40.29	48.07	9.04	0.84	0.00
MLC Wholesale Global Share	Large Growth	47.97	27.78	17.23	0.95	0.00
OneAnswer SAC International Share	Large Growth	35.50	38.44	16.48	1.50	0.06
Orbis Global Equity Fund Retail Class	Large Growth	44.95	25.93	25.27	0.13	0.00
Perpetual Global Share Class A	Large Value	25.82	32.28	20.08	0.71	0.30
Platinum Asia	Large Blend	41.01	29.11	9.31	1.80	0.31
Platinum Global Fund	Large Growth	43.92	25.61	12.28	0.67	0.74
Platinum International Brands Fund	Large Growth	13.55	32.21	21.48	2.45	6.79
Platinum International Fund	Large Blend	42.13	24.45	11.74	1.54	0.11
Platinum Unhedged Fund	Large Blend	29.60	28.74	16.97	5.46	2.16
PM Capital Global Companies	Large Value	44.07	33.62	20.50	14.69	0.50
Realindex RAFI® Emerging Markets-Class A	Large Value	62.86	25.25	6.75	0.41	0.00
Realindex RAFI® Global Share-Class A	Large Value	51.90	33.37	10.20	1.38	0.16
Robeco BP Global Premium Equities AUD	Large Blend	36.19	33.27	30.66	2.10	0.00
Robeco Emerging Conservative Equity AUD	Large Value	38.12	33.13	17.72	2.88	0.00
Sanlam Managed Risk Global Shr-Class A	Large Blend	46.88	31.66	12.14	0.03	0.00
SPDR® S&P Global Dividend ETF	Large Value	18.19	28.37	35.56	8.18	0.64
SPDR® S&P World ex Australia ETF	Large Blend	48.75	33.03	11.67	0.20	0.01
SPDR® S&P World ex Australia(Hedged) ETF						
Stewart Investors Glb Emerg Mkts Leaders	Large Growth	34.64	43.16	14.26	0.00	0.00
Stewart Investors W Worldwide Leaders	Large Growth	42.21	26.73	14.09	0.00	0.00
Stewart Investors W Worldwide Sustainabty	Large Growth	29.90	30.74	26.89	2.90	0.00
T. Rowe Price Asia ex-Japan	Large Blend	56.38	20.49	7.71	0.80	0.00
T. Rowe Price Global Equity	Large Growth	39.14	37.54	14.22	0.00	0.00
Templeton Global Growth Fund Ord	Large Value	53.17	26.93	9.44	3.84	1.07
Templeton Global Trust Fund	Large Value	57.08	23.25	7.97	3.11	0.00
Threadneedle Global Equity Income Unhdgd	Large Blend	47.62	33.89	15.62	1.26	0.00
VanEck Vectors MSCI Wld ex Aus Qlty ETF	Large Growth	58.75	31.03	9.75	0.03	0.00
Vanguard All-World ex-US Shares ETF	Large Blend	52.47	32.73	10.43	0.22	0.03
Vanguard Emerging Markets Shares Index	Large Blend	55.16	33.83	7.92	0.16	0.10
Vanguard FTSE Emerging Markets Shrs ETF	Large Blend	42.54	31.76	16.09	3.54	0.43
Vanguard International Shares Index	Large Blend	50.78	35.07	13.52	0.09	0.00
Vanguard International Small Companies	Small Blend	0.00	0.57	48.48	40.42	9.69
Vanguard MSCI Index Intl (Hdg) ETF	Large Blend	50.76	35.05	13.52	0.09	0.00
Vanguard MSCI Index Intl ETF	Large Blend	50.78	35.07	13.52	0.09	0.00
Vanguard US Total Market Shares ETF	Large Blend	40.16	30.42	18.67	6.48	2.47
Walter Scott Global Equity	Large Growth	57.49	32.80	2.70	0.00	0.00
Wingate Global Equity Fund	Large Value	26.39	25.80	2.34	1.80	0.00
Zurich Investments Gbl Thematic Shr	Large Growth	45.59	41.15	8.02	0.00	0.00
Zurich Investments Unhedged Global Gr	Large Growth	33.60	47.18	17.28	0.63	0.00

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