

ANZ PRIVATE MANAGED ACCOUNT SERVICE

ANZ PRIVATE PORTFOLIOS
MANAGED MODEL PROFILES

DATED 8 APRIL 2024

Contents

Important Information	3
Investors who may use these Managed Models	4
About the Model Manager	4
Investment in related products or related parties	4
Model Profiles	5
ANZ Dynamic Aggressive (Tax Payer) Portfolio (MACC000232)	5
ANZ Dynamic Aggressive (Non-Tax Payer) Portfolio (MACC000233)	6
ANZ Dynamic Moderately Aggressive Portfolio (MACC000234)	7
ANZ Dynamic Balanced Portfolio (MACC000235)	8
ANZ Dynamic Moderately Conservative Portfolio (MACC000236)	9
ANZ Australian Equities Income (Tax Payer) Portfolio (MACC000237)	10
ANZ Australian Equities Income (Non-Tax Payer) Portfolio (MACC000238)	11
ANZ Australian Equities Capital (Tax Payer) Portfolio (MACC000239)	12
ANZ Australian Equities Capital (Non-Tax Payer) Portfolio (MACC000240)	13
ANZ Australian Small Companies SIV Portfolio (MACC000247)	14
ANZ Dynamic International Equities Portfolio (MACC000241)	15
ANZ Australian Fixed Income Portfolio (MACC000242)	16
ANZ Active International Equities Portfolio (MACC000243)	17
ANZ Enhanced Yield Portfolio (MACC000244)	18
ANZ Dynamic Fixed Income Portfolio (MACC000245)	19
ANZ International Fixed Income Portfolio (MACC000246)	20
Fees and other costs	21
Fees and costs summary	22
Example of annual fees and costs – ANZ Dynamic Moderately Aggressive Portfolio	24
Additional explanation of fees and costs	26
Other payments and benefits paid or received by Netwealth	30
Are our related parties paid fees?	30

General information only

The information provided in the Managed Account disclosure documents is general information only and is not intended to imply any recommendation or opinion about a financial product. This information does not take into account your personal objectives, financial situation or needs. You should consider whether the information is appropriate for you in light of your personal objectives, financial situation and needs, and you should consider consulting a financial adviser before making a decision about whether to invest in the Managed Account or any of the models.

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Important Information

This Managed Models Booklet is Part 2 of the product disclosure statement for the Netwealth Managed Account Service (ARSN 633 923 887) ('PDS'). It has been prepared and issued by Netwealth Investments Limited (ABN 85 090 569 109, AFS Licence No. 230975) ('Netwealth', 'we', 'us' or 'our') in our capacity as the responsible entity of the Netwealth Managed Account Service ('Managed Account') which is a registered managed investment scheme (ARSN 633 923 887).

The PDS in relation to the Managed Account issued by Netwealth is made up of two parts:

- a document titled 'Part 1 – General Information'; and
- this 'Part 2 – Managed Models Booklet' document.

The PDS also incorporates information from the Managed Account Guide for the Managed Account ('Managed Account Guide'). The PDS should be read together with the Managed Account Guide (together, the 'Managed Account disclosure documents'). Part 1 of the PDS sets out some important terms which are also used in this document.

This document describes the ANZ Private Managed Models ('models') for which Netwealth has appointed Australia and New Zealand Banking Group Limited (ABN 11 005 357 522, AFS Licence No. 234527) ('ANZ') as the Model Manager. It also contains information about the fees and other costs you may be charged if you invest in any of these models. There is a different 'Part 2 – Managed Models Booklet' for each suite of Managed Models in the Managed Account.

If you received any of the Managed Account disclosure documents electronically, we will provide a paper copy free upon request. If obtaining an electronic copy, please ensure you have a complete copy of each of the other Managed Account disclosure documents¹ that are relevant to you.

The information in this document about ANZ and the models is based on information provided to us by ANZ and:

- ANZ and its related bodies corporate have not authorised or caused the issue of the Managed Account disclosure documents, or been involved in the preparation of them, other than providing information about ANZ and information about the models;
- we have not independently verified the information provided by ANZ and, to the extent permitted by law, take no responsibility for it; and
- ANZ and each of its related bodies corporate expressly disclaim and take no responsibility for any part of the Managed Account disclosure documents other than in respect of any part of this document to which they have expressly given their consent.

We may choose not to implement the advice provided by ANZ in relation to the investment portfolio for the ANZ Private models where we believe that doing so may breach relevant law or result in an outcome that is not consistent with the investment mandate of the ANZ Private models. We may adjust the investment portfolios of the ANZ Private models in our absolute discretion.

An investment in the Managed Account is not a deposit with, or other liability of, ANZ or any of its related bodies corporate. An investment in the Managed Account is subject to risk including possible delays in repayment and loss of income or principal invested (see 'Key risks' in Part 1 of the PDS). Netwealth, ANZ and its related bodies corporate do not guarantee the performance of the Managed Account, the repayment of capital from the Managed Account or any particular rate of return.

ANZ has given and not withdrawn its consent:

- to be named in this document in the form and context in which it is named;
- to any statements made by, or attributable to, ANZ in the form and context in which those statements appear; and
- to the inclusion of the information about ANZ and the models in the form and context in which such information appears.

¹ The documents described on this page are available free of charge, on netwealth.com.au/ManagedAccountForms, in printed form by calling Freecall 1800 888 223 or from your Nominated Financial Adviser.

Investors who may use these Managed Models

Netwealth has established the models described in this document by arrangement with the Model Manager for the exclusive use of clients of certain advisers or adviser groups.

To invest in these models, you must have a Nominated Financial Adviser on your platform account who has been approved by Netwealth to use these models. To find out if these models are available to you, you can ask your financial adviser, contact Netwealth or log into your platform account and go to 'Compare funds & models.'

If you cease to have a Nominated Financial Adviser who has been approved by Netwealth to use these models² you may cease to have access to these models. If this occurs, we will suspend rebalances and, as platform operator, we will seek your instructions regarding the investments held in the models. See the section titled "What happens when you no longer have access to a model in your managed account?" in the Managed Account Guide for further information about the fees and costs that will cease to apply in these circumstances.

About the Model Manager

ANZ Private is the financial partner of choice for many leading families, business people, investors, private foundations and business owners. Drawing on its extensive research and advisory resources, ANZ Private aims to provide insightful financial advice across a wide range of disciplines.

Clients of ANZ Private can access a range of investment products. Core to ANZ Private's investment product range is an exclusive ANZ Private Managed Account Service which provides access to discretionary managed portfolios covering a broad spectrum of high net worth investor interests. These portfolios are managed under the guidance of an ANZ Private Banking and Advice Investment Council and Chief Investment Office.

ANZ is the Model Manager responsible for the investment decisions for each of the Managed Models offered within the ANZ Private Managed Account Service.

Investment in related products or related parties

The models may invest in managed funds that are issued or managed by ANZ or its related parties. Where a model invests in such products, ANZ or its related parties may receive management fees in relation to those products. These fees are in addition to the Investment management fees that apply to the model and may form part of the indirect costs of the model.

² For example, if your Nominated Financial Adviser is removed by you or by us, or moves to another AFS licensee who is not authorised by us to use these models.

Model Profiles

ANZ Dynamic Aggressive (Tax Payer) Portfolio (MACC000232)

Investment objective and timeframe Aims to outperform inflation, as measured by the CPI, by 4.5% p.a. (after costs but before deduction of the investment management fee) over rolling 10-year periods.

Investment strategy The ANZ Dynamic Aggressive (Tax Payer) Portfolio is managed on the assumption that the applicant is a tax paying investor.

The model achieves diversification by maintaining an exposure to various asset classes as described below:

- Australian equities via a portfolio of between 30 and 60 securities and Australian equities managed funds;
- international equities through Exchange Traded Funds (ETFs) and managed funds;
- alternative assets via managed funds and/or ETFs;
- global real assets via global infrastructure and global property funds;
- fixed interest via Australian and international fixed interest funds; and
- cash for liquidity purposes.

ANZ dynamically tilts between the asset classes with the aim of both preserving and growing capital.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian equities	17.5	33	57.5
International equities	19.5	46.5	76.5
Alternatives	0	12	24
Global real assets	0	7	17
Australian fixed interest	0	0	20
International fixed interest	0	0	20
Cash	0	1.5	23

Investment universe The model invests in ASX listed equities, ASX listed ETFs, managed funds, managed models and cash. The model typically holds between 50 and 70 investments.

Investment management fee	Value of model	% applicable ³
	First \$2.5 million	0.85% p.a.
	Next \$2.5 million	0.75% p.a.
	Over \$5 million	0.62% p.a.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

³ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.85% p.a. applies to \$2.5 million, 0.75% p.a. applies to \$2.5 million and 0.62% p.a. applies to \$1 million.

ANZ Dynamic Aggressive (Non-Tax Payer) Portfolio (MACC000233)

Investment objective and timeframe Aims to outperform inflation, as measured by the CPI, by 4.5% p.a. (after costs but before deduction of the investment management fee) over rolling 10-year periods.

Investment strategy The ANZ Dynamic Aggressive (Non-Tax Payer) Portfolio is managed on the assumption that the applicant is a non-tax paying investor.

The model achieves diversification by maintaining an exposure to various asset classes as described below:

- Australian equities via a portfolio of between 30 and 60 securities and Australian equities managed funds;
- international equities through ETFs and managed funds;
- alternative assets via managed funds and/or ETFs;
- global real assets via global infrastructure and global property funds;
- fixed interest via Australian and international fixed interest funds; and
- cash for liquidity purposes.

ANZ dynamically tilts between the asset classes with the aim of both preserving and growing capital.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian equities	21.5	41.5	66
International equities	11	38	68
Alternatives	0	12	24
Global real assets	0	7	17
Australian fixed interest	0	0	20
International fixed interest	0	0	20
Cash	0	1.5	23

Investment universe The model invests in ASX listed equities, ASX listed ETFs, managed funds, managed models and cash. The model typically holds between 50 and 70 investments.

Investment management fee	Value of model	% applicable ⁴
	First \$2.5 million	0.85% p.a.
	Next \$2.5 million	0.75% p.a.
	Over \$5 million	0.62% p.a.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

⁴ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.85% p.a. applies to \$2.5 million, 0.75% p.a. applies to \$2.5 million and 0.62% p.a. applies to \$1 million.

ANZ Dynamic Moderately Aggressive Portfolio (MACC000234)

Investment objective and timeframe Aims to outperform inflation, as measured by the CPI, by 3.5% p.a. (after costs but before deduction of the investment management fee) over rolling 10-year periods.

Investment strategy The ANZ Dynamic Moderately Aggressive Portfolio achieves diversification by maintaining an exposure to various asset classes as described below:

- Australian equities via a portfolio of between 30 and 60 securities and Australian equities managed funds;
- international equities through ETFs and managed funds;
- alternative assets via managed funds and/or ETFs;
- global real assets via global infrastructure and global property funds;
- fixed interest via Australian and international fixed income funds; and
- cash for liquidity purposes.

ANZ dynamically tilts between the asset classes with the aim of both preserving and growing capital.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian equities	6	24	46
International equities	8	34	60
Alternatives	0	11	22
Global real assets	0	6	16
Australian fixed interest	0	10	32
International fixed interest	0	10	28
Cash	0	5	30

Investment universe The model invests in ASX listed equities, ASX listed ETFs, managed funds, managed models and cash. The model typically holds between 50 and 70 investments.

Investment management fee	Value of model	% applicable ⁵
	First \$2.5 million	0.85% p.a.
	Next \$2.5 million	0.75% p.a.
	Over \$5 million	0.62% p.a.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

⁵ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.85% p.a. applies to \$2.5 million, 0.75% p.a. applies to \$2.5 million and 0.62% p.a. applies to \$1 million.

ANZ Dynamic Balanced Portfolio (MACC000235)

Investment objective and timeframe Aims to outperform inflation, as measured by the CPI, by 2.5% p.a. (after costs but before deduction of the investment management fee) over rolling 7-year periods.

Investment strategy The ANZ Dynamic Balanced Portfolio achieves diversification by maintaining an exposure to various asset classes as described below:

- Australian equities via a portfolio of between 30 and 60 securities and Australian equities managed funds;
- international equities through ETFs and managed funds;
- alternative assets via managed funds and/or ETFs;
- global real assets via global infrastructure and global property funds;
- fixed interest via Australian and international fixed income funds; and
- cash for liquidity purposes.

ANZ dynamically tilts between the asset classes with the aim of both preserving and growing capital.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian equities	1	16	33
International equities	7	26	44
Alternatives	0	8	16
Global real assets	0	5	15
Australian fixed interest	6	17.5	36
International fixed interest	0	17.5	29
Cash	0	10	35

Investment universe The model invests in ASX listed equities, ASX listed ETFs, managed funds, managed models and cash. The model typically holds between 50 and 70 investments.

Investment management fee	Value of model	% applicable ⁶
	First \$2.5 million	0.85% p.a.
	Next \$2.5 million	0.75% p.a.
	Over \$5 million	0.62% p.a.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

⁶ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.85% p.a. applies to \$2.5 million, 0.75% p.a. applies to \$2.5 million and 0.62% p.a. applies to \$1 million.

ANZ Dynamic Moderately Conservative Portfolio (MACC000236)

Investment objective and timeframe Aims to outperform inflation, as measured by the CPI, by 1.5% p.a. (after costs but before deduction of the investment management fee) over rolling 5-year periods.

Investment strategy The ANZ Dynamic Moderately Conservative Portfolio achieves diversification by maintaining an exposure to various asset classes as described below:

- Australian equities via direct holdings in Australian equities and/or Australian share funds and/or ETFs;
- international equity through ETFs and managed funds;
- alternative assets via managed funds and/or ETFs;
- global real assets via global infrastructure and global property funds;
- fixed interest via Australian and international fixed income funds; and
- cash for liquidity purposes.

ANZ dynamically tilts between the asset classes with the aim of both preserving and growing capital.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian equities	0	8	19
International equities	1	12	27
Alternatives	0	8	16
Global real assets	0	4	15
Australian fixed interest	10	25	40
International fixed interest	10	25	40
Cash	0	18	40

Investment universe The model invests in ASX listed equities, ASX listed ETFs, managed funds, managed models and cash. The model typically holds between 20 and 70 investments.

Investment management fee	Value of model	% applicable ⁷
	First \$2.5 million	0.85% p.a.
	Next \$2.5 million	0.75% p.a.
	Over \$5 million	0.62% p.a.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

⁷ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.85% p.a. applies to \$2.5 million, 0.75% p.a. applies to \$2.5 million and 0.62% p.a. applies to \$1 million.

ANZ Australian Equities Income (Tax Payer) Portfolio (MACC000237)

Investment objective and timeframe Aims to generate high dividend income and generate a total return which has lower volatility when compared to the levels experienced by the S&P/ ASX 200 Total Return index (after costs but before deduction of the investment management fee) over rolling 10-year periods.

Benchmark index S&P/ASX 200 Total Return Index

Investment strategy The ANZ Australian Equities Income (Tax Payer) Portfolio is managed on the assumption that the applicant is a tax paying investor.

The model is focussed on delivering a portfolio with a higher dividend yield than the benchmark index.

To achieve this, the model combines a passive exposure to the 20 companies that comprise the S&P/ASX 20 Index with an actively managed portfolio of 20-30 stocks with the aim of identifying companies that provide a high dividend yield and total return. Stocks are also required to pass a robust research and modelling process to construct a diversified portfolio.

The holdings in the model are generally comprised of between 40 and 50 securities, predominantly selected from the top 200 equities in the Australian equities market. From time to time, the model may invest in companies outside of the top 200 should relevant opportunities arise.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian equities	80	100	100
Cash	0	0	20

Investment universe The model invests in ASX listed equities, ASX listed ETFs, managed funds, managed models and cash. The model typically holds between 40 and 70 investments.

Investment management fee	Value of model	% applicable ⁸
	First \$2.5 million	0.95% p.a.
	Next \$2.5 million	0.85% p.a.
	Over \$5 million	0.73% p.a.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

⁸ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.95% p.a. applies to \$2.5 million, 0.85% p.a. applies to \$2.5 million and 0.73% p.a. applies to \$1 million.

ANZ Australian Equities Income (Non-Tax Payer) Portfolio (MACC000238)

Investment objective and timeframe Aims to generate high dividend income and generate a total return which has lower volatility when compared to the levels experienced by the S&P/ ASX 200 Total Return index (after costs but before deduction of the investment management fee) over rolling 10-year periods.

Benchmark index S&P/ASX 200 Total Return Index

Investment strategy The ANZ Australian Equities Income (Non-Tax Payer) Portfolio is managed on the assumption that the applicant is a non-tax paying investor.

The model is focussed on delivering a portfolio with a higher dividend yield than the benchmark index.

To achieve this, the model combines a passive exposure to the 20 companies that comprise the S&P/ASX 20 Index with an actively managed portfolio of 20-30 stocks with the aim of identifying companies that provide a high dividend yield and total return. Stocks are also required to pass a robust research and modelling process to construct a diversified portfolio.

The holdings in the model are generally comprised of between 40 and 50 securities, predominantly selected from the top 200 equities in the Australian equities market. From time to time, the model may invest in companies outside of the top 200 should relevant opportunities arise.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian equities	80	100	100
Cash	0	0	20

Investment universe The model invests in ASX listed equities, ASX listed ETFs, managed funds, managed models and cash. The model typically holds between 40 and 70 investments.

Investment management fee	Value of model	% applicable ⁹
	First \$2.5 million	0.95% p.a.
	Next \$2.5 million	0.85% p.a.
	Over \$5 million	0.73% p.a.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

⁹ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.95% p.a. applies to \$2.5 million, 0.85% p.a. applies to \$2.5 million and 0.73% p.a. applies to \$1 million.

ANZ Australian Equities Capital (Tax Payer) Portfolio (MACC000239)

Investment objective and timeframe Aims to generate capital growth that exceeds the S&P/ ASX 300 Total Return index (after costs but before deduction of the investment management fee) over rolling 10-year periods.

Benchmark index S&P/ASX 300 Total Return Index

Investment strategy The ANZ Australian Equities Capital (Tax Payer) Portfolio is managed on the assumption that the applicant is a tax paying investor.

The model is constructed with an emphasis on delivering long term capital growth higher than the benchmark index.

To achieve this, the model combines a passive exposure to the 20 companies that comprise the S&P/ASX 20 Index with two actively managed portfolios of 10-20 stocks each. The model may also use Australian equities managed funds which provide a broader actively managed market exposure. The blending of the actively managed portfolios with the 20 passively held positions aims to reduce style bias and provide a diversified portfolio of Australian equities.

The holdings in the model are generally comprised of between 40 and 50 directly held securities and an Australian equities managed fund. Directly held securities and investments within the managed fund are predominantly selected from the top 300 equities in the Australian equities market. From time to time, the model may hold investments outside of the top 300 should relevant opportunities arise.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian equities	80	100	100
Cash	0	0	20

Investment universe The model invests in ASX listed equities, ASX listed ETFs, managed funds, managed models and cash. The model typically holds between 40 and 70 investments.

Investment management fee	Value of model	% applicable ¹⁰
	First \$2.5 million	0.95% p.a.
	Next \$2.5 million	0.85% p.a.
	Over \$5 million	0.73% p.a.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

¹⁰ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.95% p.a. applies to \$2.5 million, 0.85% p.a. applies to \$2.5 million and 0.73% p.a. applies to \$1 million.

ANZ Australian Equities Capital (Non-Tax Payer) Portfolio (MACC000240)

Investment objective and timeframe Aims to generate capital growth that exceeds the S&P/ ASX 300 Total Return index (after costs but before deduction of the investment management fee) over rolling 10-year periods.

Benchmark index S&P/ASX 300 Total Return Index

Investment strategy The ANZ Australian Equities Capital (Non-Tax Payer) Portfolio is managed on the assumption that the applicant is a non-tax paying investor.

The model is constructed with an emphasis on delivering long term capital growth higher than the benchmark index.

To achieve this, the model combines a passive exposure to the 20 companies that comprise the S&P/ASX 20 Index with two actively managed portfolios of 10-20 stocks each. The model may also use managed funds which provide a broader actively managed market exposure. The blending of the actively managed portfolios with the 20 passively held positions aims to reduce style bias and provide a diversified portfolio of Australian equities.

The holdings in the model are generally comprised of between 40 and 50 directly held securities and an Australian equities managed fund. Directly held securities and investments within the managed fund are predominantly selected from the top 300 equities in the Australian equities market. From time to time, the model may hold investments outside of the top 300 should relevant opportunities arise.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian equities	80	100	100
Cash	0	0	20

Investment universe The model invests in ASX listed equities, ASX listed ETFs, managed funds, managed models and cash. The model typically holds between 40 and 70 investments.

Investment management fee	Value of model	% applicable ¹¹
	First \$2.5 million	0.95% p.a.
	Next \$2.5 million	0.85% p.a.
	Over \$5 million	0.73% p.a.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

¹¹ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.95% p.a. applies to \$2.5 million, 0.85% p.a. applies to \$2.5 million and 0.73% p.a. applies to \$1 million.

ANZ Australian Small Companies SIV Portfolio (MACC000247)

Investment objective and timeframe Aims to provide investors with capital growth and income in the medium term and to outperform the benchmark index (after costs but before deduction of the investment management fee) over rolling 4-year periods.

Benchmark index S&P/ASX Small Ordinaries Total Return Index

Investment strategy The ANZ Australian Small Companies SIV Portfolio seeks to meet its objective by investing in funds that provide exposure to predominately Australian small companies that operate within the requirements of the Australian Government Department of Home Affairs' Significant Investor Visa rules in relation to the emerging companies' investments.

The model manager invests in underlying managed funds that specialise in small companies. ANZ focusses on identifying managers that have been assessed as having above average prospects of meeting and outperforming the investment objective.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian equities	70	100	100
New Zealand equities	0	0	10
Cash	0	0	20

Investment universe The model invests in managed funds and cash. The model typically holds a minimum of 2 investments.

Investment management fee	Value of model	% applicable ¹²
	First \$2.5 million	0.38% p.a.
	Over \$2.5 million	0.35% p.a.

Income setting Distribute income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

¹² The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.38% p.a. applies to \$2.5 million and 0.35% p.a. applies to \$3.5 million.

ANZ Dynamic International Equities Portfolio (MACC000241)

Investment objective and timeframe Aims to generate a total return that exceeds the weighted average return of the benchmark index (after costs but before deduction of the investment management fee) over rolling 10-year periods.

Benchmark index

- 70% - MSCI ACWI Index (Ex Australia) Net Return in A\$; and
- 30% - MSCI ACWI Index (Ex Australia) Net Return hedged to A\$.

Investment strategy The ANZ Dynamic International Equities Portfolio generally has exposure to a core portfolio of ASX-listed ETF's along with exposure to the ANZ Private Global Equities Funds. Core portfolio changes are generally limited to those necessary to reflect a long-term shift in regional market and sectoral themes.

The ANZ Private Global Equities Funds are actively managed funds of international equities. The funds aims to achieve returns (after costs but before fees and taxes) that exceed the benchmark index, over periods of five years or more.

The model or any of the assets held within this model may or may not be 'hedged' to manage currency exposure, dependent on the views of ANZ.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
International equities	80	100	100
Cash	0	0	20

Investment universe The model invests in ASX listed ETFs, managed funds and cash. The model typically holds between 6 and 10 investments.

Investment management fee	Value of model	% applicable ¹³
	First \$2.5 million	0.63% p.a.
	Next \$2.5 million	0.53% p.a.
	Over \$5 million	0.40% p.a.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

¹³ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.63% p.a. applies to \$2.5 million, 0.53% p.a. applies to \$2.5 million and 0.40% p.a. applies to \$1 million.

ANZ Australian Fixed Income Portfolio (MACC000242)

Investment objective and timeframe Aims to outperform the index (after costs but before deduction of the investment management fee) over rolling 3-year periods.

Benchmark index Bloomberg AusBond Composite 0+ Year Index

Investment strategy The ANZ Australian Fixed Income Portfolio invests in fixed income funds. Portfolio construction of the model focuses on constructing a diversified portfolio using major Australian fixed income sectors. Value is added through duration management, yield curve positioning, sector rotation and issue selection. Market risk is controlled by constraining duration exposure as well as a focus on diversification.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian fixed interest	50	100	100
International fixed interest	0	0	10
Cash	0	0	50

Investment universe The model invests in managed funds and cash. The model typically holds a minimum of 2 investments.

Investment management fee

Value of model	% applicable ¹⁴
First \$2.5 million	0.48% p.a.
Next \$2.5 million	0.38% p.a.
Over \$5 million	0.25% p.a.

Income setting

Distribute income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

¹⁴ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.48% p.a. applies to \$2.5 million, 0.38% p.a. applies to \$2.5 million and 0.25% p.a. applies to \$1 million.

ANZ Active International Equities Portfolio (MACC000243)

Investment objective and timeframe Aims to achieve returns (after costs but before deduction of the investment management fee) that exceed the benchmark index, over periods of 10 years or more.

Benchmark index

- 70% - MSCI World Index (Ex Australia) Net Return in A\$; and
- 30% - MSCI World Index (Ex Australia) Net Return hedged to A\$.

Investment strategy The ANZ Active International Equities Portfolio generally has exposure to the ANZ Private Global Equities Fund. The ANZ Private Global Equities Fund is an actively managed fund of international equities with a focus on long term holdings in individual companies. The fund blends together at least two actively managed pools of assets to reduce single manager risk and provide a more diversified exposure to international equities. Currency exposures of the fund may or may not be hedged to manage currency exposure, dependent on the view of ANZ.

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
International equities	80	100	100
Cash	0	0	20

Investment universe The model invests in managed funds and cash. The model typically holds a minimum of 2 investments.

Value of model	% applicable ¹⁵
First \$2.5 million	0.63% p.a.
Next \$2.5 million	0.53% p.a.
Over \$5 million	0.40% p.a.

Income setting Distribute income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

¹⁵ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.63% p.a. applies to \$2.5 million, 0.53% p.a. applies to \$2.5 million and 0.40% p.a. applies to \$1 million.

ANZ Enhanced Yield Portfolio (MACC000244)

Investment objective and timeframe Aims to outperform the benchmark index (after costs but before deduction of the investment management fee) over rolling 3-year periods.

Benchmark index Bloomberg AusBond Bank Bill Index

Investment strategy The ANZ Enhanced Yield Portfolio invests in the ANZ Enhanced Yield Fund. The investment process is structured around a portfolio of liquid, high quality securities with an enhanced yield using all major fixed interest sectors with a bias towards corporate (including high yield), mortgage-backed and asset-backed securities. Value is added through issue selection, sector rotation, yield curve positioning and duration management with a focus on diversification and risk control. The portfolio also has a diversified credit allocation which employs a value-oriented investment philosophy to invest in a diverse range of credit securities.

Asset allocation ranges	Asset class	Minimum allocation (%)	Maximum allocation (%)
	Australian fixed interest	0	100
	International fixed interest	0	30
	Cash	0	100

Investment universe The model invests in managed funds and cash. The model typically holds a minimum of 2 investments.

Investment management fee	Value of model	% applicable ¹⁶
	First \$2.5 million	0.40% p.a.
	Over \$2.5 million	0.35% p.a.

Income setting Distribute income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

¹⁶ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.40% p.a. applies to \$2.5 million and 0.35% p.a. applies to \$3.5 million.

ANZ Dynamic Fixed Income Portfolio (MACC000245)

Investment objective and timeframe	Aims to outperform the benchmark index (after costs but before deduction of the investment management fee) over rolling 3-year periods.
Benchmark index	<ul style="list-style-type: none"> 50% - Bloomberg AusBond Composite 0+ Year Index; and 50% - Barclays Capital Global Aggregate Index hedged to A\$.
Investment strategy	<p>The ANZ Dynamic Fixed Income Portfolio invests in the ANZ Fixed Income Fund and the ANZ Private International Fixed Interest Fund.</p> <p>Portfolio construction of the ANZ Fixed Income Fund focuses on constructing a diversified portfolio using all major Australian fixed income sectors. Value is added through duration management, yield curve positioning, sector rotation and issue selection. Market risk is controlled by the Fund manager constraining duration exposure.</p> <p>Portfolio construction of the ANZ Private International Fixed Interest Fund focuses on investing in international fixed income covering both active and passive credit exposures and a passive sovereign exposure.</p> <p>ANZ dynamically tilts between the asset classes, domestic and international exposures to optimise returns while also aiming to preserve and grow capital based on the views of ANZ.</p>

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
Australian fixed interest	30	50	80
International fixed interest	20	50	70
Cash	0	0	50

Investment universe The model invests in managed funds and cash. The model typically holds a minimum of 3 investments.

Investment management fee	Value of model	% applicable ¹⁷
	First \$2.5 million	0.60% p.a.
	Next \$2.5 million	0.50% p.a.
	Over \$5 million	0.37% p.a.

Income setting Distribute income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

¹⁷ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.60% p.a. applies to \$2.5 million, 0.50% p.a. applies to \$2.5 million and 0.37% p.a. applies to \$1 million.

ANZ International Fixed Income Portfolio (MACC000246)

Investment objective and timeframe Aims to outperform the benchmark index (after costs but before deduction of the investment management fee) over rolling 3-year periods.

Benchmark index Barclays Capital Global Aggregate Index hedged to A\$

Investment strategy The ANZ International Fixed Income Portfolio invests in the ANZ Private International Fixed Interest Fund. Portfolio construction of the ANZ Private International Fixed Income Fund focuses on investing in international fixed income using specific strategies that cover passive international sovereign bonds, active broad international fixed income, bonds and cash in order to achieve its investment objectives.

ANZ dynamically tilts between the strategies and asset classes to optimise returns, preserve and grow capital based on the view of ANZ.

Asset allocation ranges

Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
International fixed interest	80	100	100
Cash	0	0	20

Investment universe The model invests in managed funds and cash. The model typically holds a minimum of 2 investments.

Investment management fee	Value of model	% applicable ¹⁸
	First \$2.5 million	0.60% p.a.
	Next \$2.5 million	0.50% p.a.
	Over \$5 million	0.37% p.a.

Income setting Distribute income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$100,000

¹⁸ The '% applicable' applies to the value of your investment in the model within each range. For example, if your investment is \$6 million, 0.60% p.a. applies to \$2.5 million, 0.50% p.a. applies to \$2.5 million and 0.37% p.a. applies to \$1 million.

Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your investment balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Information about taxes is set out on page 16 of Part 1 of the PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs for particular models are shown from page 26 in this document.

Fees and costs summary

Netwealth Managed Account Service

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs¹⁹ The fees and costs for managing your investment ^{20,21}	Investment management fee An investment management fee is payable for each model. The fee ranges from 0.25% to 0.95% p.a. of the value of your investment in the model and depends on the model/s you select.	Calculated daily and deducted monthly in arrears from your managed account cash account. ²²
	PLUS Interest retained on the cash account Estimated to range from 0.0063% to 0.0338% p.a. of the value of your investment in the model/s and depends on the model/s you select, the amount of cash held in the Managed Account for all investors, and the interest earned on the pooled cash account.	
	PLUS Indirect costs Estimated to range from 0% to 0.8416% p.a. of the value of your investment in the model/s and depends on the model/s you select.	Indirect costs are costs that are not deducted from your managed account cash account, but which reduce the return from the underlying investments in your selected model. In the case of underlying investments held in your managed account such as managed funds, indirect costs are reflected in the unit price of the relevant managed fund.
Performance fees²³ Amounts deducted from your investment in relation to the performance of Netwealth Managed Account Service	Underlying performance fees Estimated to range from 0% to 0.5545% p.a. of the value of your investment in the model/s and depends on the model/s you select.	In the case of underlying investments held in your selected model, the underlying performance fees are reflected in the unit price of the relevant investment. These underlying performance fees are not deducted from your managed account cash account.
Transaction costs²⁴ The costs incurred by the scheme when buying or selling assets	Managed Account transaction fee – listed securities 0.150% of the value of each sale and each purchase of Australian listed securities and/or international securities.	The 'Managed Account transaction fee – listed securities' is deducted from your managed account cash account at the time of the trade. ²²

¹⁹ For more information on the various fees and costs described in this section, and how they are calculated, see 'Management fees and costs' under 'Additional explanation of fees and costs' in this document.

²⁰ None of these fees and costs includes amounts payable to an adviser.

²¹ The relevant fees and costs for each model are set out in the 'Additional explanation of fees and costs' in this document.

²² The amount of this fee or cost may be negotiated. For more information, see 'Negotiation of fees or costs' under 'Additional explanation of fees and costs' in this document.

²³ For more information, see 'Underlying performance fees' under 'Additional explanation of fees and costs' in this document.

²⁴ For more information, see 'Transaction costs' under 'Additional explanation of fees and costs' in this document.

Type of fee or cost	Amount	How and when paid
	PLUS	
	Underlying transaction costs Estimated to range from 0% to 0.0638% p.a. of the value of your investment in the model/s and depends on the model/s you select.	Underlying transaction costs are not deducted from your managed account cash account. Rather, they are deducted from the investments held in your selected model. In the case of investments in your managed account such as managed funds, the underlying transaction costs are reflected in the unit price of the relevant managed fund.
Member activity related fees and costs (fees for services or when your money moves in or out of Netwealth Managed Account Service)²⁵		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee²⁶ The fee on each amount contributed to your investment	Nil ²⁷	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by Netwealth Managed Account Service	Nil ²⁷	Not applicable
Withdrawal fee²⁶ The fee on each amount you take out of your investment	Nil ²⁷	Not applicable
Exit fee²⁶ The fee to close your investment	Nil ²⁷	Not applicable
Switching fee The fee for changing models	Nil ²⁷	Not applicable

²⁵ See 'Additional explanation of fees and costs' in this document for other additional service fees, special request fees and incidental fees and costs that may apply.

²⁶ None of these fees and costs includes amounts payable to an adviser.

²⁷ We do not charge a contribution fee, buy-sell spread, withdrawal fee, exit fee or switching fee when you move your investments in and out of the Managed Account. However, if you make additional investment(s) or withdrawal(s) from your managed account, transaction costs may be incurred. See 'Transaction costs' under 'Additional explanation of fees and costs' in this document for more information.

Example of annual fees and costs – ANZ Dynamic Moderately Aggressive Portfolio

This table gives an example of how the ongoing annual fees and costs in ANZ Dynamic Moderately Aggressive Portfolio can affect your investment over a 1-year period. You should use this table to compare this product with other managed accounts.

EXAMPLE – ANZ Dynamic Moderately Aggressive Portfolio		Balance of \$50,000 with a contribution of \$5,000 during year ²⁸
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management fees and costs ²⁹	Investment management fee of 0.85% p.a. + Interest retained on the cash account of 0.0273% p.a. + Indirect costs of 0.2757% p.a.	And , for every \$50,000 you have in the ANZ Dynamic Moderately Aggressive Portfolio you will be charged or have deducted from your investment \$576.50 each year
PLUS Performance fees ³⁰	Underlying performance fee of 0% p.a.	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs ³¹	Transaction fees of 0.0235% relating to the purchase of Australian listed securities. + Underlying transaction costs of 0.062% p.a.	And , you will be charged or have deducted from your investment \$42.75 in transaction costs
EQUALS Cost of the ANZ Dynamic Moderately Aggressive Portfolio		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: \$619.25* What it costs you will depend on the models you choose and the fees you negotiate.

* **Note:** This example is illustrative only and assumes you have chosen the ANZ Dynamic Moderately Aggressive Portfolio. Fees and costs vary depending on the model you choose. The allocation to underlying investments may change depending on market movements and decisions made by the Model Manager. The 'Additional explanation of fees and costs' in this document includes estimated ongoing annual fees and costs for each model.

²⁸ This example assumes that there is a constant balance of \$50,000 throughout the year with \$5,000 invested at the end of the year.

²⁹ See 'Management fees and costs' under 'Additional explanation of fees and costs' in this document for more information on how these fees are calculated.

³⁰ See 'Performance fees' under 'Additional explanation of fees and costs' in this document for more information on how these fees are calculated.

³¹ See 'Transaction costs' under 'Additional explanation of fees and costs' in this document for more information on how these fees are calculated. And, if you leave the Managed Account, additional transaction costs may apply depending on the assets you hold, see 'Transaction costs' under 'Additional explanation of fees and cost' in this document for more information.

Cost of product for 1 year

The cost of product gives a summary calculation of how ongoing annual fees and costs can affect your investment over a 1-year period for all investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. (Additional fees such as an establishment fee or an exit fee may apply; refer to the Fees and costs summary for the relevant option).

You should use this figure to help compare this product with other products offered by managed investment schemes.

Managed Model	Model Code	Cost of Product
ANZ Dynamic Aggressive (Tax Payer) Portfolio	MACC000232	\$647.10
ANZ Dynamic Aggressive (Non-Tax Payer) Portfolio	MACC000233	\$633.30
ANZ Dynamic Moderately Aggressive Portfolio	MACC000234	\$619.25
ANZ Dynamic Balanced Portfolio	MACC000235	\$578.90
ANZ Dynamic Moderately Conservative Portfolio	MACC000236	\$547.25
ANZ Australian Equities Income (Tax Payer) Pfolio	MACC000237	\$505.30
ANZ Aust Equities Income (Non-Tax Payer) Pfolio	MACC000238	\$505.40
ANZ Australian Equities Capital (Tax Payer) Pfolio	MACC000239	\$505.45
ANZ Aust Equities Capital (Non-Tax Payer) Pfolio	MACC000240	\$505.45
ANZ Australian Small Companies SIV Portfolio	MACC000247	\$910.45
ANZ Dynamic International Equities Portfolio	MACC000241	\$541.10
ANZ Australian Fixed Income Portfolio	MACC000242	\$243.85
ANZ Active International Equities Portfolio	MACC000243	\$609.50
ANZ Enhanced Yield Portfolio	MACC000244	\$203.80
ANZ Dynamic Fixed Income Portfolio	MACC000245	\$303.65
ANZ International Fixed Income Portfolio	MACC000246	\$303.65

Additional explanation of fees and costs

The following table provides additional information about the fees and costs for each of the models in the Managed Account offered under this Part 2 – Managed Models Booklet.

Managed Model	Model Code	Management fees and costs			Performance fees	Transaction costs		Risk band
		Investment management fee (p.a.)	Interest retained on the cash account (estimate p.a.)	Indirect costs (estimate p.a.)	Underlying performance fee (estimate p.a.)	Transaction fees (estimate p.a.)	Underlying transaction costs (estimate p.a.)	
Diversified models								
ANZ Dynamic Aggressive (Tax Payer) Portfolio	MACC000232	Up to 0.8500% ³²	0.0320%	0.3180%	Nil	0.0304%	0.0638%	6 - High
ANZ Dynamic Aggressive (Non-Tax Payer) Portfolio	MACC000233	Up to 0.8500% ³²	0.0338%	0.2864%	Nil	0.0327%	0.0637%	6 - High
ANZ Dynamic Moderately Aggressive Portfolio	MACC000234	Up to 0.8500% ³²	0.0273%	0.2757%	Nil	0.0235%	0.0620%	6 - High
ANZ Dynamic Balanced Portfolio	MACC000235	Up to 0.8500% ³²	0.0255%	0.2190%	Nil	0.0147%	0.0486%	5 - Medium to high
ANZ Dynamic Moderately Conservative Portfolio	MACC000236	Up to 0.8500% ³²	0.0221%	0.1669%	Nil	0.0090%	0.0465%	4 - Medium
Australian equities - general models								
ANZ Australian Equities Income (Tax Payer) Portfolio	MACC000237	Up to 0.9500% ³²	0.0117%	Nil	Nil	0.0489%	Nil	6 - High
ANZ Australian Equities Income (Non-Tax Payer) Portfolio	MACC000238	Up to 0.9500% ³²	0.0119%	Nil	Nil	0.0489%	Nil	6 - High
ANZ Australian Equities Capital (Tax Payer) Portfolio	MACC000239	Up to 0.9500% ³²	0.0170%	Nil	Nil	0.0424%	0.0015%	6 - High
ANZ Australian Equities Capital (Non-Tax Payer) Portfolio	MACC000240	Up to 0.9500% ³²	0.0170%	Nil	Nil	0.0422%	0.0017%	6 - High

³² The investment management fee is a tiered based fee. Refer to the respective 'Model Profiles' section in this document for more information.

Managed Model	Model Code	Management fees and costs			Performance fees	Transaction costs		Risk band
		Investment management fee (p.a.)	Interest retained on the cash account (estimate p.a.)	Indirect costs (estimate p.a.)	Underlying performance fee (estimate p.a.)	Transaction fees (estimate p.a.)	Underlying transaction costs (estimate p.a.)	
Australian equities - specialist models								
ANZ Australian Small Companies SIV Portfolio	MACC000247	Up to 0.3800% ³³	0.0066%	0.8416%	0.5545%	Nil	0.0382%	7 – Very High
International equities - general models								
ANZ Dynamic International Equities Portfolio	MACC000241	Up to 0.6300% ³³	0.0113%	0.4025%	Nil	0.0038%	0.0346%	6 - High
Australian Fixed Interest								
ANZ Australian Fixed Income Portfolio	MACC000242	Up to 0.4800% ³³	0.0070%	Nil	Nil	Nil	0.0007%	4 - Medium
International equities - general models								
ANZ Active International Equities Portfolio	MACC000243	Up to 0.6300% ³³	0.0073%	0.5639%	Nil	Nil	0.0178%	6 - High
International Fixed Interest								
ANZ Enhanced Yield Portfolio	MACC000244	Up to 0.4000% ³³	0.0076%	Nil	Nil	Nil	Nil	4 - Medium
ANZ Dynamic Fixed Income Portfolio	MACC000245	Up to 0.6000% ³³	0.0070%	Nil	Nil	Nil	0.0003%	4 - Medium
ANZ International Fixed Income Portfolio	MACC000246	Up to 0.6000% ³³	0.0063%	Nil	Nil	Nil	0.0010%	4 - Medium

³³ The investment management fee is a tiered based fee. Refer to the respective 'Model Profiles' section in this document for more information.

Additional explanation of fees and costs (continued)

Management fees and costs

Investment management fee

The investment management fee described in the table above is deducted from your managed account cash account and paid to us. The investment management fee is calculated based on the fee rates for the models you select and the amount you hold in those models.

Interest retained on the cash account

All investors' cash held in the Managed Account is pooled in one or more interest-bearing accounts with an Australian bank (**pooled cash account**). Each month we retain part or all of the interest earned on the pooled cash account. The interest retained is the difference between the amount of interest earned on the pooled cash account and the amount of interest we credit to investors' cash accounts and depends on the amount of cash held in the Managed Account and the models in which you invest. We set the amount of interest we retain so that the rate of interest credited to each investor's managed account cash account is equal to the current declared interest rates available on our website. The rate is variable and, as at the date of this document, is no less than 0.65% p.a. below the average target cash rate set by the Reserve Bank of Australia for the month (which is often referred to as the official cash rate (**Official Cash Rate**)).³⁴

The amount of interest we retain is deducted from the interest earned on the pooled cash account before interest is allocated to investors at the declared rate. This amount is not deducted out of your managed account cash account.

Indirect costs

Indirect costs are an estimate of the costs incurred on the underlying investments in a model and are set out in the table above under the 'Additional explanation of fees and cost' heading. Indirect costs are not charged by us in relation to the model/s and are deducted from the underlying investments in your selected model/s. In the case of underlying investments such as managed funds, indirect costs are reflected in the unit price of the relevant managed fund and may include (but are not limited to) management fees charged by the issuer of the underlying investments and certain recoverable expenses (such as legal, accounting, custody and regulatory compliance expenses).

Other fees and costs

We are entitled to recover certain expenses payable in relation to the operation of the Managed Account from your managed account. These expenses include, but are not limited to, audit fees, legal fees, accountancy fees, custody fees and fees or levies imposed by regulators. We do not currently intend to deduct any such operating expenses from your managed account, and we will provide investors with 30 days' notice prior to doing so.

Performance fees

Underlying performance fees

In the case of underlying investments such as managed funds, the performance fees (if any) charged by the underlying fund managers are reflected in the unit price of the relevant funds. These fees are not deducted by us out of the assets of the Managed Account.

The total estimated annual performance fees charged by the underlying fund managers for each model, which are based on their average performance fee for the last 5 years, are set out in the table above under the 'Additional explanation of fees and cost' heading.

³⁴ The interest rate cannot be less than 0% p.a. even if the Official Cash Rate is less than 0.65% p.a. At the date of this document, the Official Cash Rate is 4.35% p.a. and the rate of interest is currently 3.70% p.a.

Transaction costs

Transaction fees

[Managed Account transaction fee – listed securities](#)

Investments are bought and sold in your managed account when a rebalance occurs. When listed securities are bought or sold in your managed account, we charge the Managed Account transaction fee – listed securities of 0.15% of the value of each sale and each purchase. This fee is deducted from your managed account cash account at the time of the trade and is an additional cost to you.

Underlying transaction costs

[Buy-sell spread on underlying managed funds](#)

Buy-sell spreads are incurred when purchasing and redeeming interests in managed funds. The responsible entity of the relevant fund is usually entitled to charge an amount to the member for the cost of purchasing or selling the managed fund's assets. These costs are an additional cost incurred at the time of the transaction and are usually reflected in the difference between the application price and withdrawal price of an interest in the managed fund. This is called the 'buy-sell spread'. Buy-sell spreads are generally used to fairly distribute the costs of buying and selling assets between those joining (in the case of buy costs), those leaving (in the case of sell costs) and the other investors in the managed fund. Buy-sell spread estimates for each model are included in the 'Underlying transaction costs' column as set out in the table above under the 'Additional explanation of fees and cost' heading.

[Other underlying transactional and operational costs](#)

Some underlying investments may incur additional transactional and operational costs which may reduce the value of your investment. These costs arise from trading activities and may include brokerage on investments made by the underlying managed fund, buy-sell spreads incurred by the underlying managed fund, settlement costs, clearing costs and stamp duty on an investment transaction. In the case of investments in your selected model/s such as managed funds, the underlying transactional and operational costs are reflected in the unit price of the relevant managed fund. Other underlying transaction and operational cost estimates for each model are included in the 'Underlying transaction costs' column as set out in the table above under the 'Additional explanation of fees and cost' heading.

Other costs

[Foreign exchange conversion costs](#)

The exchange rates used for any purchase, sale, income receipt, corporate action, or any other foreign currency requirement in relation to international securities are the exchange rates provided to us by the third parties through which the conversion is settled.

Estimated fees and costs

The estimates of fees and costs for each model are set out in the table above under the 'Additional explanation of fees and cost' heading. Generally, these estimates are based on the applicable model's holdings, fees, costs and transactions that have occurred for the model over a previous financial year. Where the model was not available over the previous financial year, the estimated fees and costs are based on the assets held in the model at its commencement or at a point in time. Future estimates may differ from past estimates.

Negotiation of fees or costs

We may, at our discretion, negotiate the amount of the fees or costs where indicated in the above 'Fees and costs summary' table. You should contact us for further information regarding this.

Your Nominated Financial Adviser (if you have one) may negotiate the fees or costs. By using a financial adviser, you provide us with certain efficiencies which may be reflected in the negotiated fees or costs. If you change or remove your Nominated Financial Adviser, you may lose access to those negotiated fees or costs and the fees or costs set out in this document will subsequently apply to your managed account. Your financial adviser can provide you with more information about any negotiated fee or cost arrangements that they have agreed with us.

GST on fees and costs

All fees and costs referred to in this document include GST (where applicable). We may be entitled to claim a reduced input tax credit ('RITC') on the GST payable on certain fees. If the Government changes the rate of GST or RITC or the method of determining the RITC, fees and costs deducted from your managed account may change.

Changes to fees and costs we charge

Until you are notified otherwise, the fees and costs applying to the Managed Account will remain as set out in this document. We cannot charge more than the maximum fees permitted under the constitution of the Managed Account, which are:

- a management fee of up to 3% per annum of the gross value of the investments in your managed account; and
- a transaction fee of up to the greater of \$200 or 2% of the value of any transaction in your managed account.

We are also able to recover all expenses we incur in relation to the proper performance of our duties in respect of the Managed Account. We may, at our discretion, either waive or defer payment of any fees or costs payable to us. We will give at least 30 days' prior notice to investors of any proposed increase in fees or introduction of new fees for the Managed Account.

Other payments and benefits paid or received by Netwealth

Payments from Model Managers

We may receive an ongoing fee from a Model Manager for each model managed by them that is available in the Managed Account. As of the date of this document, this ongoing fee may be up to \$22,000 p.a. per model. This fee is for services in connection with making each model available. This is paid to us from the Model Manager's own resources and is not an additional cost to you. The fee is retained by us.

Payments to Model Managers

If we appoint a Model Manager (and we are not ourselves the Model Manager), we may pay the Model Manager a component of the investment management fee (which may be up to 100% of the investment management fee) received by us in relation to each model they manage, for the ongoing provision of investment expertise and advice regarding the investments of the model.

Are our related parties paid fees?

Our related parties may perform various functions and services in relation to the Managed Account, subject to meeting any applicable requirements of the relevant law regarding transactions with related parties. Related parties may receive benefits from organisations, such as fund managers, including the opportunity to subscribe for securities. This is not done in competition with our clients or in a way that would adversely affect our clients. In all dealings in relation to the Managed Account, we deal with related parties on arm's length terms. Fees paid to our related parties in connection with the Managed Account are paid at no more than commercial rates.

Netwealth, as platform operator of Netwealth Wealth Accelerator and administrator of Netwealth Super Accelerator, receives administration fees based on amounts invested in the Managed Account through the relevant platform service. You should refer to the disclosure documents for the relevant platform service.