

Managed Account

Managed
Model Profiles

27 July 2022

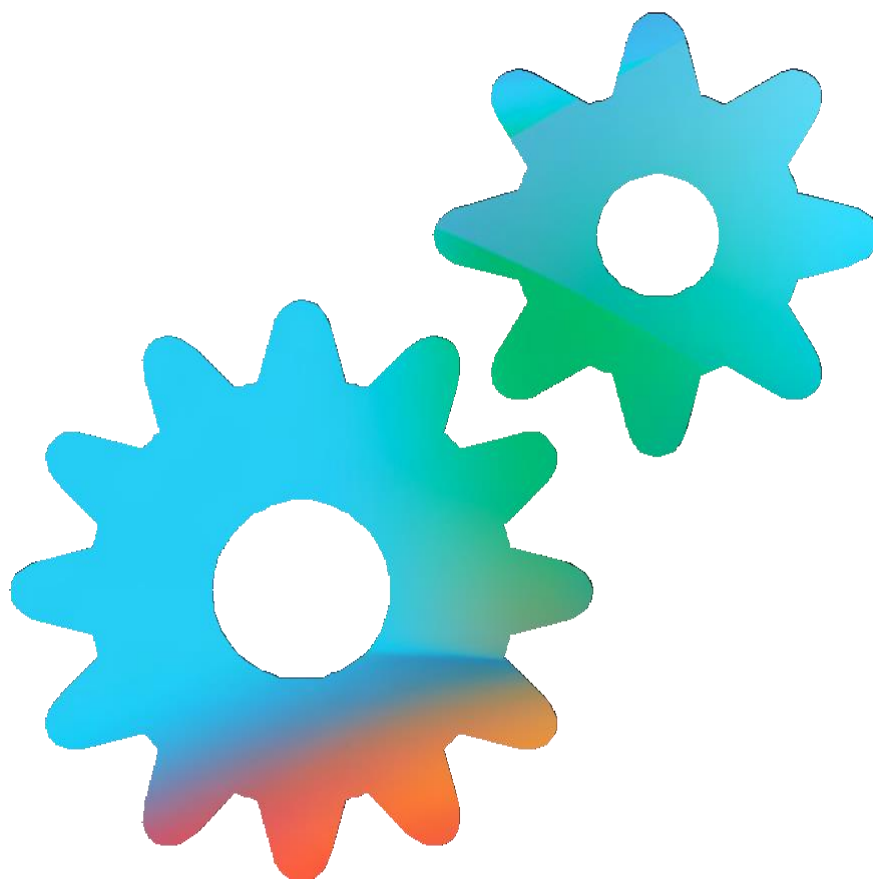
Lonsec Global Specialist Series Index Plus Diversified

Lonsec GSS Index Plus – Moderate Model

Lonsec GSS Index Plus – Balanced Model

Lonsec GSS Index Plus – Growth Model

Lonsec GSS Index Plus – High Growth Model



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The information in this document, together with the information in the other Managed Models Profiles documents, Managed Models Menu and Managed Account Guide, is taken to be included in the Managed Account Product Disclosure Statement issued by Netwealth ('**Managed Account disclosure documents**').

This document describes the Lonsec Global Specialist Series ('**GSS**') Index Plus Diversified Managed Models for which Netwealth has appointed Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583) ('**Lonsec**') a corporate authorised representative of Lonsec Research Pty Ltd (ABN 11 151 658 561, AFSL 421445) as the Model Manager.

If you received this document electronically, we will provide a paper copy free upon request. If obtaining an electronic copy, please ensure you have a complete copy of it, and all of the relevant Managed Account disclosure documents. You should consider all of the Managed Account disclosure documents that are relevant to you before making an investment decision.

The information in this document about Lonsec is based on information provided to us by Lonsec and:

- we have not independently verified the information provided by Lonsec and, to the extent permitted by law, take no responsibility for it;
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We may choose not to implement the advice provided by Lonsec in relation to the investment portfolios for the Lonsec GSS Index Plus Diversified Managed 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 Lonsec GSS Index Plus Diversified Managed Models and we may adjust the investment portfolios of the Lonsec GSS Index Plus Diversified Managed Models in our absolute discretion.

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Lonsec has given and not withdrawn its consent to be named in this document in the form and context in which it is named.

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About the Model Manager

Lonsec is a specialist model portfolio manager with extensive expertise in portfolio construction, asset allocation and investment selection.

At the core of Lonsec's philosophy are four key beliefs:

- a dynamic approach to portfolio management to achieve investment objectives while managing downside risk;
- investing in high quality investments underpinned by Lonsec's extensive research;
- a strong risk management culture supported by a rigorous governance process; and
- a diversified approach to portfolio construction.

Investment strategy

Lonsec use a core-satellite investment approach for the Lonsec GSS Index plus models. The 'core' allocation provides exposure to a blend of low-cost index funds to provide clients with broad market diversification. The 'satellite' allocation are the actively managed investments within the model designed to provide additional diversification and return potential.

Distribution of income¹

The model income setting for the models described in this document is to accumulate income.

This means income from investments held in your managed account accumulates in the form of cash and, as a result, the allocation to cash in the model is increased. The income remains as cash until the Model Manager alters the allocation to investments held in the model.

If you set your income instruction in your managed account to reinvest in the Managed Account, then the amount of cash remaining in your managed account following receipt of income in relation to the assets in your managed account is consistent with the increased cash allocation in the model and no rebalance transactions are likely to occur as a result of the income distribution until the Model Manager determines how to use the additional cash.

If you set your income instruction in your managed account to pay to your platform account cash account, you are instructing us as platform operator to make a partial redemption from your managed account. As a result, following receipt of income in relation to the assets in your managed account, there will be less cash in your managed account than the cash allocation in the model. Your managed account is rebalanced and investments are sold across all the models you hold to satisfy the increased cash allocation.

¹ More information about the distribution of income is available in the Managed Account Guide.

Lonsec GSS Index Plus - Moderate Model

Managed Model Profile | Model code MACC000543

Model Manager	Lonsec Investment Solutions Pty Ltd			
Investment objective and timeframe	Aims to achieve a return above the Morningstar Australia Moderate Target Allocation Net Return AUD Index after fees and costs over rolling 4-year periods.			
Investment strategy	<p>The model uses a core-satellite approach (described on page 3), investing in a mix of income and growth assets which may include Australian and international equities, property, fixed interest, income securities and cash.</p> <p>The model maintains a long-term average exposure of 40% to growth assets and 60% to defensive assets, however, the allocations are actively managed within the allowable ranges depending on market conditions.</p>			
Asset allocation ranges	Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
	Australian equities	5	16	30
	International equities	5	19	45
	Australian property	0	3	15
	International property	0	2	15
	Alternatives	0	0	30
	Australian fixed interest	10	25.5	45
	International fixed interest	5	24.5	45
	Cash	0	10	25
Investment universe	Australian domiciled managed funds and cash. The model typically holds 14 investments.			
Investment management fee	0.150% p.a.			
Other estimated fees and costs	Our estimates of the cash fee, international securities fee (if applicable), indirect costs (if applicable) and transaction costs that apply for the current financial year are set out in the Managed Models Menu.			
Minimum investment amount	\$10,000			

Lonsec GSS Index Plus - Balanced Model

Managed Model Profile | Model code MACC000544

Model Manager	Lonsec Investment Solutions Pty Ltd			
Investment objective and timeframe	Aims to achieve a return above the Morningstar Australia Balanced Target Allocation Net Return AUD Index after fees and costs over rolling 5-year periods.			
Investment strategy	<p>The model uses a core-satellite approach (described on page 3), investing in a mix of income and growth assets which may include Australian and international equities, property, fixed interest, income securities and cash.</p> <p>The model maintains a long-term average exposure of 60% to growth assets and 40% to defensive assets, however, the allocations are actively managed within the allowable ranges depending on market conditions.</p>			
Asset allocation ranges	Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
	Australian equities	10	23	45
	International equities	10	30	60
	Australian property	0	3	15
	International property	0	4	15
	Alternatives	0	0	30
	Australian fixed interest	5	17	40
	International fixed interest	0	18	35
	Cash	0	5	20
Investment universe	Australian domiciled managed funds and cash. The model typically holds 14 investments.			
Investment management fee	0.150% p.a.			
Other estimated fees and costs	Our estimates of the cash fee, international securities fee (if applicable), indirect costs (if applicable) and transaction costs that apply for the current financial year are set out in the Managed Models Menu.			
Minimum investment amount	\$10,000			

Lonsec GSS Index Plus - Growth Model

Managed Model Profile | Model code MACC000545

Model Manager	Lonsec Investment Solutions Pty Ltd			
Investment objective and timeframe	Aims to achieve a return above the Morningstar Australia Growth Target Allocation Net Return AUD Index after fees and costs over rolling 6-year periods.			
Investment strategy	<p>The model uses a core-satellite approach (described on page 3), investing in a mix of income and growth assets which may include Australian and international equities, property, fixed interest, income securities and cash.</p> <p>The model maintains a long-term average exposure of 80% to growth assets and 20% to defensive assets, however, the allocations are actively managed within the allowable ranges depending on market conditions.</p>			
Asset allocation ranges	Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)
	Australian equities	15	32	60
	International equities	15	40	80
	Australian property	0	4	15
	International property	0	4	15
	Alternatives	0	0	30
	Australian fixed interest	0	9	30
	International fixed interest	0	9	25
	Cash	0	2	10
Investment universe	Australian domiciled managed funds and cash. The model typically holds 14 investments.			
Investment management fee	0.150% p.a.			
Other estimated fees and costs	Our estimates of the cash fee, international securities fee (if applicable), indirect costs (if applicable) and transaction costs that apply for the current financial year are set out in the Managed Models Menu.			
Minimum investment amount	\$10,000			

Lonsec GSS Index Plus – High Growth Model

Managed Model Profile | Model code MACC000546

Model Manager	Lonsec Investment Solutions Pty Ltd																												
Investment objective and timeframe	Aims to achieve a return above the Morningstar Australia Aggressive Target Allocation Net Return AUD Index after fees and costs over rolling 7-year periods.																												
Investment strategy	The model uses a core-satellite approach (described on page 3), investing in predominantly growth assets which may include Australian and international equities and listed property. The model maintains a long-term average exposure of 99% to growth assets and 1% to defensive assets, however, the allocations are actively managed within the allowable ranges depending on market conditions.																												
Asset allocation ranges	<table><thead><tr><th>Asset class</th><th>Minimum allocation (%)</th><th>Neutral allocation (%)</th><th>Maximum allocation (%)</th></tr></thead><tbody><tr><td>Australian equities</td><td>15</td><td>41</td><td>70</td></tr><tr><td>International equities</td><td>20</td><td>50</td><td>85</td></tr><tr><td>Australian property</td><td>0</td><td>4</td><td>15</td></tr><tr><td>International property</td><td>0</td><td>4</td><td>15</td></tr><tr><td>Alternatives</td><td>0</td><td>0</td><td>30</td></tr><tr><td>Cash</td><td>0</td><td>1</td><td>15</td></tr></tbody></table>	Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)	Australian equities	15	41	70	International equities	20	50	85	Australian property	0	4	15	International property	0	4	15	Alternatives	0	0	30	Cash	0	1	15
Asset class	Minimum allocation (%)	Neutral allocation (%)	Maximum allocation (%)																										
Australian equities	15	41	70																										
International equities	20	50	85																										
Australian property	0	4	15																										
International property	0	4	15																										
Alternatives	0	0	30																										
Cash	0	1	15																										
Investment universe	Australian domiciled managed funds and cash. The model typically holds 9 investments.																												
Investment management fee	0.150% p.a.																												
Other estimated fees and costs	Our estimates of the cash fee, international securities fee (if applicable), indirect costs (if applicable) and transaction costs that apply for the current financial year are set out in the Managed Models Menu.																												
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