

Australian equities and listed products available in MyNorth Managed Portfolios

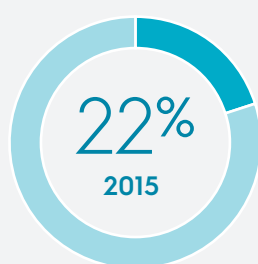
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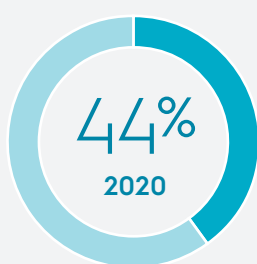
Enhancing our offer with Australian equities and listed products

In the biggest expansion to our range we've added Australian equities and listed products to MyNorth Managed Portfolios. We've hand selected an impressive range with 23 new portfolios from 10 leading investment managers to help take your client strategies to the next level. It's part of our continued commitment to providing you investment choice to help suit your clients.

The new portfolios come in response to the rapidly growing demand for managed portfolios. The numbers speak for themselves in Australia:



Advisers using managed portfolios¹



Total FUM across the managed portfolio industry²

Invest with confidence with more quality investment managers

We know it's important to select quality investment managers for MyNorth Managed Portfolios. That's why we've thoroughly vetted these new managers to ensure they have a sound business with an experienced and capable team, and a well-articulated investment strategy.

The investment managers have access to a wider breadth of Australian equities, listed products and managed funds to build their portfolios.

You're in good company with access to quality investment managers

New managed portfolios

AMPCAPITAL

BetaShares
Exchange Traded Funds

BLACKMORE CAPITAL
EQUITY INVESTORS

DNRCapital

First Sentier
Investors

MACQUARIE

Morgan Stanley

PENDAL

QUEST
ASSET PARTNERS

UBS

Existing managed portfolios

invest|sense

Lonsec

North

QUILLA

Zenith
INVESTMENT PARTNERS

We have a range of support available for you and your clients, see page 6 for more details.

1. Investment Trends February 2021 Managed Accounts Report.

2. IMAP Managed Account FUM data 30 June 2021.

Bringing your client investment strategies to the next level

New range

Single sector managed portfolios

Large cap – growth style

- DNR Capital Australian Equities High Conviction
- Macquarie Core Australian Equity
- Quest Concentrated Australian Equity

Large cap – neutral style

- Blackmore Capital Blended Australian Equities
- Pandal Australian Shares

Large cap – passive index (available on Select menu)

- UBS ASX 20 Index

Mid/small cap

- First Sentier Investors Ex-20 Australian Share
- Macquarie Australian Small Companies
- Macquarie Growth Ex-20 Australian Equity
- Quest Australian Equities Ex-20

Income

- Blackmore Capital Australian Equities Income
- DNR Capital Australian Equities Income
- Macquarie Income Australian Equity

ESG

- Pandal Sustainable Future Australian Shares

Infrastructure and property

- AMP Capital High Conviction Listed Real Estate

Diversified managed portfolios

BetaShares Dynamic ETF

- BetaShares Dynamic ETF Conservative
- BetaShares Dynamic ETF Moderate
- BetaShares Dynamic ETF Balanced
- BetaShares Dynamic ETF Growth
- BetaShares Dynamic ETF High Growth

Morgan Stanley Wealth Management Core

- Morgan Stanley Wealth Management Core Conservative
- Morgan Stanley Wealth Management Core Balanced
- Morgan Stanley Wealth Management Core Growth

Managed portfolios are a compelling proposition. They provide low-cost access to leading investment managers and portfolio construction, portfolio responsiveness to shifting markets and volatility, plus transparent reporting, among many other benefits.

Existing range

Diversified managed portfolios

IndexPlus Managed Portfolios (available on Select menu)

- IndexPlus Conservative
- IndexPlus Moderately Conservative
- IndexPlus Balanced
- IndexPlus Moderately Aggressive
- IndexPlus Aggressive

InvestSense Managed Portfolios

- InvestSense Diversified Portfolio 2
- InvestSense Diversified Portfolio 3
- InvestSense Diversified Portfolio 4
- InvestSense Diversified Portfolio 5

Lonsec Retirement Managed Portfolios

- Lonsec Retirement – Conservative
- Lonsec Retirement – Balanced
- Lonsec Retirement – Growth

MyNorth Sustainable Managed Portfolios

- MyNorth Sustainable Moderately Conservative
- MyNorth Sustainable Balanced
- MyNorth Sustainable Moderately Aggressive

Quilla Consulting Managed Portfolios

- Quilla Income Generator
- Quilla Wealth Accumulator
- Quilla Wealth Accelerator
- Quilla Wealth Accelerator Plus

Research Choice Managed Portfolios – Accumulation range

- Research Choice Conservative Accumulation
- Research Choice Moderately Conservative Accumulation
- Research Choice Balanced Accumulation
- Research Choice Moderately Aggressive Accumulation
- Research Choice Aggressive Accumulation

Research Choice Managed Portfolios – Income range

- Research Choice Conservative Income
- Research Choice Moderately Conservative Income
- Research Choice Balanced Income
- Research Choice Moderately Aggressive Income
- Research Choice Aggressive Income

Research Choice Managed Portfolios – Objective-based range

- Research Choice Cautious Income (Objective based)
- Research Choice Income Builder (Objective based)

Zenith Managed Portfolios – Elite Blends range

- Zenith Elite Blends 50% Growth
- Zenith Elite Blends 70% Growth
- Zenith Elite Blends 85% Growth

Zenith Managed Portfolios – Essentials range

- Zenith Essentials 50% Growth
- Zenith Essentials 70% Growth
- Zenith Essentials 85% Growth
- Zenith Essentials 100% Growth

Key features

Enhancements to make it easier and cost effective to trade within your managed portfolios.

New floating profile

- The asset allocation for the new portfolios will be managed to a floating profile.
- In a floating profile, there are no fixed target asset allocations, and the relative asset allocations of the managed portfolio and your client's portfolio will increase or decrease each day in proportion to the relative increase or decrease in the daily market movement of the underlying assets.
- This means that we will not automatically rebalance your client's portfolio to align with the original asset allocations. However, rebalancing can be triggered from time to time to implement specific instructions from the investment manager, to manage the impact of corporate actions and to action your client's investments into and out of their portfolio.

Managed portfolio cash account

- A new **managed portfolio cash account** will replace the platform cash account as the central point for distributions, dividends and other receipts and payments in relation to the assets in your client's managed portfolio. The platform cash account will continue to be used for the payment of investment management (inclusive of performance-based fees), investment performance fees and expenses. Portfolio income is paid into the managed portfolio cash account, where it will either be retained and reinvested, or paid out to the platform cash account.
- A **managed portfolio cash investment fee of 0.45% pa** of the balance of your client's managed portfolio cash will be deducted monthly from the total interest earnings paid on the underlying cash investments of the pooled cash balances of investors before the declaration of the monthly cash account crediting rate. The fee will apply if your clients select a managed portfolio with Australian equities or listed products.
- If, in a month, the fee exceeds the actual earnings from underlying cash investments, it'll be capped at the equivalent of the applicable actual earnings amount and a zero-crediting will be declared for that month. This fee doesn't apply to a managed portfolio with a fixed profile.
- Your client's managed portfolio cash balance could become negative for a number of reasons, including:
 - the timing of rebalance settlement transactions for asset disposals and purchases
 - unfilled order requests on disposals required for a rebalance

- fulfilling a corporate action where the funds required exceed the available cash
- transaction charges (such as trade fees) and taxes
- a partial withdrawal from your client's managed portfolio to their platform cash account, where the value of the partial withdrawal is debited to the managed portfolio cash account before the proceeds are received from the sale of the assets.
- Should your client's managed portfolio cash account balance become negative at any time, interest will be charged by us on the negative amount, for the period it remains negative, at the same rate as the interest paid on positive managed portfolio cash account balances (ie the rate paid on positive balances after deduction of the managed portfolio cash investment fee).

Cost-effective trading

- The North platform will support both an individual and omnibus HIN structure. While both HIN structures offer a range of benefits, clients have the option to in-specie transfer (at no cost) from an individual to an omnibus HIN. Trading for the MyNorth Managed Portfolios is done via an omnibus trading account versus the platform trading which is done via a custodially held individual HIN.
- A trade fee will apply for buying and selling equities and listed products in a floating profile managed portfolio. The fee is set at 0.10% of the value of the equity and listed product buy/sell transactions in your client's managed portfolio.
- The trade fee is deducted from managed portfolio cash at the time of settlement as part of the total cost (for buy transactions) or net proceeds (for sell transactions).
- Rebalancing of your client's portfolio may occur regularly depending on the instructions received from the investment manager of the respective managed portfolios. In some cases, equity only managed portfolios can often trade several times per week.

Investment management cost and performance fee

- Each managed portfolio has different management costs, including an investment performance fee for some of the new managed portfolios which may be payable to the investment manager based on meeting minimum outperformance.
- The platform cash account will continue to be used for the payment of investment management fees, investment performance fees and expenses.

In-specie transfer

- Your clients can invest in the managed portfolios with cash from their platform cash account. They can also transfer managed fund, equity, or listed product holdings into their portfolio if they:
 - are first held in their North account, and
 - form part of the managed portfolio in which they're investing in.
- The transfer of underlying assets will be done through an in-specie transfer from the North platform into your client's portfolio. This won't trigger a change in beneficial ownership and unnecessary realisation of capital gains.
- An in-specie transfer may result in the relative weighting of the asset they've transferred into their portfolio exceeding the target asset allocation, triggering a rebalance.
- **Note:** If your client wishes to invest in managed portfolios, they will need to open an individual HIN in their platform account if they don't already have one.

Corporate actions

- Responsibility for corporate actions is given to the investment manager and supported by the specialised trading team.
- Managers can participate in:
 - rights or entitlements issues
 - share placement plans (SPPs)
 - initial public offerings (IPOs)/floats (with some limitations)
 - off market buy backs
 - priority offers.

Portfolio income treatment

- For managed portfolios with a floating profile, portfolio income may be reinvested back into the managed portfolio or paid out to your platform cash account. For reinvestment, the income from the underlying assets in your portfolio will be credited to the managed portfolio cash account and then reinvested, generally as part of a rebalance.
- This is different from how reinvestment of portfolio income works for managed portfolios with a fixed profile. These managed portfolios don't have a managed portfolio cash account and any portfolio income will continue to be paid out to the platform cash account before any reinvestment.

Custody

- NMMT has appointed a sub-custodian to hold the underlying assets in your client's portfolio on their behalf. As a result of the structure of the MyNorth Managed Portfolios, you will not have the same rights in respect of the underlying assets held as part of your portfolio as someone who holds those assets directly. For example, shareholders in certain companies can receive shareholder discounts on certain goods and services. However, because the shareholder will be the sub-custodian, clients will not have access to this type of benefit. Other rights that fall into this category include the right to attend and vote at shareholder or unitholder meetings, the right to receive annual reports, newsletters, and other communications and access to shareholder or unitholder websites or call centres.

Minimum investment amount







- The minimum investment amount depends on the managed portfolio your client invests in and whether that portfolio holds Australian equities or listed products.
 - **Diversified managed portfolios:**
\$500 (managed funds and ETFs)
 - **Single sector managed portfolios:**
\$25,000 (equities only)

Tax parcel management

- Clients have an absolute entitlement to the beneficial interest in the Australian equities, units and other investments they hold through the Scheme.
- They will have the First In First Out (FIFO) capital gains tax accounting approach.

More information on the full range and their associated fees and costs is available in the [MyNorth Managed Portfolios PDS](#).

Support available for you and your clients

Support and tools available	How to access
 <p>Significant event notice (SEN)</p> <p>Clients who hold an account in the MyNorth Managed Portfolios Scheme were sent a SEN from 20 October 2021 advising them of the introduction and access to Australian equities and listed products and any changes.</p>	<p>Available now at northonline.com.au/MPSEN</p>
 <p>Product disclosure document (PDS)</p> <p>The PDS is in three parts and covers:</p> <ol style="list-style-type: none"> 1. An overview of how MyNorth Managed Portfolios work. 2. Information on the managed portfolios and the investment managers. 3. The fees and costs. 	<p>Available now at northonline.com.au/managedportfolios</p>
 <p>Guide to managed portfolios</p> <p>This educational guide, developed with IMAP, can help you understand the ins and outs of managed portfolios and why they continue to grow in popularity. It covers portfolio construction, implementation strategies and their effectiveness in meeting BID for clients.</p>	<p>Available now at amp.com.au/mpguide</p>
 <p>Investment manager videos</p> <p>These videos share the managers investment philosophy and what they consider when designing managed portfolios.</p>	<p>Available now at amp.com.au/managers</p>
 <p>Website pages for advisers and clients</p> <p>These web pages provide information on managed portfolios, their benefits, the investment managers and our range.</p>	<p>Available now.</p> <p>Adviser websites are at amp.com.au/mynorthmp</p> <p>Client websites are at northonline.com.au/managedportfolios</p>
 <p>Transparent reporting</p> <ul style="list-style-type: none"> – Monthly and quarterly reports. The top 10 underlying holdings will be displayed for equity portfolios and the full list of holdings for diversified portfolios. – Monthly performance. – Trading communications. 	<p>Reports for new managed portfolios coming soon at North Online on the Investment information > Managed portfolios page.</p>

Help take your clients' investment strategies to the next level with MyNorth Managed Portfolios.

To find out more, talk to your BDM or visit **amp.com.au/mynorthmp**.



What you need to know

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