For example, the Growth SAA allows for relatively high alternatives weights to offset higher growth volatility. At the same time, the Balanced Income and Income allocations will tend to have relatively high allocations to Property and Infrastructure within growth assets in order to boost income distributions. As a result of the cumulative constraints, the growth / defensive split is likely to remain within a few percentage points of the 2022 allocations.

The principal difference between the Pension and Accumulation strategic allocations is that the Pension allocations have a higher minimum cash allocation of 5% to satisfy withdrawals, compared to 3% for the Accumulation models. In addition, the cash balance can be higher in the Pension models in both the strategic allocations and permitted dynamic ranges.

Investment Process

a) Strategic Asset Allocation

As a starting point for the SAA process, CCI will conduct a review of the expected return over a 10 year horizon for each asset class. CCI will used a broad based benchmark as a proxy to forecast these returns.

The analysis focuses on areas that are likely to affect long-term trends in real economic growth and inflation, such as demographics, labour market trends, taxation and fiscal projections, and the starting point in the economic cycle.

Growth asset assumptions are heavily influenced by the impact of mean-reversion in earnings multiples, averaged over the ten-year horizon, dividend yields, the level of imputation credits distributed, and the assumed level of earnings growth. Long-run earnings growth is based on real GDP estimates of the OECD and IMF, market measures of inflation, and likely changes in profit margins.

Bank bill estimates are based on the current cash rate and the assumed easing or tightening bias required to meet the RBA's 2%-3% target over the forecast period, with regard to market measures of inflation. Bond yields are estimated based on the cash rate, the slope of the yield curve and assumptions for the contribution of roll yield and credit spreads based on current levels and historical averages.

A hedging yield assumption, where appropriate, is based on the long-run interest differential between the Australian dollar and a weighted global average. Unhedged foreign exchange movements are based on mean-reversion to long-run purchasing power parity estimates published by the IMF and OECD.

The final strategic allocations are determined through a mean-variance optimisation process that seeks to maximise the Sharpe ratio for each profile within specified constraints.

The constraints are designed to space the expected portfolio risk across the risk spectrum, primarily by constraining the growth / defensive split. However, additional asset class constraints have been introduced to account for minimum cash balances above 2% and tilt the income or capital gains distribution towards portfolio objectives. For example, the Growth SAA allows for relatively high alternatives weights to offset higher growth volatility. At the same time, the Balanced Income and Income allocations will tend to have relatively high allocations to Property and Infrastructure within growth assets in order to boost income distributions. As a result of the cumulative constraints, the growth / defensive split is likely to remain within a few percentage points of the 2022 allocations.

The principal difference between the Pension and Accumulation strategic allocations is that the Pension allocations have a higher minimum cash allocation of 5% to satisfy withdrawals, compared to 3% for the Accumulation models. In addition, the cash balance can be higher in the Pension models in both the strategic allocations and permitted dynamic ranges.

b) Dynamic Asset Allocation

A dynamic overlay will be applied over the portfolios which is intended to react to significant events in the market. The purpose of the overlay is to not to aggressively tilt the portfolio to capitalise on short term volatility arising from significant events in the market. Rather it is to help reduce exposure to assets that have a high probability of underperformance and implement a series of small bets across asset classes, currency, factors, styles and sectors.

The DAA process will focus on the following areas:

» Cross-asset allocation looking at valuation of growth asset class indices compared to bonds and historical averages, the strength of trend performance and momentum measures.
» Top down factor-timing framework focused on real yields and inflation expectations in Australia and other major currencies
» Earning trends across factors, regions and sectors
» Model-based FX valuation and positioning data aimed at capturing mean reversion
» Measure of global risk aversion across equity, fixed income, FX and interbank markets
» Any relevant technical patterns, particularly in difficult to value assets that have liquid cash and derivative markets, ie equity indices, currencies, commodities

c) Stock selection

The stock selection combines both top down and bottom up factors. The process begins with top down analysis conducted to identify long-term trends and themes that will likely drive long-term earnings growth.

Once this has been established CCI will look to use sell-side research to identify particular companies that fit into these trends and themes. This step will be supported by bottom up analysis which is done to screen major global indices to identify stocks that show strong quality and momentum factors. The two inputs combined will reduce the investment universe to a manageable number.

The final stocks selected are done based on expected return profile and compatibility with portfolio objectives form an income and growth perspective. Position sizes are determined by the portfolio risk model to avoid undesirable concentration in holdings.

d) Fund Selection

CCI will leverage Harbour Reach's "Preferred List" of approximately 100 managed funds and ETFs. Harbour Reach utilise a quantitative process to filter down the managed fund and ETF universe to the final "Preferred List".

The factors which the quantitative process focuses on are:

- Statistically significant outperformance over a 5 year period versus peers and relevant sector benchmark
- Cluster analysis and factor regressions to identify true factor exposures – passive and smart beta

ETFs will be used to reduce cost where appropriate, particularly in areas where managers do not outperform with a reasonable degree of consistency

- Research house ratings
- Sustainability scores

Additionally, Harbour Reach will not add a managed fund to the "Preferred List" without first conducting at least one meeting with the manager.

Managed funds and ETFs on the "Preferred List" will be assigned a rating of either "Preferred" for best in class products, "Alternate" for next best substitute, "Specialist" to achieve particular exposures, "Watch" when issues arise, or "Redeem" for when problems are more serious.

e) Portfolio construction

The SAA is used as the framework for portfolio construction, adjusted for the desired DAA tilts. Stock selection forms the core of the portfolio, which may influence final DAA allocation. Managed funds are selected, usually from the Harbour Reach "Preferred List". However, there will likely be additional considerations in fund selection that may require particular products to be preferred over others.

Once determined, the risk model output is produced and weights are determined based on contributions to risk. The risk model output systematically provides:

- Expected volatility of the model
- 95% and 99% VaR estimates
- The beta and tracking error relative to the SAA composite index
- A stress and scenario skyline comparing the portfolio and SAA
- The asset class betas of each holding
- The contribution to total portfolio volatility

1.4 Investment Committee

Nick Athanasiadis, Chairperson

Nick Athanasiadis is an Authorised Representative and Director of Professional Investment Solutions Pty Ltd (ProInvest) and has worked in the financial services industry since 2005.

Nick holds a Bachelor of Business and an Advanced Diploma of Financial Planning.

He is a member of the Association of Financial Advisers Australia and has also registered with the Tax Practitioners Board as a tax (financial) adviser, and holds a certificate in the following:

- Certificate of Self-Managed Superannuation Funds
- Certificate of Financial Planning
- Certificate of Risk Management
- Certificate of Managed Investments
- Certificate of Superannuation and Retirement Planning
- Certificate of Securities

Toby Lewis (external asset consultant – Harbour Reach)

Toby's career began in institutional funds management in London in 1995. He held positions at Swiss Reinsurance, GLG Partners (then a division of Lehman Brothers) and State Street Global Advisers. He worked across a range of back- and middle-office functions including risk, compliance, performance attribution, administration, valuations and reporting. In these roles he supported portfolio managers across a wide variety of traditional long-only, ALM, and hedge fund strategies. Clients included HNW families, sovereign wealth funds, insurers, central banks, and other official institutions.

Since 2003, he has specialised in wealth management solutions, covering macro-economic research, manager selection and portfolio construction.

Prior to relocating to Australia in 2010, Toby held roles in research and portfolio management at SG Global Private Banking and HSBC Private Wealth Managers. During that time, he specialised in Asia-Pacific and Emerging Markets.

In Australia, he worked in manager research for Standard & Poor's and UBS Wealth Management, before joining Citibank Wealth Management as an Investment Strategist, eventually heading the Research and Advisory team.

Immediately before launching Harbour Reach in 2018, he was Chief Investment Officer and a member of the executive team of ASX-listed licensee, Centrepoint Alliance.

Toby holds a Bachelor of Laws honours degree and a Maîtrise, both in English and French law, from the Universities of London and Paris respectively. He also holds a Master's degree in Financial Economics from the University of London. He is a CFA charterholder, a certified Financial Risk Manager, and a graduate member of the Australian Institute of Company Directors.

Toby is also a member of the CFA Society of Australia's Professional Learning Committee, leading the Portfolio Management and Wealth Planning stream.

Andrew Ash (Mason Stevens)

Andrew has 20 years of experience across Investment Research, Wealth Management and Advice. Including senior research roles at Citigroup and Insignia Financial, he brings with him a deep knowledge across manager research, markets, and portfolio construction. He has significant governance expertise having been a Responsible Manager at an AFSL, and a voting member of Investment Committees and Risk & Compliance Committees. He has both a passion and extensive knowledge of Responsible Investing having built out ESG research capabilities and investment portfolios.

Andrew's qualifications include a Masters of Applied Finance from Macquarie University, a Bachelor of Arts (1st Class Honours) from the University of Sydney, a Diploma of Financial Planning, and an Applied Responsible Investing Certificate from the PRI in London.

Portfolio parameters 2

CCI Balanced Accumulation Portfolio

Feature	Description	
Portfolio Name	CCI Balanced Accumulation Portfolio	
Investment Sub-Adviser	Claremont Capital Investments Pty Ltd	
Inception Date	July 2023	
Investment objective	To achieve a return of 3% above the RBA Cash Rate with 3 or less years of negative returns over a 20 year period.	
Investment Strategy and Approach	The process employs a blend of top-down economic research, bottom-up fund selection, and ongoing risk management.	
Benchmark Return	Morningstar Australia Balanced Target Allocation NR AUD Index	
Minimum number of securities	7	
Maximum number of securities	40	
Asset Allocation	**Allocation range**	**Target**
Australian Equities	15% - 35%	22%
International Equities	13% - 55%	22%
Australian Fixed Income	5% - 30%	25%
International Fixed Income	5% - 30%	16%
Alternatives	0% - 15%	2%
Property	0% - 20%	4%
Infrastructure	0% - 15%	6%
Cash (minimum 2% cash)	2% - 25%	3%
Investment universe	Managed funds, ETFs, LICs, LITs and cash.	
Maximum single security or fund weighting	25%	
Minimum suggested timeframe	5 years+	
Minimum initial investment $	$10,000	
Minimum additional investment $	$10,000	
Minimum withdrawal	$10,000	
Rebalance frequency	Sub-adviser discretion	
Investment manager fee[1]	0.30%	
Indirect Cost Ratio	0.50%	
Performance fee	N/A	

1. Of the total investment manager fee, up to 0.025% pa of the fee will be retained by the MDA Provider for services related to the investment management activities on each of the portfolios.

CCI Balanced Pension Portfolio

Feature	Description	
Portfolio Name	CCI Balanced Pension Portfolio	
Investment Sub-Adviser	Claremont Capital Investments Pty Ltd	
Inception Date	July 2023	
Investment objective	Outperformance of the benchmark over a 3yr period	
Investment Strategy and Approach	The process employs a blend of top-down economic research, bottom-up fund selection, and ongoing risk management.	
Benchmark Return	Morningstar Australia Balanced Target Allocation NR AUD Index	
Minimum number of securities	7	
Maximum number of securities	40	
Asset Allocation	**Allocation range**	**Target**
Australian Equities	15% - 35%	22%
International Equities	13% - 55%	22%
Australian Fixed Income	5% - 30%	25%
International Fixed Income	5% - 30%	16%
Alternatives	0% - 15%	2%
Property	0% - 20%	4%
Infrastructure	0% - 15%	6%
Cash (minimum 2% cash)	2% - 25%	3%
Investment universe	Managed funds, ETFs, LICs, LITs and cash.	
Maximum single security or fund weighting	25%	
Minimum suggested timeframe	5 years+	
Minimum initial investment $	$10,000	
Minimum additional investment $	$10,000	
Minimum withdrawal	$10,000	
Rebalance frequency	Sub-adviser discretion	
Investment manager fee[1]	□	
Indirect Cost Ratio	0.63%	
Performance fee	N/A	

1. Of the total investment manager fee, up to 0.025% pa of the fee will be retained by the MDA Provider for services related to the investment management activities on each of the portfolios.

CCI Growth Pension Portfolio

Feature	Description	
Portfolio Name	CCI Growth Pension Portfolio	
Investment Sub-Adviser	Claremont Capital Investments Pty Ltd	
Inception Date	July 2023	
Investment objective	Outperformance of the benchmark over a 3yr period	
Investment Strategy and Approach	The process employs a blend of top-down economic research, bottom-up fund selection, and ongoing risk management.	
Benchmark Return	Morningstar Australia Growth Target Allocation NR AUD Index	
Minimum number of securities	7	
Maximum number of securities	40	
Asset Allocation	**Allocation range**	**Target**
Australian Equities	20% - 45%	35%
International Equities	15% - 65%	27%
Australian Fixed Income	0% - 25%	20%
International Fixed Income	0% - 25%	0%
Alternatives	0% - 20%	3%
Property	0% - 30%	4%
Infrastructure	0% - 20%	8%
Cash (minimum 2% cash)	2% - 25%	3%
Investment universe	Managed funds, ETFs, LICs, LITs and cash.	
Maximum single security or fund weighting	25%	
Minimum suggested timeframe	7 years+	
Minimum initial investment $	$10,000	
Minimum additional investment $	$10,000	
Minimum withdrawal	$10,000	
Rebalance frequency	Sub-adviser discretion	
Investment manager fee[1]	0.30%	
Indirect Cost Ratio	0.63%	
Performance fee	N/A	

1. Of the total investment manager fee, up to 0.025% pa of the fee will be retained by the MDA Provider for services related to the investment management activities on each of the portfolios.

Risk of investing 3

Before you make an investment decision, it is important that you understand the risks that can affect your investment. You must be prepared for the risk that your investment does not meet you investment objectives or you lose your money on your investment.

Specific risks apply to all investments that may have an effect o the value of your Managed Portfolio. The risks of investing in the Managed Portfolios may include, but are not limited to, the following factors:

- Market Risk - Unexpected conditions (i.e. economic, technological or political) can have a negative impact on the returns of all investments within a particular market. General movements in local and international stock markets, prevailing and anticipated economic conditions, investor sentiment, interest rates and exchange rates could all affect the value of listed securities and the investment returns.
- Company or security specific risk - Risks which could affect the value of a specific security, such as a fall in the profit performance of a company may impact adversely on its share price and may also affect the interest rate it has to pay to borrow funds, which in turn, can affect the value of its debt securities.
- Currency risk - If the Managed Portfolio's investments in international assets are unhedged, a rise in the Australian dollar relative to other currencies will negatively impact investment values and returns. Currency markets can be extremely volatile and are subject to a range of unpredictable forces. It is not the Investment Sub-Advisers intention to hedge the foreign currency exposure of the underlying assets arising from investments in overseas markets.

Other risk of investment include:

- Interest rate risk - Changes in interest rates can influence the value of returns of investment in the Managed Portfolio.
- Credit risk - Any change in the market perception of the credit worthiness of a security or the credit rating of the issues of the security may affect the security's value.
- Liquidity risk - The risk that the Managed Portfolio may experience difficulty in realising its assets.
- Time horizon risk - There is no assurance that in any time period, particularly in the short term, a Managed Portfolio will achieve its investment objectives. Many of the underlying assets may be volatile particularly over the short term. The Managed Portfolio is suitable for long term investors and is designed for short term investment.
- Income risk - The level of income generated on the Managed Portfolio's investments can fall as well as rise and the tax status of such income can change.
- Asset risk - Asset risk is the risk that a particular asset or asset class in which the Managed Portfolio invests may fall in value, which may have an impact on the value of the Managed Portfolio.
- Diversification/Concentration risk - If your managed Portfolio is concentrated into one investment or sector, a fall in that investment or sector may have a significant adverse effect on your overall Managed Portfolio. The Managed Portfolio will have a relatively higher concentration over time of listed securities but it is not possible to advise in advance the levels of concentration or diversification of issuers, types of investments in the future as you could now.
- Investment risk - All investments have an inherent level of risk. The general expectation is that a high risk investment offers a higher expected return on investment. Investment risk may result in performance less than you expect or the loss of all of the capital invested or reduction in or no income and possible delays in repayment. Whilst it is the intention of the Investment Sub-Adviser to implement strategies designed to minimise potential losses, there can be no assurance that these strategies will be successful.
- Specific portfolio risk - The Investment Sub-Adviser's investment approach may result in a Managed Portfolio that differs substantially from an industry benchmark and hence the Managed Portfolio's investment returns may also differ substantially from industry benchmark returns.
- Third party risk - The MDA Provider uses information and services provided by third parties such as sub-custodians and other service providers. Producers are in place to address risks associated with outsourcing, such as having comprehensive service agreements with service providers. If a service provider advises of an error, it is corrected and if material, it will generally be communicated to you or your advisor (or both).
- Systems and technology risk - The MDA Provider relies on the integrity and reliability of the trading and administration systems used to managed your managed account. To minimise potential risks, established systems operated by experienced system providers are used. The system providers must have back-up arrangements and business continuity plans. In the event that the systems fail there may be delays in processing transactions or in accessing your investment capital and investment returns may differ from those that would have been achieved.

Please note that the risks identified are not meant to be exhaustive as it is not possible to identify every risk factor associated with investing. The appropriate level of risk for you will depend on various factors including your age, investment timeframe, other investments you may hold, and your level of risk tolerance.

Investors who have concerns regarding any of the above risk factors or any other applicable risks, are encouraged to contact their financial adviser.