Territory Funds Management Managed Account Service Investment Mandate

Investment Mandate issuer:
Mason Stevens Limited
ABN 91 141 447 207, AFSL 351578

Investment Sub-Adviser:
Territory Private Pty Ltd,
ABN 14 646 701 868.

Date Issued: September 2026

Mason Stevens has appointed Territory Private Pty Limited as Investment Sub-Adviser on the Investment Options and Managed Portfolios outlined in this Investment Mandate. Territory Private have delegated portfolio management duties to Territory Funds Management Pty Ltd ABN 68 136 472 985.

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Important Information

This Investment Mandate has been issued by Mason Stevens Limited ABN 91 141 447 207, AFSL 351578 (**Mason Stevens**). Mason Stevens is the Managed Discretionary Account (MDA) Provider of the MDA Service. Mason Stevens has appointed Territory Private ABN 14 646 701 868 AFSL 531009, as Investment Sub-Adviser on the Investment Options and Managed Portfolios outlined in this document. Territory Private have delegated portfolio management duties to Territory Funds Management Pty Ltd (Territory) ABN 68 136 472 985 CAR 1249955.

In this document, **MDA** refers to a Managed Account provided by Mason Stevens which follows the investment strategy and parameters of the Managed Portfolio as defined in the Investment Guide section of this document. This document is produced without consideration of the investment goals, needs or financial circumstances of any person who may read it. If you are a retail investor, you must obtain personal advice from a licensed financial adviser on whether a particular Managed Portfolio is appropriate for you given your personal goals, needs and financial circumstances.

Investment involves risk, potentially resulting in (but not limited to) delays in payment of withdrawal proceeds and the loss of income and capital invested. Past performance is not necessarily indicative of future performance. Mason Stevens,Territory and their respective directors, officers, employees, subcontractors and associates do not assure or guarantee the capital value of your investments will be maintained, or the investment performance of any investments acquired through this MDA Service.

Where there are references to data provided by third parties, neither Mason Stevens or Territory has control over that data and nor do they accept any responsibility for verifying or updating that data. Mason Stevens,Territory and their respective directors, officers, employees and associates may from time to time hold interests in investments of, or earn fees and other benefits from, corporations or investment vehicles which may be held in your Investment Option or Managed Portfolio.

Mason Stevens and Territory consent to statements in this document attributable to them or referring to them, and have not withdrawn their consent. Mason Stevens and Territory have confirmed the statements attributable to them or referring to them are not misleading or deceptive at the time of issue.

All amounts in this document are in Australian dollars and all fees are inclusive of GST net the effect of any reduced input tax credits. This document should be read in conjunction with the Mason Stevens Financial Services Guide (**FSG**), the Mason Stevens Global Investment Service Guide (**Guide**) including the Mason Stevens MDA Service Terms (which together form the Investment Mandate).

The FSG contains information on Mason Stevens and the MDA Service and is available at **masonstevens.com.au/fsg**. This document is incorporated by reference into the Guide which contains important information on the fees and costs you pay when you establish an account and use the MDA Service. It also contains information on how to operate your account and how to contribute into your account once it is opened as well as the risks of investing. It is available at **masonstevens.com.au/investorguide**. If you are unable to access the online information, your adviser or Mason Stevens can provide the information free of charge.

Territory Funds Management Managed Account Service 1

1.1 About Territory Funds Management

Territory Funds Management was founded in 2016 by Gareth Jakeman and Matthew Harrington. It is a part of the Praescius group of companies and is responsible for investment management activities. The business was formed to offer clients a bespoke and unique investment offering through separately managed accounts.

The founders of Territory Funds Management have a wealth of experience in the financial services industry managing assets and providing investment advice for over 20 years. Their key investment capabilities span across all asset classes in both domestic and global markets.

1.2 Investment Process

In order to execute their investment philosophy, Territory Funds Management follows a disciplined investment process. This process also incorporates your investment goals.

UNDERSTANDING TIME FRAME AND PURPOSE

Investment requires an understanding of time frame and purpose. The purpose of any investment put simply is to accumulate and grow the capital base in a risk managed way. This will allow investors to meet their ongoing liabilities through the life cycle. Territory Funds Management believes this is ultimately the reason why clients are driven to invest.

Territory Funds Management's investment style is best suited to investors that have discussed their financial goals and objectives with a qualified financial adviser to determine whether they are appropriate and achievable.

RISK MANAGEMENT

Territory Funds Management manages risk in a number of ways:

- Analysis of cash movements in and out of the Investment Options and Managed Portfolios. Territory believe long term returns may be achieved by avoiding the need to reduce exposure to good assets when there is a downturn in market sentiment, if adequate liquidity is maintained to meet obligations. This is known as "sequence risk."

  The definition of sequence risk is the risk of receiving lower or negative returns early in a period when withdrawals are made from an individual's underlying investments. The order or the sequence of investment returns is a primary concern for investors that have a finite capital base.
- Dynamic asset allocation assists with managing risk by ensuring the outlook for relevant financial markets, sentiment and momentum are considered against the Investment Options and Managed Portfolios volatility objective.
- The Investment Options and Managed Portfolios have the flexibility to hold a high proportion of cash.

This enshrines Territory Funds Management's belief that:

- Liquidity provides the best flexibility to manage sequencing risk.
- Cash is not always contributed to a portfolio at the optimum time to invest. That is, there are times where asset valuations do not justify buying a particular asset/s.
- If research indicates periods of abnormal downside volatility and we believe liquidity may assist to manage this volatility.

1.3 Investment Strategy

Investment Selection

Territory Funds Management follow a rigorous approach to investment selection which allows them the ability to select investments, asset classes and/or investment managers that they believe are best placed to achieve the targeted risk adjusted returns across the relevant timeframe.

The selection of investments and investment managers for the Investment Options and Managed Portfolios is underpinned by both quantitative and qualitative research.

In addition, the experience of the Investment Committee contributes to the broader decision making process to determine if an investment and/or investment manager is appropriate (and vice versa) for each Investment Option and Managed Portfolio.

Territory Funds Management believes in the fundamentals of:

- Productive enterprise investing as it may produce the optimal way to grow investor wealth.
- Detailed implementation of investment strategy and objectives. Attention to detail on the implementation is important.
- Benchmark unaware investing, as it allows for a more efficient use of resources and may deliver outperformance over the long term when compared to benchmark driven investing.

Following selection, ongoing monitoring is undertaken of all investments and/or investment managers to ensure they remain appropriate for the strategy of each Investment Option and Managed Portfolio.

Portfolio Construction

As Territory Funds Management has focused each Investment Option and Managed Portfolio to be cognisant of client driven outcomes. The construction of each Investment Option and Managed Portfolio reflects this methodology.

Implementation of selected investments and/or investment managers is determined by:

- the risk and return target of each Investment Option and Managed Portfolio;
- correlation of other investments in each Investment Option and Managed Portfolio; and
- its impact on asset and sector weightings in each Investment Option and Managed Portfolio.

The Investment Options and Managed Portfolios are monitored and assessed on an ongoing basis, to identify any opportunities and potential risks to each strategy.

1.4 Investment Committee

Territory Funds Management is responsible for advising the MDA Provider on the management and performance of the Investment Options and Managed Portfolios available for investment through this Investment Mandate.

The role of the Territory Funds Management Investment Committee is to:

The establishment and management of the Investment Options and Managed Portfolios are supervised by an experienced Investment Committee comprising the following members:

GARETH JAKEMAN

Gareth is the Chief Investment Officer of Territory Funds Management and has over 18 years' experience in financial statement analysis, including 15 years as a portfolio manager and analyst and 12 years (presently) founding and running a multi-disciplined wealth advisory practice (Praescius Financial).

Gareth has direct responsibility for funds-under-advice in excess of $500 million as Chair of Praescius Financial Investment Committee. He has overseen the asset allocation, risk management and selection of both external asset managers and discrete direct Australian equity mandates for clients. Gareth also brings rounded experience in executing 9 acquisitions and 1 divestment as well as over 30 due diligence exercises into further potential acquisitions, all within the financial services industry.

Gareth is a member of the Australian Institute of Company Directors and has previously served as a board member of Practive Development Group Limited, an unlisted public company with a charter to represent Godfrey Pembroke Advisers to MLC Limited and served as a member of the Godfrey Pembroke Advisory Board.

MATTHEW HARRINGTON

Matthew is an Executive Director of Territory Funds Management and has over 10 years' experience in portfolio management and 9 years (presently) as a Principal involved in running a multi-disciplined wealth advisory practice (Praescius Financial).

Matthew has joint direct responsibility for funds- under-advice in excess of $500 million as a member of the Praescius Financial Investment Committee. He has overseen the asset allocation, risk management and selection of both external asset managers and discrete direct Australian equity mandates for clients.

Matthew along with Gareth has successfully executed 9 acquisitions and 1 divestment as well as over 30 due diligence exercises into further potential acquisitions, all within financial services industry.

Matthew is an independent Director of a not-for-profit organisation where he was recruited to provide discipline to their financial management.

BRAD CREIGHTON

Brad brings an array of investment experience and expertise from his 17 years, across hedge funds and both global and domestic financial institutions.

Brad brings deep expertise in portfolio management, macroeconomic research, and investment strategy.

At Mason Stevens, he leads the firm's strategic and dynamic asset allocation, drawing on a blend of macroeconomic and quantitative insights to guide investment decisions.

Prior to this, Brad held senior positions at one of the world's top hedge funds, specialising in portfolio management and macroeconomic research. He also led risk management and investment research functions at major financial institutions, delivering tailored, client-focused investment solutions.

Member By Invitation

Territory Funds Management may periodically invite qualified experts in various fields to have input into the committee or to be a temporary member of the Investment Committee on an invitational basis. These members may include:

- Asset class specialists;
- Technical market analysts;
- Independent research providers; and
- Compliance and Risk Officers.

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2.1 The Investment Options

The Investment Options are managed according to risk profiles set by the Territory Funds Management Investment Committee and you can nominate the Investment Option for investment that you have agreed with your financial adviser.

Territory Funds Management, as Investment Sub-Adviser, will advise the MDA Provider of the initial asset allocation weightings for each Investment Option as well as any ongoing changes to these asset allocations. The MDA Provider will execute the changes on your behalf.

It is at the sole discretion of the MDA Provider to accept lower minimum initial investment and minimum additional contribution amounts. The MDA Provider may waive or change the amounts in its absolute discretion.

With advice from your financial adviser, you may choose to invest in the following Investment Options:

- Territory Low Volatility Investment Option
- Territory Mid-Term Income Investment Option
- Territory Long-Term Investment Option

The following Investment Options are available to wholesale clients only, as defined by the Corporations Act:

- Territory Wholesale Low Volatility Investment Option
- Territory Wholesale Mid-Term Income Investment Option
- Territory Wholesale Long-Term Investment Option

2.2 The Managed Portfolios

The following pages contain descriptions for each of the Managed Portfolios that are available through this Investment Mandate.

Each Managed Portfolio is managed in accordance with an agreement between the Investment Sub-Adviser and the MDA Provider.

Each Managed Portfolio has a minimum initial investment amount that is subject to the discretion of the MDA Provider, and you must maintain a minimum balance of $10,000 in each portfolio. Please refer to the Managing your MDA section of the Guide for further information.

With advice from your financial adviser you may choose to invest in the following Managing Portfolios:

- Territory Multi-Asset Income Managed Portfolio
- Territory Multi-Asset Growth Managed Portfolio

Territory Low Volatility Investment Options

You may choose to invest in one of the following portfolios:

» Territory Low Volatility Investment Option

» Territory Wholesale Low Volatility Investment Option

Portfolio objective

The Investment Sub-Adviser will aim to achieve a target return of Consumer Price Index (CPI) + 1% per annum (net of fees).

Investment strategy

The Territory Low Volatility Portfolio (the Investment Option) implements a strategy which aims to provide investors their liquidity requirements up to a period of 5 years. In order to achieve this strategy, the Investment Option will target low volatility investments that aim to return a higher than cash return, which may result in a lower capital growth and lower volatility portfolio.

Portfolio Parameters

Feature	Description	
Investment Sub-Adviser	Territory Funds Management	
Investment universe[1]	Securities listed on the ASX and approved global exchanges, fixed income securities, REITs, hybrids, infrastructure securities, managed funds, SMAs, and cash.	
Benchmark	Morningstar Australia Conservative Target Allocation NR AUD Index	
Management Fee	0.72%	
Indirect Cost Ratio (ICR)	0.20%	
Performance Fee	Nil	
Target Return	CPI + 1% p.a.	
Minimum number of investments	5	
Maximum number of investments	35	
Minimum cash weighting	2%	
Maximum cash weighting	50%	
Maximum individual security weighting	25%	
Asset Class	**Allocation Range**	**Target**
Australian Equity	0% - 30%	5%
International Equity	0% - 10%	0%
Fixed Interest	30% - 90%	70%
Infrastructure	0% - 30%	10%
Alternatives	0% - 15%	0%
Property	0% - 25%	10%
Cash	2% - 50%	5%
Rebalancing	Investment Sub-Adviser discretion	
Minimum initial investment[2]	$50,000	
Minimum additional investment	$10,000	
Minimum withdrawal[3]	$10,000	
Suggested investment timeframe	2 - 5 years	

1. The Territory Low Volatility Investment Option will only be permitted to hold fixed income securities which are rated Investment Grade or higher. . Investment Grade refers to a security that has or is expected to have the equivalent to an investment grade credit rating by any of the following three rating agencies: Moody's, Fitch or S&P at the time of purchase. The Territory Wholesale Low Volatility Investment Option will not be subject to the same requirement.
2. It is at the sole discretion of the MDA Provider to accept investments below the minimum investment amount.
3. Subject to maintaining a minimum account balance of $10,000. Please refer to the Managing your MDA section of the Guide for further information.

Territory Mid-Term Income Investment Options

You may choose to invest in one of the following portfolios:

» Territory Mid-Term Income Investment Option

» Territory Wholesale Mid-Term Income Investment Option

Portfolio objective

The Investment Sub-Adviser will aim to achieve a target return of Consumer Price Index (CPI) + 3% per annum (net of fees).

Investment Strategy

The Territory Mid-Term Income Portfolio (the Investment Option) implements a strategy which aims to provide investors with a moderate level of income by investing in securities that produce strong cash flow generation, of which a high proportion is returned to investors. In order to achieve this strategy, the Investment Option may invest in Australian equities, global equities, fixed and floating interest securities, infrastructure securities and property trusts, which may result in a moderate capital growth and moderate volatility portfolio.

Portfolio Parameters

Feature	Description	
Investment Sub-Adviser	Territory Funds Management	
Investment universe[1]	Securities listed on the ASX and approved global exchanges, fixed income securities, REITs, hybrids, infrastructure securities, managed funds, SMAs, and cash.	
Benchmark	Morningstar Australia Growth Target Allocation NR AUD Index	
Asset Allocation Fee	Nil	
Indirect Cost Ratio (ICR)	0.06%	
Performance Fee	Nil	
Target Return	CPI + 3% p.a.	
Minimum number of investments	5	
Maximum number of investments	35	
Minimum cash weighting	2%	
Maximum cash weighting	50%	
Maximum individual security weighting	30%	
Underlying Managed Portfolio[2]	**Allocation Range**	**Target**
Territory Multi-Asset Income Managed Portfolio	0% - 100%	100%
Rebalancing	Investment Sub-Adviser discretion	
Minimum initial investment[3]	$25,000	
Minimum additional investment	$10,000	
Minimum withdrawal[4]	$10,000	
Suggested investment timeframe	6 - 14 years	

1. The Territory Mid-Term Income Investment Option will only be permitted to hold fixed income securities which are rated Investment Grade or higher. The Territory Wholesale Mid-Term Income Investment Option will not be subject to the same requirement.There is no guarantee that this objective will be achieved.
2. The underlying Managed Portfolio for the Territory Wholesale Mid-Term Income Investment Option will be the Territory Wholesale Multi-Asset Income Managed Portfolio.
3. It is at the sole discretion of the MDA Provider to accept investments below the minimum investment amount.
4. Subject to maintaining a minimum account balance of $10,000. Please refer to the Managing your MDA section of the Guide for further information.

Territory Long-Term Investment Options

You may choose to invest in one of the following portfolios:

» Territory Long-Term Investment Option

» Territory Wholesale Long-Term Investment Option

Portfolio objective

The Investment Sub-Adviser will aim to achieve a target return of Consumer Price Index (CPI) + 4% per annum (net of fees).

Investment Strategy

The Territory Long-Term Portfolio (the Investment Option) implements a strategy which aims to provide investors with a higher level of capital growth by investing in securities with a strong capital growth bias. In order to achieve this strategy, the Investment Option may invest in Australian equities, global equities, fixed interest securities, infrastructure securities, private equity and property trusts, which may result in a higher capital growth and higher volatility portfolio.

Portfolio Parameters

Feature	Description
Investment Sub-Adviser	Territory Funds Management
Investment universe[1]	Securities listed on the ASX and approved global exchanges, fixed income securities, REITs, hybrids, infrastructure securities, managed funds, SMAs, and cash.
Benchmark	Morningstar Australia Aggressive Target Allocation NR AUD Index
Asset Allocation Fee	Nil
Indirect Cost Ratio (ICR)	0.75%
Performance Fee	Nil
Target Return	CPI + 4% p.a.
Minimum number of investments	5
Maximum number of investments	35
Minimum cash weighting	2%
Maximum cash weighting	50%
Maximum individual security weighting	30%
Asset Class	**Allocation Range**
Territory Multi-Asset Growth Managed Portfolio[2]	0% - 100%
Territory Wholesale Opportunities Managed Portfolio[3]	0% - 100%
Rebalancing	Investment Sub-Adviser discretion
Minimum initial investment[4]	$25,000
Minimum additional investment	$10,000
Minimum withdrawal[5]	$10,000
Suggested investment timeframe	15 years +

1. The Territory Long-Term Investment Option will only be permitted to hold fixed income securities which are rated Investment Grade or higher. Investment Grade refers to a security that has or is expected to have the equivalent to an investment grade credit rating by any of the following three rating agencies: Moody's, Fitch or S&P at the time of purchase. The Territory Wholesale Long-Term Investment Option will not be subject to the same requirement.
2. The underlying Managed Portfolio for the Territory Wholesale Long-Term Investment Option will be the Territory Wholesale Multi-Asset Growth Managed Portfolio.
3. Only the Territory Wholesale Long Term Investment Option will have exposure to the Territory Wholesale Opportunities Managed Portfolio. The Investment Option will not have a formal target allocation to the Managed Portfolio as the exposure to this portfolio can vary significantly over time. The Territory Wholesale Opportunities Managed Portfolio is an unconstrained portfolio which aims to take up investment opportunities that are made available to wholesale investors only. The timing for when these opportunities may arise is typically only known close to the date that the offering is announced to the market. As a result, the Investment Sub-Adviser will usually have limited time to take up these opportunities.
4. It is at the sole discretion of the MDA Provider to accept investments below the minimum investment amount.
5. Subject to maintaining a minimum account balance of $10,000. Please refer to the Managing your MDA section of the Guide for further information.

Territory Multi-Asset Income Managed Portfolios

You may choose to invest in one of the following portfolios:

- Territory Multi-Asset Income Managed Portfolio
- Territory Wholesale Multi-Asset Income Managed Portfolio (only available through the Territory Wholesale Mid-Term Income Investment Option)

Portfolio Objective

The Territory Multi-Asset Income Managed Portfolio (the Managed Portfolio) aims to outperform the benchmark net of fees. Target return will recognise the need for an objective for higher income versus the Multi-Asset Growth models despite a similar investment universe.

Investment Strategy

This specific strategy seeks instruments and/or investments that will produce a higher yield. The Managed Portfolio will take on appropriate levels of risk in Australian equities, global equities, fixed interest securities, infrastructure securities, private equity and property trusts, with the aim of achieving a higher income return portfolio.

Portfolio Parameters

Feature	Description	
Investment Sub-Adviser	Territory Funds Management	
Investment universe[1]	Securities listed on the ASX and approved global exchanges, fixed income securities, REITs, hybrids, infrastructure securities, managed funds, and cash.	
Benchmark	Morningstar Australia Balanced Target Allocation NR AUD	
Management Fee	0.72%	
Indirect Cost Ratio (ICR)	0.20%	
Performance Fee	Nil	
Target Return	CPI + 3% p.a.	
Minimum number of investments	5	
Maximum number of investments	35	
Minimum cash weighting	2%	
Maximum cash weighting	50%	
Maximum individual security weighting	30%	
Asset Class	**Allocation Range**	**Target**
Australian Equity	0% - 60%	30%
International Equity	0% - 60%	10%
Fixed Interest	0% - 60%	15%
Infrastructure	0% - 40%	15%
Alternatives	0% - 15%	5%
Property	0% - 35%	20%
Cash	2% - 50%	5%
Rebalancing	Investment Sub-Adviser discretion	
Minimum initial investment[2]	$25,000	
Minimum additional investment	$10,000	
Minimum withdrawal[3]	$10,000	
Suggested investment timeframe	5 years	

1. The Territory Multi-Asset Income Managed Portfolio will only be permitted to hold fixed income securities which are rated Investment Grade or higher. Investment Grade refers to a security that has or is expected to have the equivalent to an investment grade credit rating by any of the following three rating agencies: Moody's, Fitch or S&P at the time of purchase.
2. It is at the sole discretion of the MDA Provider to accept investments below the minimum investment amount. Investment Grade refers to a security that has or is expected to have the equivalent to an investment grade credit rating by any of the following three rating agencies: Moody's, Fitch or S&P at the time of purchase.
3. Subject to maintaining a minimum account balance of $10,000. Please refer to the Managing your MDA section of the Guide for further information.

Territory Multi-Asset Growth Managed Portfolios

You may choose to invest in one of the following portfolios:

» Territory Multi-Asset Growth Managed Portfolio
» Territory Wholesale Multi-Asset Growth Managed Portfolio

Portfolio Objective

The Territory Multi-Asset Growth Managed Portfolio (the Managed Portfolio) aims to outperform the benchmark net of fees. Target return will recognise the need for an objective that prioritises capital growth versus the higher income objective of the Multi-Asset Income models despite a similar investment universe.

Investment Strategy

This specific strategy seeks instruments and/or investments that aim to provide higher capital growth, potentially higher volatility and lower income. The Managed Portfolio will take on appropriate levels of risk in Australian equities, global equities, fixed interest securities, infrastructure securities, private equity and property trusts, with potential for greater medium to long term capital growth.

Portfolio Parameters

Feature	Description	
Investment Sub-Adviser	Territory Funds Management	
Investment universe[1]	Securities listed on the ASX and approved global exchanges, fixed income securities REITs, hybrids, infrastructure securities, managed funds, and cash.	
Benchmark	Morningstar Australia Growth Target Allocation NR AUD Index	
Management Fee	0.72%	
Indirect Cost Ratio (ICR)	0.65%	
Performance Fee	Nil	
Target Return	CPI + 4% p.a.	
Minimum number of investments	5	
Maximum number of investments	35	
Minimum cash weighting	2%	
Maximum cash weighting	50%	
Maximum individual security weighting	30%	
Asset Class	**Allocation Range**	**Target**
Australian Equity	0% - 80%	30%
International Equity	0% - 80%	55%
Fixed Interest	0% - 30%	0%
Infrastructure	0% - 35%	0%
Alternatives	0% - 25%	0%
Property	0% - 30%	10%
Cash	2% - 50%	5%
Rebalancing	Investment Sub-Adviser discretion	
Minimum initial investment[2]	$25,000	
Minimum additional investment	$10,000	
Minimum withdrawal[3]	$10,000	
Suggested investment timeframe	5 years	

1. The Territory Multi-Asset Growth Managed Portfolio will only be permitted to hold fixed income securities which are rated Investment Grade or higher.
2. It is at the sole discretion of the MDA Provider to accept investments below the minimum investment amount.
3. Subject to maintaining a minimum account balance of $10,000. Please refer to the Managing your MDA section of the Guide for further information.

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 your investment objectives or you lose money on your investment.

Specific investment risks apply to all investments that may have an effect on the value of your MDA. The risks of investing by following the strategy and parameters of 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-Adviser's intention to hedge the foreign currency exposure of the Managed Portfolio arising from investments in overseas markets.
- Interest rate risk – Changes in interest rates can influence the value and returns of investment in the Managed Portfolio.
- Credit risk – Any change in the market perception of the creditworthiness of a security or the credit rating of the issuer of the security may affect the security's value.
- Investment Sub-Adviser risk – This is the risk that theInvestment Sub-Adviser may not achieve its stated investment objectives or that changes in the investment team may impact on the performance of the Investment Sub-Adviser.
- 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 not 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 total MDA. Diversification is used as a strategy aimed at reducing the impact that volatility in one investment or sector will have on the performance of 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 or industry sectors.
- Inflation risk – Your investment may not keep pace with inflation. Broadly, this could mean that prices may increase more than the value of your investments following the Managed Portfolio and if this risk eventuates, you would not be able to buy as much with the value of your 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 your MDA which follows that Managed Portfolio might have investment returns which also differ substantially from industry benchmark returns.
- Third party risk – The MDA Provider uses information and services provided by third parties such as subcustodians and other service providers. Procedures 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 manage your managed account. To minimise potential risks, established systems operated by experienced system providers are used. The system providers must have backup 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.