



Refer to glossary for definition of the rating

Product Review

About this Product

Investment manager	BlackRock Investment Management (Australia) Limited
Benchmark	Lonsec Strategic Multi-Asset (Alternatives) 70% Growth Index
Product structure	Managed Fund
Product size	\$417.0m
Inception date	Sep 1992
Asset class	Multi-Asset
Sector	61-80% Growth Assets
Growth/defensive split	70%/30%
Peer group	Diversified
Rated peers	20

Product Characteristics

Business Life Cycle	Mature
Product Wind-Up Risk	Low
Key Person Risk	Low
Tenure of Decision Makers	High
Complex (RG240)	Yes
Strategy Remaining Capacity	No capacity limit
ESG Approach	Stewardship
Peer Relative Fees and Costs	Above median

Annual Fees and Costs (% p.a.)

Management fees & costs	0.90
Performance fee costs	0.00
Net Transaction Costs	0.48
Buy/Sell Spread	0.12/0.12
Annual fees and costs	1.38

Source: FE fundinfo

Strengths

- Highly experienced portfolio management team with significant expertise in multi-asset investing and long tenure at the Manager.
- Highly integrated access to the well-resourced broader BlackRock investment team, knowledge and resources.
- Separate risk function and industry leading risk management systems.

Weaknesses

- Moderately high key person risk on three senior Portfolio Managers.
- Underlying building blocks are limited to internal BlackRock strategies.
- The Fund has a higher fee load when compared to peers.

Product Opinion

The Fund has maintained its 'Highly Recommended' rating at its latest review. The rating is underpinned by the high regard for the local portfolio management team and their collective experience in managing multi-asset portfolios. The portfolio managers also draw on support from the broader BlackRock business, including its capital market assumptions, quantitative research and industry leading risk management systems. The Fund is able to access a range of alpha sources from underlying BlackRock strategies.

Lonsec Rating Model

Rating key: ●●● Above ●●● In-line ●●● Below

Factor	Peer Rating	YoY Score Change
Business	●●●	—
Team	●●●	—
Process	●●●	—
ESG	●●●	—
Product	●●●	—
Fees	●●●	↑
Performance	●●●	↑

Allocation Profile

Core		
Satellite		
	Low Complexity	High Complexity

Return Profile

Income		
Capital		
	Defensive	Growth

Key Facts

Key Objectives

Investment objective	To outperform peer performance consistent with a growth orientated investment strategy and to outperform its benchmark indices over a five-year rolling period, before fees.
Internal return objective	Excess return over benchmark gross of fees over rolling five-year periods.
Internal risk objective	Tracking error target range of 2-4% p.a.
Non-financial objective	N/A

Asset Allocation (%)

	SAA Benchmark %	Min %	Max %	Current Allocation %
Australian Equities	24.00	0.00	100.00	24.00
International Equities	35.00	0.00	100.00	35.00
Listed Property	5.00	0.00	100.00	5.00
Unlisted Property	0.00	0.00	0.00	0.00
Australian Fixed Interest	13.00	0.00	100.00	13.00
Global Fixed Interest	10.00	0.00	100.00	10.00
Alternative Assets	5.00	0.00	100.00	5.00
Cash	3.00	0.00	100.00	3.00
Others	5.00	0.00	100.00	5.00
Total				100.00

Performance Analysis - annualised after fees at 31/10/2023

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	6.01	2.69	-0.45	-1.21	5.71	5.31	6.62	4.88
Standard deviation	8.35	7.98	9.62	9.13	9.12	9.09	10.15	10.05
Excess return (% p.a)	1.98	-1.31	-0.28	-0.73	0.83	0.18	1.26	-0.80
Outperformance ratio (% p.a)	41.67	41.67	41.67	47.92	47.22	52.78	53.33	45.83
Worst drawdown (%)	-4.60	-5.52	-12.86	-11.51	-12.86	-11.63	-15.24	-15.19
Time to recovery (mths)	NR	-	10	-	10	-	8	-
Sharpe ratio	0.28	-0.13	-0.28	-0.36	0.46	0.43	0.52	0.37
Information ratio	1.07	-0.66	-0.14	-0.20	0.42	0.10	0.50	-0.34
Tracking error (% p.a)	1.84	1.73	1.98	2.22	1.97	2.28	2.50	2.43

Lonsec Peer Group: Multi-Asset - 61-80% Growth Assets - Diversified

Product Benchmark: Lonsec Strategic Multi-Asset (Alternatives) 70% Growth Index

Cash Benchmark: Bloomberg AusBond Bank Bill Index AUD

Time to recovery: NR - Not recovered, dash - No drawdown during period

Product Distribution Profile

Frequency	Semi-Annually
Last Missed Distribution	N/A
Number of Missed Distributions in the last 5 years	N/A
AMIT Election	Yes
TOFA Election	No

Rating History

20-Apr-2023	Highly Recommended
08-Apr-2022	Highly Recommended
29-Mar-2021	Highly Recommended

Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

Business



Facts

% Staff Ownership	0-10%
Investment Manager	BlackRock Investment Management (Australia) Limited
Ultimate Parent Company	BlackRock, Inc.
Headquarters	New York (Parent)
Inception Date	Jan 1988

Governance

% Independent board members	0 (Parent: 88)
CEO as Chair	Yes
Separate Audit Committee	Yes
% Female board members	20 (Parent: 31)
Independent chair	No

Who is the Manager?

The Product is managed by BlackRock Investment Management (Australia) Ltd ('BlackRock', 'BIMAL' or the 'Manager') and is wholly owned by BlackRock Inc., one of the world's largest asset managers with over US\$9.4t of AUM as of June 2023.

Lonsec Opinion

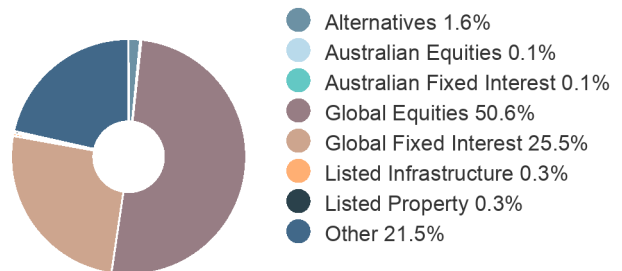
Profitability

BlackRock is a stand-alone global large scale profitable investment manager, with over US\$9.4t of assets as of 30 June 2023.

Business Track record

The Manager's investment management business is viewed as sustainable, with a long track record in managing multi asset portfolios since 1992, with over US\$1.0t assets in multi-asset products globally, of which A\$36.7bn are sourced from the Australian business as of 31 December 2023.

AUM



Metrics

Investment Management Headcount	19,311 (Parent)
Sales & Service	79 (Australia)
Investment Professionals	2,756 (Parent)
Distributor	Internal
Total AUM	\$9.4T USD

Business Ownership

BlackRock Inc shares are owned by a large number of individual and institutional investors as a public company listed on the NYSE, with no single majority shareholder.

Business Governance

BlackRock enjoys a positive reputation with a strong governance framework and has not experienced any regulatory finding or compliance breaches in recent history.

BIMAL does not have any external directors and the Chair and CEO are the same person, both of which may not be considered best practice. The Board of BlackRock Inc. consists of a majority of external directors.

Team



Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Michael McCorry	CIO	No	1997	32/27	32
Karsten Kumpf	Portfolio management	No	2007	17/17	17
Ron Montgomery	Portfolio management	No	2005	23/19	23
Katie Petering	Strategy lead	No	2021	27/7	27

KDM Change*

No changes.

* Last 3 years

Profile

Size	28
Structure	Decentralised
Turnover	Low

Alignment

KDM equity held in manager	Yes
KDM co-investment in strategy	Yes
Performance-Based bonus	Yes
Long Term investment plan	No

Resources

	Number	Average Years Experience
Key decision makers	4	24.5
Portfolio Managers	13	13
Hybrid portfolio manager/analysts		
Dedicated analysts		
Dedicated dealers		
Quantitative	2	12
ESG/Sustainability	2	23
Macro	3	16
Investment Specialists	4	15

Who is the Team?

The Fund is managed by BlackRock's Multi-Asset Strategies and Solutions ('MASS') Australia team, led by CIO and Head of MASS Michael McCorry. McCorry is supported by Head of Portfolio Management Karsten Kumpf, Senior Portfolio Manager Ron Montgomery, and Head of Product Strategy Katie Petering.

The MASS Australia team comprises a further 13 members, including Head of Whole Portfolio Solutions David Griffith, five portfolio managers and seven investment specialists. The offshore-based MASS members comprise of 11 professionals, including eight portfolio managers and three investment specialists.

The MASS team is further supported by BlackRock's local and global investment platform as well as the global specialist investment teams and capabilities. This includes the BlackRock Investment Institute ('BII') who develop the capital market assumptions and optimisation tools that underpin the MASS team's SAA.

Dedicated research and investment teams manage the range of sub-strategy funds across various asset classes which comprise the Fund. All sub-funds are on the Aladdin risk platform with risk management and oversight provided by BlackRock's Risk and Quantitative Analysis Group ('RQA').



Lonsec Opinion

Skill

McCorry and Kumpf are seasoned multi-asset investors with a considerable track record at BlackRock. The strong academic and quantitative background of the local MASS team members are highly complementary to the Manager's investment process.

BlackRock benefits from the depth of resources available globally and the ability to extract the best ideas and views from those resources. The local MASS team leverages off their broader global MASS colleagues, in addition to specialist sector teams. There is a high degree of calibre throughout the underlying asset class teams.

Team Size

The investment team size is in line with the peer median and is regarded as adequately resourced given research can be shared across the numerous strategies under their management.

Given the extensive local and global BlackRock investment platform and the depth and breadth of investment teams and capabilities globally, the overall level of resourcing available to the team is high. The deep pool of resources is a major strength of the Fund and there is an observable reasonably high level of interaction between the various teams at BlackRock.

Track Record/Co-Tenure

The senior membership of the team has been stable over a number of years and co-tenure is higher than the peer median. The investment team has been stable through time with low to moderate turnover.

Alignment

The alignment of interest in the Fund is adequate given senior members of the investment team are co-invested in the Fund at their own discretion. Variable remuneration is linked to the performance of the Fund. Additionally, BlackRock has a formal long-term discretionary incentive plan in place for investment staff, bonuses are dependent on company and business unit performance, as well as the assessments of an individual's contribution to meeting objectives.

Key Person Risk

Given the key roles of McCorry and Kumpf in the management of the Fund and their intimate knowledge of BlackRock's internal capabilities, there is key person risk on both individuals. This risk is somewhat mitigated given the structure and depth of the MASS team.

Process



What is the Investment Process?

With consideration of the investment objective, the investment process entails determining the SAA and the sources of active returns to deliver the outperformance relative to the SAA, constructing the portfolio in a total return framework, and ongoing monitoring rebalancing and feedback.

The SAA process incorporates BlackRock's global capital market assumptions via an optimisation framework with additional sensitivity analysis and stress testing. The SAA is formed with a 5–10-year horizon and reviewed periodically, typically annually, to incorporate changes to capital market assumptions.

BlackRock's Capital Market Assumptions ('CMAs') are long-term estimates of asset class expected return and risk. CMAs are used as an input to construct the Fund's SAA.

Once the SAA has been determined, and the preferred strategy identified, portfolio construction is conducted via mean-variance optimisation to determine the optimal portfolio. This takes into account a range of factors including SAA, expected tracking error, transaction costs, inflation hedging, and credit and duration exposures.

The Manager expects alpha to come from 60% security selection, 29% TAA, and 10% style premia.

Lonsec Opinion & Supporting Facts

Philosophy and Universe

Investment Style	Diversified
Asset Allocation Approach	SAA, TAA
Sector Exposure	Active
Available Universe	Managed Funds, ETFs, Derivatives, Cash.

The Fund's reference Benchmark is a composite reflecting the SAA of the Fund, making the investment return and risk objectives clear and measurable. The investment philosophy for the Fund follows the BlackRock-wide held philosophy of achieving investment outcomes through a disciplined, objective investment process. The Portfolio's investment process is aligned to this philosophy, seeking to harvest return premia, while managing risks and implementation costs through optimisation-based portfolio construction.

Research Process

Idea generation	Global teams, capital market expectations, analysis of risk premia and correlations, and quantitative and qualitative analysis of alpha strategies.
SAA review frequency	Annually
DAA/TAA signals	Macro, Valuation
Managers actively tracked	N/A
External consultant	N/A

The Fund's SAA process is robust and consistently applied. Positively, the team is able to access the expertise of their global colleagues for inputs into this process.

Given the Fund's relatively static asset allocation at the portfolio level, a significant level of alpha generation is predicated on the Manager's ability to select the best internal capabilities within each asset class. In addition to this security selection alpha, there is conviction in the Manager's ability to adjust the TAA in light of changing market conditions as represented by the SAA benchmark.

BlackRock investment tools are considered best in class.

Process (continued)



Portfolio Construction

Portfolio decision making	PM based
Approach to benchmark	Benchmark aware
Targeted tracking error	2.0-4.0% p.a.
Typical number of managers	< 10
Use of mandates	No
Use of alternatives	Yes
Use of unlisted assets	No
Allocation to related/affiliated exposure	Yes

The systematic investment process leads to a highly structured, consistent approach to portfolio construction. The Manager uses innovative portfolio construction techniques, including derivative and/or index exposures for asset class exposures when the risk/return relationship of particular sectors are not favourable.

A relative strength of the Fund is its approach to downside risk management primarily through diversification at the SAA level, and its risk mitigation toolkit which has the potential to materially alter the shape of the portfolio when perceived risks exist via the use of derivatives structures. Explicit protection including option strategies may be used to protect the portfolio from fat tail events.

Capacity Management

There are no immediate concerns around capacity based on the Manager's current level of FUM and given the highly liquid nature of the underlying strategies.

Investment Risk Management

Monitoring external to investment team	Yes
Frequency of monitoring	Daily
Primary risk management system	Aladdin
Security Limits (Min./Max.)	N/A
Rebalancing bands	0-100% (soft limit)
Max illiquid	0.00%
Gross exposure range	N/A

BlackRock is a market leader in risk management, with extensive systems and resources at its disposal.

The Fund uses appropriate constraints in its optimisation process and positions are monitored daily. BlackRock has a range of in-house risk models for assessing risk at the underlying fund level, including variability in markets, or beta, size, leverage, interest rate sensitivity, and active position and industry sizes. The performance attribution system is also a useful tool in risk management.

BlackRock's RQA team uses proprietary analytics to report on both absolute and relative portfolio risks to the investment team on a daily basis. The Fund also draws on BlackRock's compliance department to run a daily test of the underlying capabilities adherence to investment guidelines.

ESG



Manager Positioning

Responsible investment style	Nil
ESG approach	Stewardship
Sustainability thematic	No Sustainability Thematic
Non-financial objective	None

What is the Manager's ESG approach?

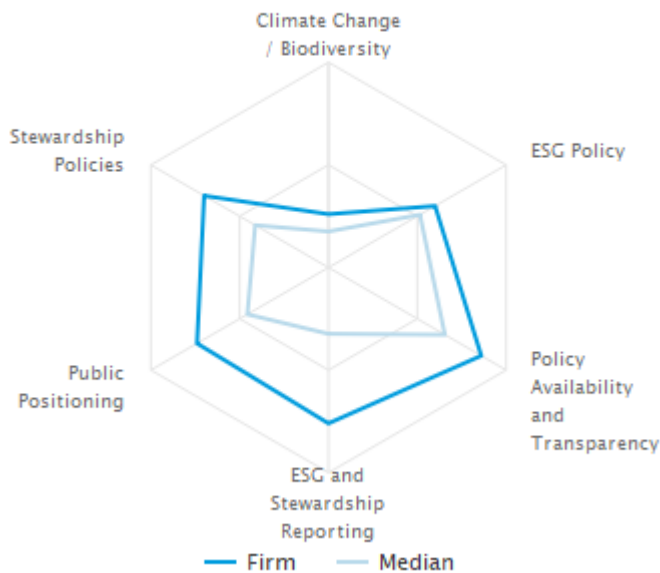
The Manager has not indicated any ESG approach in their submissions to Lonsec. While the Manager may be undertaking some activities that would be considered ESG integration Lonsec is unable to provide guidance on how that might reflect portfolios.

Lonsec Opinion & Supporting Facts

Overview

ESG Process Score	Mod
Responsible Investment strategy risk: Clarity, measurability & reporting	N/A

ESG Snapshot



Product Level Approach

The Manager sources ESG data in a structured manner. Multiple providers are accessed. There is no internal ESG research carried out by the Manager for this Fund. There is no relationship between ESG factors and the stock selection process. Portfolio level measurement or assessment of ESG risks is not evident. The Manager demonstrated a clear engagement program and a structured approach. The Manager tracks engagements however has room to improve on how it monitors company performance. ESG does not form a component of the Managers broader compliance framework and portfolio transparency is lagging.

Strategy: Clarity, Measurability & Reporting

This product does not make any specific claim to being a sustainable, ethical or impact offering. As such, an alignment review for the product is not required and thus the product's risk of misalignment has been assessed as N/A.

Manager Level Approach

The Manager's overall ESG policy framework and disclosure are ahead of peers. The updated ESG policy and stewardship principles are freely available on the firm's website. The proxy voting policy and reporting on voting outcomes is stronger than peers with particular credit paid to the disclosure of voting rationale for controversial votes. The level of disclosure with respect to the Manager's engagement policies and outcomes is considered ahead of peers, particularly the firm's stewardship policies. Reporting on engagement outcomes is publicly available and the Manager is transparent about the engagement priorities, which focus on disclosure and climate change related issues.

Product



Service Providers

Responsible entity	BlackRock Investment Management (Australia) Limited
Investment manager	BlackRock Investment Management (Australia) Limited
Sub-investment manager	N/A
Custodian	JP Morgan Chase Bank, N.A.
Administrator	JP Morgan Chase Bank, N.A.
Fund Auditor	Deloitte Touche Tohmatsu
Change in Key Providers? (Over last 12 months)	No

Product Details

Product size	\$417.00m
Fund 12-month net flows	Negative
Distribution model	Internal
Buy/sell spreads	0.12%/0.12%
Net transaction costs	0.48
Product type	Registered Managed Investment Scheme (Unitised)
Unlisted asset valuation frequency	N/A
Valuation externally audited	N/A

What is the Product Structure?

The Fund is an Australian registered managed investment scheme. The Fund invests the majority of its assets in pooled fund investments managed by BIMAL or other members of BlackRock Group. The Fund also invests in direct physical investments as well as exchange traded and over the counter derivatives.

Lonsec Opinion

Service Providers

BIMAL is the Responsible Entity ('RE'). The RE is responsible for operating and managing the MIS, holds an ASFL and as such is required to comply with its AFSL and RE obligations as outlined under the Corporations Act. While the use of external RE's is the preferred operating model, the RE has built experience in operating and managing a number of schemes over an extended period of time and is expected to have a structured governance framework in place.

Operational 'Red Flags'

The Fund is a diversified strategy investing across a range of relatively liquid securities within growth and defensive asset classes. It is not considered it to be operationally challenging to implement or at risk of potential liquidity mismatches between the Fund and its underlying strategies.

Wind-up Risks

Due to the size of the Fund, and the commitment of the Manager, the wind-up risk is low.

Fees

Annual Fees and Costs (% p.a.)

Management fees & costs	0.90
Performance fee costs	0.00
Net Transaction Costs	0.48
Buy/Sell Spread	0.12/0.12
Annual fees and costs	1.38

Source: FE fundinfo

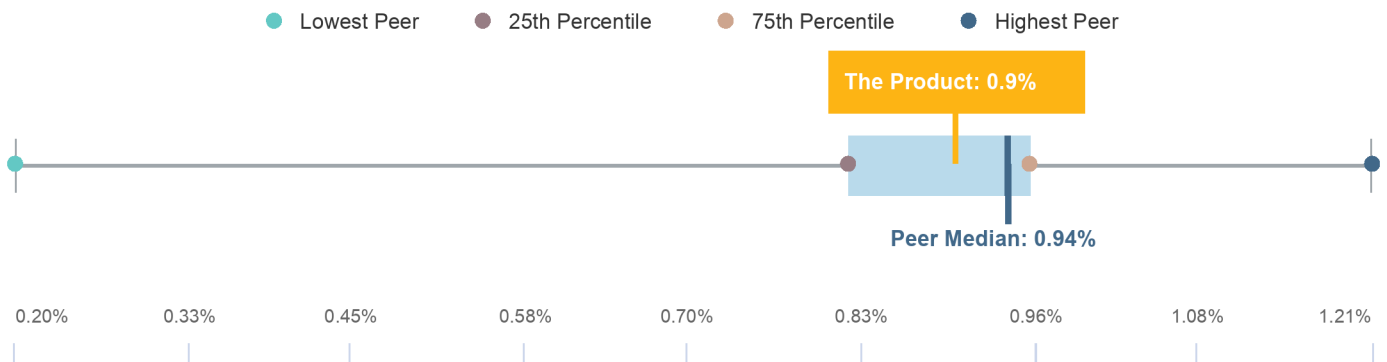
Performance Fees

Applicable	No
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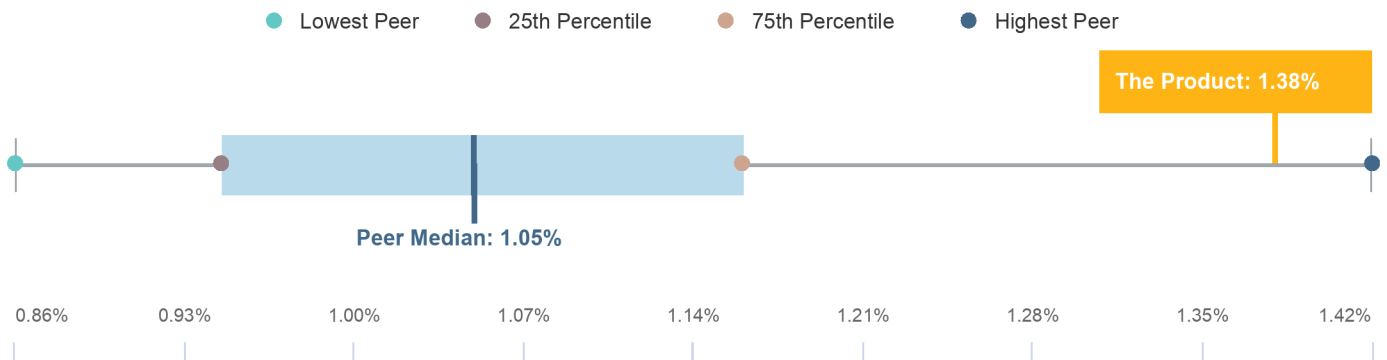
Fees Explained

As of 31 July 2023, the Fund's disclosed Annual Fees and Costs ('AFC') was 1.38% p.a. This value comprises (1) Management Fees and Costs of 0.90% p.a., and (2) Net Transaction Costs of 0.48% p.a. The Manager does not charge performance fees on this Fund. The Fund charges buy/sell spreads set at 0.12%/0.12%.

Management Fees and Costs Peer Comparison (31/07/2023)



Annual Fees and Costs Peer Comparison (31/07/2023)



Lonsec Opinion

Annual Fees and Costs

The total fee load for the Fund, as measured by the disclosed AFC, is considered moderately high in comparison to its '61-80% Growth Assets Multi-Asset Diversified' Lonsec peer group.

Fairness

The Fund's AFC is considered to be fair given its diversified risk profile focus.

Performance data is as at 31 October 2023

Performance

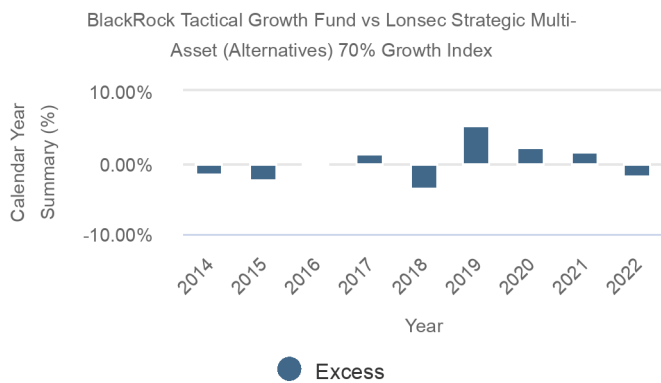
Performance Summary

PDS return objective	To outperform peer performance consistent with a 'growth' orientated investment strategy and to outperform its benchmark indices over a five-year rolling period, before fees.
Internal return objective	Excess return over benchmark gross of fees over rolling five-year periods.
Internal risk objective	Tracking error target range of 2-4% p.a.
Product benchmark	Lonsec Strategic Multi-Asset (Alternatives) 70% Growth Index
Lonsec peer group	Diversified

Alpha Generation

The Fund's reference Benchmark is a composite reflecting the SAA of the Fund. The Fund has a track record of achieving its investment objectives over an investment cycle. With respect to absolute and relative returns, the Fund is above the peer median over the medium term.

Calendar Year Excess Return



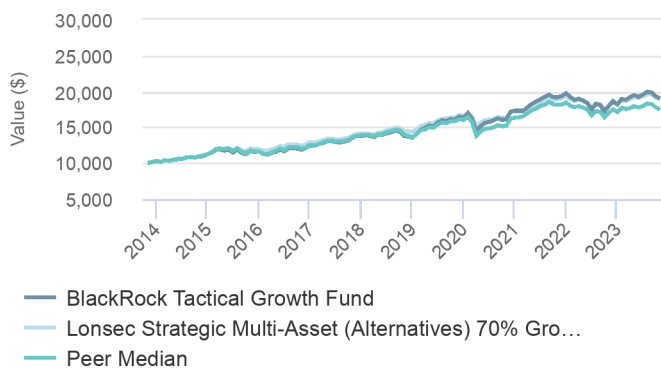
3 Year Risk and Return



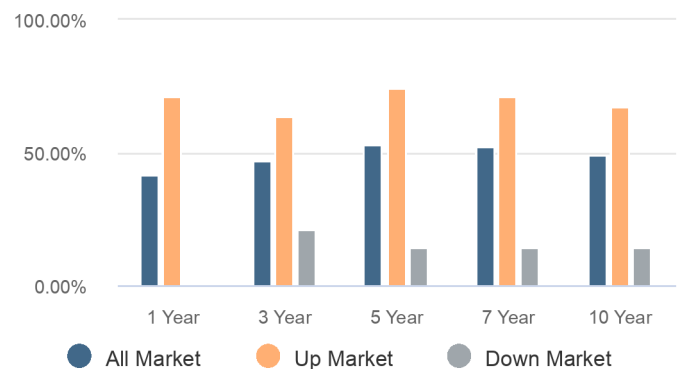
Alpha Consistency

The Fund's performance has been consistent with respect to rolling returns and achieving its return objective.

Growth of \$10,000 Over 10 Years



Returns Consistency



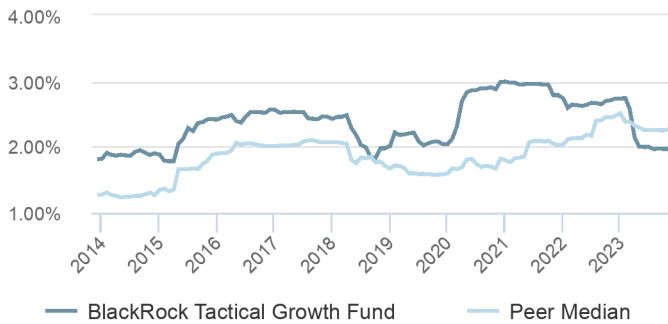
Performance data is as at 31 October 2023

Performance (continued)

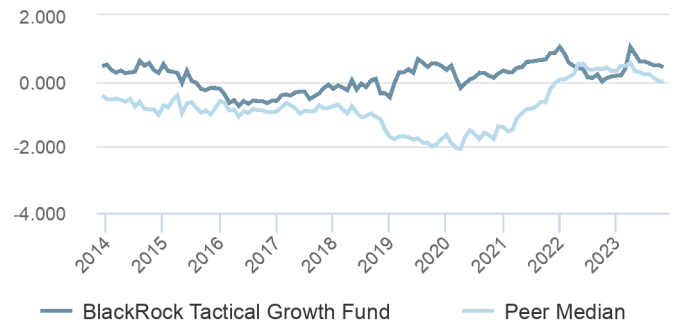
Benchmark Relativity

Over the medium term to October 2023, the Fund's tracking error is broadly in line with the peer median, and its information ratio is greater than the peer median. Over rolling medium-term periods, both measures tend to be above the peer median. The Fund demonstrates a good degree of activeness with respect to dynamic risk exposures.

3 Year Rolling Tracking Error Over 10 Years



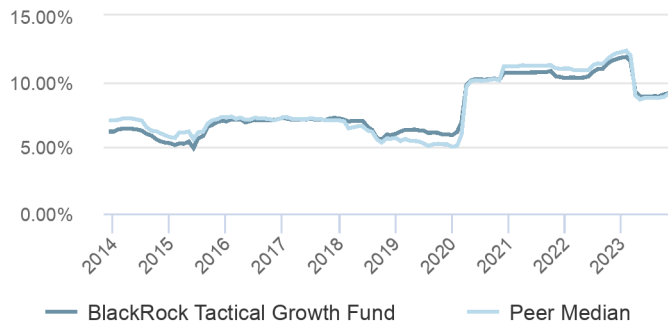
3 Year Rolling Information Ratio Over 10 Years



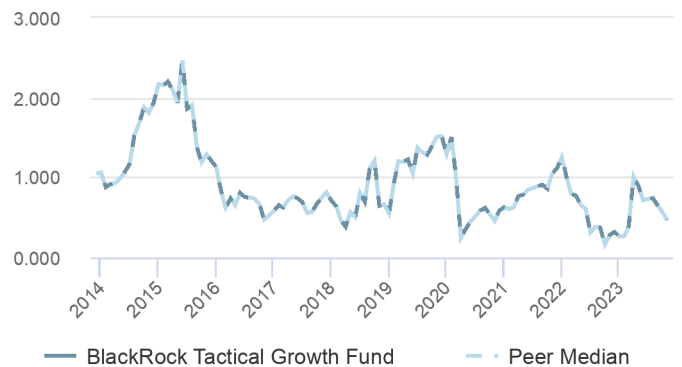
Return Volatility

The Fund's volatility is in line with the peer median and has broadly been below the internal risk targets. The Fund's Sharpe ratio tends to be in line with the peer median over rolling three-year periods, although is greater than the peer median over five-years to October 2023.

3 Year Rolling Standard Deviation Over 10 Years



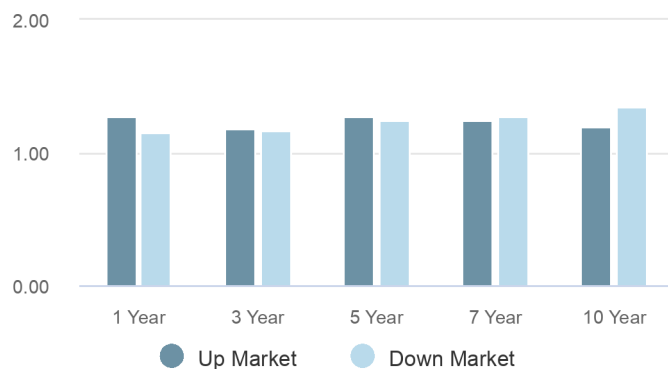
3 Year Rolling Sharpe Over 10 Years



Product Defensiveness

The Fund's worst drawdown over the medium term has broadly been in line with the peer median.

Market Capture Ratio



Drawdowns



Ratings

'**Highly Recommended**' rating indicates that Lonsec has very strong conviction the product can meet its investment objectives.

'**Recommended**' rating indicates that Lonsec has strong conviction the product can meet its investment objectives.

'**Investment Grade**' rating indicates that Lonsec has conviction the product can meet its investment objectives.

'**Approved**' rating indicates that Lonsec believes the product can meet its investment objectives.

'**Not -Approved**' rating indicates that Lonsec does not believe the product can meet its investment objectives.

'**Closed / Wind Up**' status is applied when the product has been closed.

'**Fund Watch**' status is applied when a rating is under review due to the occurrence of a significant event relating to the product.

The '**Redeem**' rating indicates Lonsec no longer has sufficient conviction that the product can meet its investment objectives.

The '**Screened Out**' rating indicates Lonsec was unable to attain sufficient conviction that the product can meet its investment objectives.

'**Discontinued Review**' status is applied where a product issuer withdraws the product from the review process prior to completion, for any reason other than the product being closed or unavailable to investors.

The '**Ceased Coverage**' status is applied when a rated product is withdrawn from the research process by the product issuer.

General

Climate Change / Biodiversity: the extent to which a manager has a leading climate and biodiversity policies.

ESG and Stewardship Reporting: the transparency, accessibility and usefulness of a manager's reporting.

ESG Policy: the strength of commitment to ESG as ascertained by a review of a manager's ESG policies.

Excess return: Return in excess of the benchmark return.

Information ratio: Relative reward for relative risk taken (Excess Returns / Tracking Error).

Key decision maker (KDM): A nominated investment professional who has portfolio decision making discretion for a Fund, e.g. 'buy' or 'sell' decisions.

Market capture ratio: A product's performance during either 'up' or 'down' market trends relative to an index.

Policy Availability / Transparency: the ease of public access to, and transparency of, a manager's overall ESG policy suite.

Public Positioning: the resolve of a manager's commitment to ESG as ascertained by their public positioning.

Returns consistency: The proportion of a product's monthly outperformance during a period relative to the benchmark when it was rising, falling and in aggregate.

Sharpe ratio: Excess return earned for additional volatility experienced when holding riskier assets versus risk-free asset.

Standard deviation: Volatility of monthly Absolute Returns.

Stewardship Policies: the strength of a manager's proxy voting and engagement policies with respect to ESG.

Time to recovery: The number of months taken to recover the Worst Drawdown.

Total return: 'Top line' actual return, after fees.

Tracking error: Volatility of monthly Excess Returns against the benchmark (the Standard Deviation of monthly Excess Returns).

Worst drawdown: The worst cumulative loss ('peak to trough') experienced over the period assessed.

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Disclosures (continued)

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Lonsec Research FSG Financial Services Guide Lonsec Research 9 June 2023

This Financial Services Guide (FSG) has been prepared and issued by Lonsec Research Pty Ltd ABN 11 151 658 561 (Lonsec Research, we, us, our), holder of Australian Financial Services Licence (AFSL) No. 421445, to assist you in determining whether to use our financial services and products. This is an important document, and you should read it carefully. The contents of this FSG are general information only and does not take into account your personal needs or objectives. Lonsec Research provides no warranty as to the suitability of the services of this FSG for any particular person.

1.1 What is a Financial Services Guide?

This FSG's purpose is to provide you with important information regarding services offered by Lonsec Research. You should read this FSG prior to using our services. This document was prepared to inform you about:

- who we are and our contact details;
- the financial services we provide;
- the remuneration that may be paid to us and other persons in relation to the financial services we provide;
- how we deal with conflicts of interest; and
- how we deal with complaints

1.2 About Lonsec Research and its related parties

Lonsec Research provides in-depth, investigative investment research across a broad range of listed and unlisted investments. Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings). Other subsidiaries of Lonsec Holdings include SuperRatings Pty Ltd (ABN 95 100 192 283), Implemented Portfolios Pty Limited (ABN 36 141 881 147) and Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583).

All employees of the Lonsec group entities, including Lonsec Research, are employed by Lonsec Fiscal Pty Ltd (ABN 94 151 658 534).

Contact Details

Lonsec Research Pty Ltd
Level 39, 25 Martin Place
Sydney NSW 2000
Tel: 1300 826 395
Email: info@lonsec.com.au
www.lonsec.com.au

1.3 What kind of financial services can Lonsec Research provide?

Lonsec Research is authorised under its Australian Financial Services Licence to provide general financial product advice to retail and wholesale clients on the following types of financial products:

- securities
- deposit and payment products limited to basic product products
- derivatives
- interests in managed investment schemes including investor directed portfolio services
- superannuation
- retirement savings accounts
- foreign exchange products
- life products including:
- investment life insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds; and
- life risk insurance products as well as any products issued by a Registered Life Insurance Company that are backed by one or more of its statutory funds;

Lonsec Research is also authorised to deal in a financial product by arranging for another person to apply for, acquire, vary, or dispose the above types of products for or by retail and wholesale clients.

1.4 Provision of general advice

Any advice that Lonsec Research provides is of a general nature and does not take into account your personal financial situation, objectives or needs. You should, before acting on the information, consider its appropriateness having regard to your own financial objectives, situation and needs and if appropriate, obtain personal financial advice on the matter from a financial adviser. Before making a decision regarding any financial product, you should obtain and consider a copy of the relevant Product Disclosure Statement or offer document from the financial product issuer.

1.5 How Lonsec Research is paid

Lonsec Research receives fees from Fund Managers and/or financial product issuers for researching their financial product(s) using comprehensive and objective criteria. Lonsec receives subscriptions fees for providing research content to subscribers including financial advisers, fund managers and financial product issuers. Lonsec Research's fees are not linked to the financial rating outcome of a particular financial product.

Lonsec Research FSG (continued)

Lonsec Research fees are determined by private agreement with its clients depending on a number of criteria including the number of financial advisors who access Lonsec Research publications, the range of publications accessed and the complexity of a specific research assignment. Due to the specific nature of its charges, disclosure of Lonsec Research fees may not be ascertainable when you receive this FSG, but you are able to request this information in writing before a financial service is provided to you. The fees received by Lonsec Research do not have an effect on the inclusion (or otherwise) of a financial product in portfolios managed by Lonsec Investment Solutions; or in approved product lists as a result of Lonsec Investment Solutions consulting activities. We do not have any direct employees as all employees are contracted, for employment purposes, with Lonsec Fiscal, a subsidiary of Lonsec Holdings. All employees of Lonsec are paid a salary and may receive a discretionary bonus which is not guaranteed. Sales employees may have a sales commission plan, relevant for sales to Wholesale clients, as offered by Lonsec Research from time to time at its discretion.

1.6 How do we manage our compensation arrangements?

Lonsec Research has Professional Indemnity insurance arrangements in place to compensate clients for loss or damage because of breaches of any relevant legislative obligations by Lonsec Research or its representatives which satisfy section 912B of the Corporations Act 2001.

1.7 What should you do if you have a complaint?

Lonsec Research's internal complaints handling process is designed to ensure that your concerns are treated seriously, addressed promptly and fairly. A complaint may be lodged either verbally or in writing and will be dealt with in strict confidence. If you have a complaint relating to Lonsec Research's products, services, its employees, the complaint should be addressed to:

Complaints Manager

Level 39, 25 Martin Place
Sydney NSW 2000

Tel: 1300 826 395

Email: complaints@lonsec.com.au

An individual may request further information about Lonsec Research's internal complaints handling procedure at any time. If an individual is not satisfied with the outcome of their complaint or has not received a response within 30 days from Lonsec Research, the individual can complain to the Australian Financial Complaints Authority (AFCA). AFCA provides an independent dispute resolution service and can be contacted on:

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail:

Australian Financial Complaints Authority
GPO Box 3
Melbourne, Victoria, 3001.

1.8 Conflicts of Interest

Lonsec Research is aware of the inherent potential conflicts of interest associated with the provision of ratings and how we are remunerated for our services.

There are a comprehensive set of policies, and procedures in place at Lonsec Holdings that apply to its subsidiaries including Lonsec Research. Information barriers (both permanent and temporary) consistent with our regulatory obligations under Regulatory Guide 79 are in place to manage either perceived or actual conflicts of interest. Employees of Lonsec also have to abide by Personal Trading and Gifts and Entertainment requirements and are trained on these requirements from time to time.

Generation Development Group Limited (ACN 087 334 370), a shareholder of Lonsec Holdings, is the parent company of Generation Life Ltd who issue a series of products rated by Lonsec Research. Lonsec Research manages this potential conflict by disclosing to investors accessing our research of Generation Life related products, and implementing our comprehensive ratings process, information barriers and monitoring program. For more information refer to Lonsec Research Ratings Methodology available on our platform iRate or by contacting us on 1300 826 395.

Lonsec Holdings has appointed Australian Retirement Trust Pty Ltd ABN 88 010 720 840, AFSL 228975 as the provider of default superannuation services to its Group employees. Lonsec Holdings appointment of Australian Retirement Trust is not an endorsement of, or opinion on, the Fund.

Australian Retirement Trust is a subscriber to our services and pays a fee to us for this subscription service. Australian Retirement Trust rating and report is issued by an analyst who is aware of Australian Retirement Trust's appointment as default superannuation fund provider but who does not have a personal investment in the fund.

This FSG was prepared on 9 June 2023.