

**HUB<sup>24</sup>**

**HUB24 MANAGED PORTFOLIO SERVICE  
PRODUCT DISCLOSURE STATEMENT**

**Part 2 – Managed Portfolios Booklet  
Delta Research & Advisory Pty Ltd**

**17 October 2024**

[HUB24.COM.AU](https://HUB24.COM.AU)

Issued by: Ironbark Asset Management (Fund Services) Limited  
ABN 63 116 232 154 | AFSL 298626

## About the Product Disclosure Statement ('PDS')

Ironbark Asset Management (Fund Services) Limited ABN 63 116 232 154 AFSL 298626 ('Ironbark', 'Responsible Entity', 'we', 'us', or 'our') is the issuer of this PDS and is the responsible entity of the HUB24 Managed Portfolio Service ARSN 645 033 941 ('HUB24 Managed Portfolio Service', 'Scheme'). The HUB24 Managed Portfolio Service is a non-unitised registered managed investment scheme.

### The PDS is comprised of two parts:

- Part 1 - General Information. Please read Part 1 of the PDS for an overview of HUB24 Managed Portfolio Service and how it works.
- Part 2 - Managed Portfolios Booklet ('Managed Portfolios Booklet', 'this document'). There is a different Part 2 of the PDS for each Portfolio Manager and the Managed Portfolio options that are designed by them. It is important you obtain a copy of, and read, each applicable Part 2 of the PDS relating to the Managed Portfolio options that you are considering investing in before you do so. It is also important that you obtain a copy of, and read, Part 1 of this PDS.

This Part 2 relates to the Managed Portfolio options designed by Delta Research & Advisory Pty Ltd ABN 43 155 969 163 AFSL 420093 ('Delta', 'Portfolio Manager') and offered through the HUB24 Managed Portfolio Service.

The information in this Part 2 PDS, is set out as follows:

- Section 1: About the Portfolio Manager
- Section 2: Fees and Other Costs
- Section 3: Managed Portfolio Options' Profiles

The Managed Portfolio options that you may be able to access can be different depending on the Platform Product through which you invest. The Managed Portfolio options that you may access are listed in the Investment Booklet for your relevant Platform Product.

You can obtain a copy of the relevant Platform Product disclosure documents including the Investment Booklet of the relevant Platform Product, Part 1 of the HUB24 Managed Portfolio Service PDS and any applicable Part 2 of the HUB24 Managed Portfolio Service PDS from your financial adviser or by logging into your Platform Account at [www.hub24.com.au](http://www.hub24.com.au).

Some of the terms or words used in this document have specific meanings. These terms and words are explained in Section 12 at the end of Part 1 of the PDS.

If you have any questions or would like any more information about the HUB24 Managed Portfolio Service, please contact:

**T:** 1300 854 994

**P:** GPO Box 529, Sydney NSW 2001

**E:** [admin@hub24.com.au](mailto:admin@hub24.com.au)

**F:** 1300 781 689

**Product website:** [hub24.com.au/product/managed-portfolios/](http://hub24.com.au/product/managed-portfolios/)

## Target Market Determination

A target market determination (TMD) has been issued by us which considers the design of this product, including its key attributes, and describes the class of consumers that comprises the target market for this product. A copy of the TMD for this product can be obtained from your financial adviser, our website at <https://www.hub24.com.au/product-documents/hub24-product-disclosure-statement-for-managed-portfolio-service/> or by logging into your Platform Account at [www.hub24.com.au](http://www.hub24.com.au).

## Updated information

The information in this PDS is up to date at the date of publication. However, we may make changes from time to time in response to regulatory requirements or changes, to reflect changes in the Scheme, to ensure that the information included in the PDS remains accurate and up to date or otherwise in accordance with our legitimate business interests, acting appropriately. If a change occurs that is not materially adverse, we may update the PDS by publishing the updated information on the product website shown on the front cover of this document. Otherwise, we will issue a supplementary PDS or a revised PDS or part of the PDS. You may obtain a paper copy or electronic copy of any updated information, the PDS, the supplementary PDS, the revised PDS or the revised part of the PDS from us, free of charge, on request by calling your financial adviser or by logging into your Platform Account at [www.hub24.com.au](http://www.hub24.com.au).

## General advice warning

The information contained in the PDS is general information only and does not take into account your personal objectives, financial situation, needs or circumstances. Before acting on this information, you should consider its appropriateness, having regard to your personal objectives, financial situation, needs and circumstances. Before you make any decision about whether to acquire or continue to hold an interest in the HUB24 Managed Portfolio Service, or a Managed Portfolio option, you should consider the PDS and it is recommended you obtain professional financial advice tailored to your personal circumstances, from your financial adviser.

## Consent to be named

Delta has provided and not withdrawn its consent to be named and to the inclusion of the information referable to it and the Managed Portfolio options in the form and context in which it is named and in which that information appears in this document. Delta has not authorised or caused the issue of, and takes no responsibility for the PDS, other than the inclusion of its name and the information about it and the Managed Portfolio options referred to in this Managed Portfolio Booklet.

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## 1. ABOUT THE PORTFOLIO MANAGER

<b>About the Portfolio Manager</b>	<p>Delta Research &amp; Advisory Pty Ltd (Delta) is a quantitative investment firm specialising in providing investment research and asset consulting services to dealer groups, financial planners, superannuation funds and other sophisticated investors.</p> <p>Services are centred around the investment committee function and include governance frameworks, asset allocation, investment selection and investment portfolio design.</p>
<b>Investment Philosophy and Process</b>	<p>Delta believes in the value of active management. However, they recognise that different asset classes have different levels of efficiency. Where higher expected inefficiency exists and appropriate active management is available, their investment style focuses on consistency of performance and appropriate risks by such managers. That is, Delta favours investment managers who are likely to add value for clients through a full market cycle by exploiting market efficiencies from time to time. While the magnitude of excess returns has to be sufficient to justify the fees charged, the objective is to find managers who are likely to produce risk-adjusted excess returns and not excess returns because they have accepted greater risk.</p> <p>The Delta investment approach is to use rigorous quantitative analysis combined with qualitative decision-making based on the team's years of experience as investment researchers and managers. Delta pride themselves on acting in the best interest of their clients, but also internal research, internal systems, and independent thinking to produce investment insights which add value for their clients.</p> <p>The formulation of the asset allocation for the portfolios is provided by the portfolio Investment Committee with recommendations for discussion and approval provided by Delta. The Investment Committee largely anchors investment sectors to the portfolio SAA but will implement asset class tilts where they believe these will add value over time, either by enhancing returns or mitigating risks.</p> <p>Manager selection and manager configuration is an ongoing process of review and adjustment due to the dynamic nature of the portfolios.</p>

## 2. FEES AND OTHER COSTS

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment, or from the assets of the managed investment scheme as a whole.

Taxes are set out in Section 8 of Part 1 of the PDS.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs for the particular Managed Portfolio options described in this document are set out on page 11.

The Managed Portfolio options available through the HUB24 Managed Portfolio Service are only available through a Platform Product. Fees and other costs other than those described in this document are also charged in respect of the relevant Platform Product and are typically paid out of your Platform Cash Account. These fees and costs are in addition to the fees and costs that are payable in respect of the Managed Portfolio options available through the Scheme. For information about the fees and other costs you may be charged in respect of investing through the relevant Platform Product and your Platform Account, please refer to the disclosure documents for that Platform Product and speak to your financial adviser.

## FEES AND COSTS SUMMARY

HUB24 Managed Portfolio Service		
Type of fee or cost <sup>1,2</sup>	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs<sup>6</sup></b> The fees and costs for managing your investment	<b>Investment management fee<sup>3</sup></b> Each Managed Portfolio option has an investment management fee of 0.1138% p.a. of the value invested in each relevant Managed Portfolio option.	Calculated daily as a percentage of the value of your investment in each relevant Managed Portfolio option in which you are invested and deducted from your Platform Cash Account monthly in arrears.
	<b>Underlying investment management fees and costs<sup>4</sup></b> Each Managed Portfolio option has underlying investment management fees and costs ranging between 0.4323% p.a. to 0.6032% p.a. of the value invested in each relevant Managed Portfolio option.	Underlying investment management fees and costs in relation to your Portfolio or Sub-Portfolio may be payable with respect to underlying managed funds and exchange traded funds and will generally be paid from the assets of those underlying funds and reflected in the unit prices of those underlying managed funds or the closing market prices of the underlying exchange traded funds. Timing of payments may vary depending on the underlying investment.  Where a Sub-Portfolio is used, the investment management fee payable in relation to that Sub-Portfolio is calculated daily and deducted from your Platform Cash Account monthly in arrears.
	<b>Cash management fee<sup>4</sup></b> Each Managed Portfolio option has a cash management fee of up to 1.75% p.a. of the Cash Allocation.	HUB24 is paid a management fee in respect of its management of the Cash Allocation for each Managed Portfolio option in which you are invested. The cash management fee is calculated daily on the Cash Allocation. It is payable monthly in arrears and deducted from the interest received in relation to the cash held in the Cash Allocation held within the relevant Managed Portfolio, before any interest is credited to the Cash Allocation within your Managed Portfolio.

## HUB24 Managed Portfolio Service

Type of fee or cost <sup>1,2</sup>	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Performance fees<sup>6</sup></b> Amounts deducted from your investment in relation to the performance of the product.	<b>Underlying performance-related fees<sup>5</sup></b> Each Managed Portfolio option described in this document has underlying performance-related fees ranging between 0.0037% p.a. to 0.0445% p.a. of the value invested in each relevant Managed Portfolio option.	Underlying performance-related fees in relation to your Portfolio or Sub-portfolios, may be payable with respect to underlying managed funds and exchange traded funds. Performance-related fees for underlying managed funds or exchange traded funds held in your Portfolio or Sub-Portfolio will generally be paid from the assets of those underlying managed funds and reflected in the unit prices of those underlying managed funds or the closing market prices of the underlying exchange traded funds.
<b>Transaction costs<sup>6</sup></b> The costs incurred by the scheme when buying or selling assets.	<b>Transactional and operational costs</b> Each Managed Portfolio option has transactional and operational costs, ranging between 0.0385% p.a. to 0.0517% p.a. of the value invested in each relevant Managed Portfolio option.	Your Portfolios may incur transactional and operational costs such as brokerage, settlement costs and clearing costs, which are deducted from either your Platform Cash Account or the Cash Allocation of your Portfolio(s). Additionally, for underlying managed funds, a buy/sell spread may be included in the unit price of the underlying fund. The buy/sell spread is determined by the issuer of the underlying fund and is not paid to us or to HUB24. Transactional and operational costs are recovered as they are incurred.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)<sup>7</sup></b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Buy-sell spread</b> An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Exit fee</b> The fee to close your investment	Nil	Not applicable
<b>Switching fee</b> The fee for changing investment options	Nil	Not applicable

<sup>1</sup> Unless otherwise stated, all fees in this Managed Portfolios Booklet are quoted on a GST inclusive basis and are net of any reduced input tax credits (RITCs).

<sup>2</sup> Adviser fees may also apply. The types of fees that your adviser may charge are outlined in the Fees and Other Costs section of the disclosure documents for your relevant Platform Product. Please refer to those documents and contact your financial adviser for information about any adviser fees that may apply.

<sup>3</sup> The Portfolio Manager of a particular Managed Portfolio option may have an allocation to another Managed Portfolio option (referred to as a 'Sub-portfolio'). If the Portfolio Manager (or a related body corporate) is also the Portfolio Manager of any such Sub-portfolio, they may also receive investment management fees and investment performance fees in connection with the Sub-portfolio. See 'Additional explanation of fees and costs' in this section for more information.

<sup>4</sup> See "Underlying investment management fees and costs" and "Cash management fee" (as applicable) in 'Additional explanation of fees and costs' in this section for more information.

<sup>5</sup> See "Underlying performance-related fees" in 'Additional explanation of fees and costs' in this section for more information.

<sup>6</sup> The amounts of investment management fees, underlying investment management fees and costs, performance fees and transaction costs applicable in respect of each specific Managed Portfolio option are shown in 'Managed Portfolio Options' Fees and Costs' in this section.

<sup>7</sup> Other service fees apply, such as special request fees. Refer to 'Additional explanation of fees and costs' in this document for further information.

### Example of annual fees and costs for a balanced investment option or other investment option

This table gives an example of how the ongoing annual fees and costs for the MCS High Growth Portfolio can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE - MCS High Growth Portfolio		BALANCE OF \$50,000 <sup>1</sup> WITH A CONTRIBUTION OF \$5,000 <sup>1</sup> DURING YEAR
Contribution fees	Nil	For every additional \$5,000 you put in you will be charged \$0.
<b>PLUS</b> Management fees and costs	0.7170% p.a. <sup>2,3</sup>	<b>And</b> , for every \$50,000 you have in MCS High Growth Portfolio you will be charged or have deducted from your investment \$358.50 each year.
<b>PLUS</b> Performance fees	0.0037% p.a. <sup>2,4</sup>	<b>And</b> , you will be charged or have deducted from your investment \$1.85 in performance fees each year.
<b>PLUS</b> Transaction costs	0.0517% p.a. <sup>2</sup>	<b>And</b> , you will be charged or have deducted from your investment \$25.87 in transaction costs.
<b>EQUALS</b> Cost of MCS High Growth Portfolio		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of \$386.22 <sup>5</sup> . <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

<sup>1</sup> This amount is prescribed by legislation for use in this example. The example above assumes that the \$50,000 is invested for the entire year, the value of the investment is constant over the year and that the additional \$5,000 is invested at the end of the year. Therefore, fees and costs in the example above are calculated using the \$50,000 balance only.

<sup>2</sup> See 'Additional explanation of fees and cost' section for more information.

<sup>3</sup> This consists of:

- the investment management fee of 0.1138% p.a. of the value invested in the MCS High Growth Portfolio;
- the underlying investment management fees and costs of 0.6032% p.a. of the value invested in the MCS High Growth Portfolio;
- the cash management fee of up to 1.75% p.a. of the Cash Allocation.

<sup>4</sup> This includes any applicable investment performance fee and underlying performance-related fees and costs and is expressed as a percentage of the value invested in MCS High Growth Portfolio. Performance is not guaranteed, past performance is no indication of future performance and the actual performance fee in any period may be higher or lower. See 'Additional Explanation of fees and costs' for more information.

<sup>5</sup> Additional fees and costs may apply. This example does not take into account all the fees and costs that may be relevant to the Managed Portfolio options. Please refer to the 'Additional explanation of fees and costs' in this section for an explanation of all additional fees and costs that may apply to you if you invest in the Managed Portfolio options.

Note that this is just an example. In practice, your investment balance will vary, as will the related fees and costs.

ASIC provides a fees calculator on its 'MoneySmart' website that you could use to calculate the effects of fees and costs on your investment in the Managed Portfolio option.

**Warning:** Additional fees may be paid to a financial adviser if a financial adviser is consulted, refer to the Statement of Advice provided by the financial adviser in which details of the fees are set out.

## Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1-year period for all investment options. It is calculated in the manner shown in the Example of annual fees and costs above.

The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. (Additional fees such as an establishment fee or an exit fee may apply. Refer to the Fees and costs summary for the relevant option.)

You should use this figure to help compare this product with other products offered by managed investment schemes.

Managed Portfolio option	Cost of product
MCS Conservative Portfolio	\$315
MCS High Growth Portfolio	\$386

## ADDITIONAL EXPLANATION OF FEES AND COSTS

The fees and costs stated in this Managed Portfolios Booklet are current as at the date of this document.

Note that fees and costs in addition to those outlined in this document apply in connection with the Platform Products through which you invest in the HUB24 Managed Portfolio Service. These will generally be paid from your Platform Cash Account. For information about the fees and other costs payable in respect of the applicable Platform Product and your Platform Account, please refer to the relevant disclosure documents for your Platform Product and speak to your financial adviser.

### Management fees and costs

Management fees and costs reduce the returns of, or the value of the assets in your Platform Cash Account and any Managed Portfolio option in which you invest.

The management fees and costs are comprised of an investment management fee, underlying investment management fees and costs and a cash management fee. Management fees and costs do not include performance fees, activity fees (see 'Activity fees' below), or any other costs that you would incur if you invested directly in the assets comprising the Managed Portfolio option, or incidental fees.

Additional information about management fees and costs is set out below.

#### Investment management fee

An investment management fee may be charged in relation to each Managed Portfolio option in which you invest.

The investment management fee is a percentage-based fee paid to the Portfolio Manager for designing and advising on the composition of the Managed Portfolio options.

The investment management fee cannot be negotiated.

### **Underlying investment management fees and costs**

The underlying investment management fees and costs for the Managed Portfolio options range between 0.4323% p.a. to 0.6032% p.a. of the value invested in each relevant Managed Portfolio option. For every \$50,000 you have invested in a Managed Portfolio option, this equates to between \$216.15 p.a. to \$301.60 p.a. in underlying investment management fees and costs each year.

The underlying investment management fees and costs are based on the weighted average of the fees and costs of the underlying investments which make up a Managed Portfolio option for the 12 months to 30 June 2023 unless the Managed Portfolio option's commencement date is after 1 July 2022.

For a Managed Portfolio option that commenced between 2 July 2022 to 31 July 2022, the underlying investment management fees and costs are based on the weighted average of the fees and costs of the underlying investments which make up the Managed Portfolio option from the option's commencement date to 30 June 2023, adjusted to reflect a 12 month period.

For a Managed Portfolio option that commenced between 1 August 2022 and 30 June 2023, the underlying investment management fees and costs are a reasonable estimate of the underlying investment management fees and costs for the 12 months to 30 June 2024.

For a Managed Portfolio option that commenced on or after 1 July 2023, the underlying investment management fees and costs are a reasonable estimate of the underlying investment management fees and costs for that part of the 2023-24 financial year up to the issue date of this Managed Portfolios Booklet, adjusted to reflect a 12 month period.

The portfolio commencement date for each Managed Portfolio option is shown in the relevant Managed Portfolio option's profile in Section 3 of this document.

The underlying investment management fees and costs may vary from year to year and, as a result, actual underlying investment management fees and costs for any year may be above or below the amounts disclosed in this document.

Underlying investment management fees and costs predominantly include the investment management fees and costs of Sub-portfolios, managed funds or exchange traded funds which are included in a Managed Portfolio option. These investments will typically have their own investment management fees and costs. For managed funds and exchange traded funds held through Managed Portfolio options, these fees and costs are deducted from within the underlying funds and the impact of this is reflected in the unit prices of the managed funds or in the closing market prices of the exchange traded funds. The timing of any such payment will vary between the underlying managed funds or exchange traded funds. They are not directly charged to your Portfolios. For Sub-portfolios, any applicable underlying investment management fees and costs will be deducted from your Platform Cash Account monthly in arrears.

### **Cash management fee**

The cash management fee is up to 1.75% p.a. and applies to any Cash Allocation within a Managed Portfolio option. The cash management fee is equal to the amount of interest received from the Australian banks or other authorised deposit-taking institutions (ADIs) in which those moneys are held, less the amount of interest we aim to credit to your Cash Allocation calculated using the target interest rate.

The target interest rate varies from time to time and is determined based on a number of factors, which may include the cash rate set by the Reserve Bank of Australia and the rates of interest paid by each ADIs (which may be different). The target interest rate is calculated daily and reviewed periodically from time to time.

The cash management fee may vary from time to time, up to an amount of 1.75% p.a. of any Cash Allocation within your Managed Portfolio(s).

More information (including the latest target rate of interest) can be found on InvestorHUB (for cash in Australian dollars), by contacting HUB24 on 1300 854 994 or by contacting your financial adviser.

### **Performance fees**

Performance fees reduce the returns of, or the value of, the assets in your Platform Cash Account and any Managed Portfolio option in which you invest.

The performance fees are comprised of underlying performance-related fees.

Additional information about performance fees are set out below.

### **Underlying performance-related fees**

Where a Managed Portfolio option invests in a Sub-portfolio an underlying managed fund or an exchange traded fund, the investment manager of the fund or the Sub-portfolio may charge a performance-related fee.

The methodology for calculating these performance-related fees, including any pre-conditions to payment, can vary. Generally though performance-related fees are calculated as a percentage (typically between 15% - 30%) of the out-performance of the relevant fund or Sub-portfolio in relation to a specific benchmark or other performance hurdle. The performance of a Sub-portfolio an underlying managed fund or exchange traded fund will vary over time and a performance-related fee may not always be payable. Typically, any prior underperformance would be required to be made good before underlying performance-related fees are charged.

The underlying performance-related fees disclosed in this section are calculated using the average performance of the relevant fund or Sub-portfolio over the previous five financial years. Where the relevant fund or Sub-portfolio was not operating for the previous five financial years, the underlying performance-related fee is calculated by using the average performance over the number of financial years it has operated. Where the relevant fund or Sub-portfolio did not have a performance fee charging mechanism in each of the previous five financial years, the underlying performance-related fee is calculated by using the average performance over the number of financial years it had a performance fee charging mechanism in place. Where the relevant fund or Sub-portfolio was first offered during the current financial year in which this Managed Portfolios Booklet is issued, the underlying performance-related fee is calculated using a reasonable estimate of the performance fee for the financial year, adjusted to reflect a 12 month period.

Performance-related fees in respect of underlying managed funds and exchange traded funds are not deducted from your Platform Cash Account but are generally reflected in the unit prices of the managed funds or in the closing market prices of the exchange traded funds and do affect the underlying fund's return and therefore its value in your Portfolio. Performance-related fees for Sub-portfolios are deducted from your Platform Cash Account monthly in arrears (or on a full withdrawal from the Sub-portfolio). Generally the better

the performance of an underlying investment with performance-related fees, the higher the performance-related fees and the greater the impact on your Portfolio.

### Transactional and operational costs

Your Portfolios may incur transactional and operational costs such as brokerage, settlement costs and clearing costs, which are deducted from either your Platform Cash Account or the Cash Allocation of your Portfolio(s). Additionally, for underlying managed funds a buy/sell spread is included in the unit price. The buy/sell spread is determined by the issuer of the underlying fund and is not paid to us or to HUB24. Transactional and operational costs are recovered as they are incurred. Transactional and operational costs are an additional cost to the investor.

The transactional and operational costs for the Managed Portfolio options range between 0.0385% to 0.0517% of the value invested in each relevant Managed Portfolio option (for every \$50,000 you have allocated to a Managed Portfolio option, you will pay transactional and operational costs of \$19.26 to \$25.87 (depending on the Managed Portfolio options you are invested in)).

The transactional and operational costs provided are based on the weighted average transactional and operational costs for the equivalent Managed Portfolio options available through the relevant Platform Product in the financial year ended 30 June 2023 unless the Commencement Date for the Managed Portfolio options is after 1 July 2022.

For a Managed Portfolio option that commenced between 2 July 2022 to 31 July 2022, the transactional and operational costs are based on the weighted average transactional and operational costs of the relevant Managed Portfolio option from the option's commencement date to 30 June 2023, adjusted to reflect a 12 month period.

For a Managed Portfolio option that commenced between 1 August 2022 and 30 June 2023, the transactional and operational costs are a reasonable estimate of the transactional and operational costs expected to be incurred for the Managed Portfolio option in the financial year ending 30 June 2024.

For a Managed Portfolio option that commenced on or after 1 July 2023, the transactional and operational costs are a reasonable estimate of the transactional and operational costs for that part of the 2023-24 financial year up to the issue date of this Managed Portfolios Booklet, adjusted to reflect a 12 month period.

The commencement date for each Managed Portfolio option is shown in section 3 of this document.

### Activity fees

A fee in relation to the buying and selling of underlying managed funds and listed securities in your Portfolios may be paid to HUB24. These fees are used to cover the costs of processing and settling the transactions, including any brokerage payable to the appointed broker. HUB24 retains any balance of the fees paid to it which are not used to pay an underlying service provider.

The table below illustrates the fees generally associated with buying or selling particular assets within a Managed Portfolio option. Your adviser or their licensee may have negotiated reductions to these fees.

Transaction method	Amount	How and when paid
Australian listed securities (standard trading service) <sup>1</sup>	0.11% of the trade value	Brokerage is deducted from the Cash Allocation within your Portfolios at the time of settlement as part of the total cost (for buy trades) or net proceeds (for sell trades) in addition to any other exchange costs.
Australian listed securities (bespoke trading service) <sup>2</sup>	Up to 0.33% if the trade value	
International listed securities	0.22% of the trade value	
Managed funds	0.11% of the trade value subject to a maximum of \$22 per trade.	Deducted from the Cash Allocation of your Portfolios at the time of settlement in addition to any other trade costs.

<sup>1</sup> Alternatively, Portfolio Managers may choose to trade Australian listed securities within a Managed Portfolio using a broker other than our default broker(s). This only applies where the Administrator has an arrangement in place with the Portfolio Manager and/or the broker. In this case, you or your adviser may agree on the applicable brokerage fee for transacting in Australian listed securities. If you utilise these separate trading services, the maximum fees in the table above may not apply. The Portfolio Manager and/or broker(s) will provide us with the applicable transaction brokerage to be applied to your account. For information on what additional transaction brokerage may apply, speak to your financial adviser.

<sup>2</sup> Portfolio Managers may choose to trade Australian listed securities within a Managed Portfolio outside our aggregated trading service, using HUB24 and/or our default brokers for such trading services (as agreed by the Administrator from time to time). This only applies where the Administrator has an arrangement in place with the Portfolio Manager and/or the broker. In this case, bespoke trading services will be provided and will incur a brokerage fee of up to 0.33% of the trade value. For information on what additional transaction brokerage may apply, speak to your financial adviser.

### Other fees and costs associated with transacting in international listed securities

In addition to any activity fees associated with buying or selling an international listed security, trading on certain international exchanges may incur additional fees and costs (for example local stamp duties, taxes, fees or commissions) which we will pass on to you, and which are deducted from your account, generally at the time of trade settlement.

The amounts set out in this 'Other fees and costs associated with transacting in international listed securities' sub-section are an additional cost to investors.

International listed security trades, income receipts, corporate actions or any other transactions that require a conversion from one currency to another may incur a foreign currency conversion fee. Currently this fee is nil.

### Additional information about transactional and operational costs

Transactional and operational costs may vary as the turnover in the underlying assets may change substantially as investment and market conditions change, which may affect the level of transactional and operational costs. Further, there are highly variable drivers upon which such transactional and operational costs are dependent.

Please refer to the information under the heading 'Managed Portfolio option's fees and costs' heading in this section of this Managed Portfolios Booklet for the transactional and operational costs of each Managed Portfolio option referred to in this Part 2 of the PDS.

## Other fees and costs

All other fees and costs (such as government fees, bank fees, fees for failed transactions and penalty interest) incurred as a result of a transaction, deposit or withdrawal, will be passed on to you and may be payable out of the Cash Allocation of the relevant Portfolios. These are incidental fees and costs that are not included in the management fees and costs, performance fees or transaction costs outlined above.

These other fees and costs are disclosed in the 'Fees and Other Costs' section of the disclosure documents for your relevant Platform Product.

## Expense recovery

Under the Scheme's Constitution, we may be reimbursed out of the assets of the Scheme for all expenses reasonably and properly incurred in the operation of the Scheme.

Such expenses include (but are not limited to):

- day to day expenses such as amounts payable to administrators, advisers, contractors, investment managers or portfolio managers;
- expenses incurred in the performance of our duties, including in connection with the establishment and conduct of any compliance committee, compliance with the law (including as a result of regulatory change) and administration of the Scheme;
- establishing and maintaining the register of investors
- expenses related to the convening and holding of an investors meeting and implementing any resolution of the meeting, expenses of any court proceedings involving the Scheme and termination of the Scheme.

The Constitution does not place any limit on the amount of the normal operating expenses that can be paid from the Scheme. At the date of this PDS, the Responsible Entity has elected not to charge an expense recovery to the Scheme.

## Scheme reserves and levy

The Responsible Entity may create reserves and hold Scheme property that is not Investor Property. These reserves may be used by the Responsible Entity for any means permitted under the Law. To fund these reserves, and to meet Scheme liabilities, the Responsible Entity may apply a levy on investors of up to 1% per annum of Scheme Property. At the date of this PDS, the Responsible Entity has elected not to apply a levy. Any reserves held on termination, including but not limited to any funded by levies, will be paid to HUB24 or its nominee on termination.

## Tax information

Please refer to the information in Section 8 of Part 1 of this PDS for information about tax.

## Fees payable to your adviser and your adviser's licensee

Fees may also be payable to your financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice and to any Fee Disclosure Statement provided by your financial adviser for details of these fees.

For information about the kinds of fees and how and when they may be paid please refer to the Fees and Other Costs section of the disclosure document for your applicable Platform Product.

## Your consent and authorisation when you invest in a managed portfolio

Where your adviser, their licensee or one of its related parties (referred to as 'related party') provides you with ongoing advice (or related services) in relation to your Portfolio, you may be

requested to provide your consent to the deduction and payment of fees relating to your Portfolio from your Platform Cash Account.

If your consent to these fees is required and you don't provide it (or you revoke it) then you may not be allowed to invest into your chosen Managed Portfolio option or you may be required to withdraw from your Portfolio.

You can provide your consent as part of your application into your Platform Product, via written instructions or online. Where you have provided your consent, the payment of remuneration by you to your adviser or a related party will continue until you direct us to cease paying it.

The applicable fees are disclosed in the 'Managed Portfolio options' fees and costs' below.

## Rebates

In some cases, underlying investment managers of managed funds and exchange traded funds held in a Managed Portfolio option may pay a rebate in respect of their fees. Your entitlement to the rebate will be based on your holdings of the applicable managed funds or exchange traded funds, within the rebate period.

Where you are entitled to any rebate this will be paid either:

- into the Cash Allocation of the relevant Portfolios should you still have an investment in the Managed Portfolio option; or
- your Platform Cash Account should you have withdrawn your investment in the relevant Managed Portfolio option.

Where you have closed your Platform Account prior to the processing of any rebate, you will not receive any rebate.

## Changes to fees, charges and maximum fee amounts

We have the right to introduce fees, change fees and to reimburse ourselves for expenses from your Portfolio(s), in accordance with our legitimate business interests, acting appropriately, however we will give you at least 30 days' notice prior to doing so. The Constitution for the Scheme provides that we are entitled to the following maximum fees (excluding GST):

- entry fee: for processing applications, being 5% of the value of the application monies;
- investment management fee: for managing the property, rights and income relating to the Investors' interest being 5% p.a. of the gross value of those assets;
- trustee fee: for the ongoing administration and operation of the Scheme, being 5% of the gross value of the assets of the Scheme;
- expense fee: in respect of expenses incurred by the Responsible Entity in managing Investor Property, being 1% p.a. of the gross value of those assets;
- in specie fee: for arranging in specie transfers of assets (to or from the Scheme), being 2% of the value of the assets transferred;
- performance fee: equal to 30% of the increase in the value of the relevant interest; and
- arranger fee: for arranging on-market transactions requested by an investor of 2% of the value of the transactions executed,

provided that where a fee is not, under the Corporations Act 2001 (Cth), able to be charged on the gross value of Scheme assets, for example, because the gross value includes borrowings, then such fee, if charged, will be levied on the net value of such Scheme assets.

### **Managed Portfolio service fees**

Where permitted by law, HUB24 may receive the following payments from the Portfolio Manager (and from other portfolio managers) whose Managed Portfolios are available through the Scheme and the relevant Platform Product:

- Service fees of up to \$10,000 p.a. per Managed Portfolio option, plus
- Up to 0.15% p.a. on the total amount of funds invested in the Managed Portfolios designed and advised on by each Portfolio Manager via the HUB24 Managed Portfolio Service.

The amount of these payments may increase from time to time and may be subject to indexation.

These service fees relate to the services that HUB24 provides to Portfolio Managers for the establishment, ongoing monitoring, management, and compliance of the Managed Portfolio options available through the Scheme.

These Managed Portfolio service fees are paid to HUB24 from the Portfolio Manager's own resources and are not an additional cost to you.

### **Responsible Entity's fee**

The Responsible Entity's fee is not deducted from your Cash Allocation, or Platform Cash Account. HUB24 pays the Responsible Entity its fee for acting as responsible entity of the HUB24 Managed Portfolio Service from its own resources. The Responsible Entity's fee is not an additional cost to you.

## MANAGED PORTFOLIO OPTIONS' FEES AND COSTS

The below table includes the investment management fee, underlying investment management fees and costs, underlying performance-related fees, and transactional and operational costs for each Managed Portfolio option. Please note this is not a complete summary of all the fees and costs for each Managed Portfolio option and does not include the cash management fees. Please refer to the 'Fees and costs summary' table above for further detail.

You should read all the information about fees and costs in relation to the HUB24 Managed Portfolio Service because it is important to understand their impact on your investment. For a detailed explanation on the fees and costs that may apply to you if you invest in the Managed Portfolio Options', please refer to the 'Additional explanation of fees and costs' and this 'Managed Portfolio options' fees and costs' section of this Managed Portfolios Booklet.

The material may change between the time when you read this document and the day when you acquire the product.

Managed Portfolio Option	Code	Investment management fee	Underlying investment management fees and costs	Underlying Performance-related fees	Transactional and operational costs
MCS Conservative Portfolio	MCS011	0.1138%	0.4323%	0.0445%	0.0385%
MCS High Growth Portfolio	MCS012	0.1138%	0.6032%	0.0037%	0.0517%

### 3. MANAGED PORTFOLIO OPTIONS' PROFILES

The Managed Portfolio options' profiles outlined in this section relate to the Managed Portfolio options designed by Delta.

Risks that exist in relation to investing in the Scheme and the Managed Portfolio options outlined in this document are outlined in Section 6, 'Risks' in Part 1 of the PDS.

The Managed Portfolio options that you may be able to access can be different depending on the Platform Product through which you invest. The Managed Portfolio options that you may access are listed in the Investment Booklet for your relevant Platform Product.

#### MCS CONSERVATIVE PORTFOLIO

<b>Portfolio code</b>	MCS011			
<b>Portfolio commencement date</b>	01/10/2020			
<b>Investment objective</b>	The portfolio aims to deliver an investment return of 2.0% p.a. above inflation, after fees, over rolling 3-year periods. Inflation is defined as the Reserve Bank of Australia's trimmed mean measure.			
<b>Investor suitability</b>	The MCS Conservative Portfolio is designed for investors seeking consistent income that keeps ahead of inflation. The portfolio has been designed for investors who appreciate the benefits of active management and are looking for a diversified portfolio of income assets, like bonds, credits, and some shares.			
<b>Investment style and approach</b>	An actively managed diversified portfolio of securities across both growth asset classes such as Australian equities, property and global securities, and income-oriented asset classes, such as cash and fixed interest securities. In general, the Portfolio will hold around 60% in income assets and 40% in diversified multi-asset investments. However, these allocations will be actively managed within the allowable ranges depending on market conditions. The Portfolio will invest in a combination of active and passive investment strategies.			
<b>Minimum suggested timeframe</b>	3+ Years			
<b>Standard risk measure</b>	Low to Medium. The estimated likelihood of a negative annual return is 1 to less than 2 years in 20 years. The Standard Risk Measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all form of investment risk. Please refer to the Investment Booklet for more information about the Standard Risk Measure.			
<b>Benchmark</b>	CPI + 2% (after fees)			
<b>Asset allocation</b>		Minimum	Maximum	Expected long-term average position*
	Australian Shares	0	15	5
	Global Shares	0	15	8
	AREITs	0	5	0
	GREITs	0	5	0
	Alternatives <sup>‡</sup>	0	10	2
	<b>Growth Assets</b>	<b>0</b>	<b>30</b>	<b>15</b>
	Australian Fixed Interest	0	60	35
	Global Fixed Interest	0	60	35
	Cash	0	30	15
	<b>Defensive Assets</b>	<b>70</b>	<b>100</b>	<b>85</b>
	*The portfolio manager does not target a particular asset allocation. The long-term asset allocation represents the portfolio manager's indicative expected long-term average asset position.			
	‡ Alternative investments provide access to investments such as hedge funds, private equity, gold or commodities. When investing in alternatives, you are investing in assets that typically don't behave like traditional investments, such as traditional equities and fixed interest, as they are generally uncorrelated or less correlated to these asset classes.			

<b>Investment universe</b>	The MCS Conservative Portfolio invests across a diversified range of Australian fixed interest, international fixed interest, alternative, and multi-asset class investments. The portfolio can also invest in managed funds, managed portfolios, exchange traded funds (ETFs) and cash.
<b>Number of holdings</b>	N/A
<b>Investment management fee<sup>1</sup></b>	0.1138% p.a.
<b>Recommended minimum initial investment amount<sup>2</sup></b>	No minimum

<sup>1</sup> Underlying investment management fees and costs and a cash management fee may also apply. Refer to the 'Management Portfolio options' fees and costs' in Section 2 of this document for further information.

<sup>2</sup> The Responsible Entity reserves the right to waive the recommended minimum investment amount. In doing so, it is important you are aware that the minimum initial investment amount is in-place to ensure your investments held through the applicable Managed Portfolio option can better align to the asset weights advised by the Portfolio Manager of the Managed Portfolio option. Investments lower than this amount can lead to greater levels of cash held in the Cash Allocation of your Portfolio and therefore impact on the performance of your Portfolio relative to the performance of the Managed Portfolio option.

## MCS HIGH GROWTH PORTFOLIO

<b>Portfolio code</b>	MCS012																																														
<b>Portfolio commencement date</b>	01/10/2020																																														
<b>Investment objective</b>	The portfolio aims to deliver an investment return of 5% p.a. above inflation, after fees, over rolling 7-year periods. Inflation is defined as the Reserve Bank of Australia's trimmed mean measure.																																														
<b>Investor suitability</b>	The MCS High Growth Portfolio is designed for investors seeking high growth. The portfolio has been designed for investors who appreciate the benefits of active management and are looking for a diversified portfolio of growth assets, like shares.																																														
<b>Investment style and approach</b>	An actively managed diversified portfolio of securities across both growth asset classes such as Australian equities, property and global securities, and income-oriented asset classes, such as cash and fixed interest securities. In general, the Portfolio will hold around 90% in growth and alternative assets and 10% in income assets. However, these allocations will be actively managed within the allowable ranges depending on market conditions. The Portfolio will invest in predominantly active investment strategies.																																														
<b>Minimum suggested timeframe</b>	7+ years																																														
<b>Standard risk measure</b>	<p>Very High. The estimated likelihood of a negative annual return is 6 or greater years in 20 years.</p> <p>The Standard Risk Measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all form of investment risk. Please refer to the Investment Booklet for more information about the Standard Risk Measure.</p>																																														
<b>Benchmark</b>	CPI + 5% (after fees)																																														
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