

Managed Account

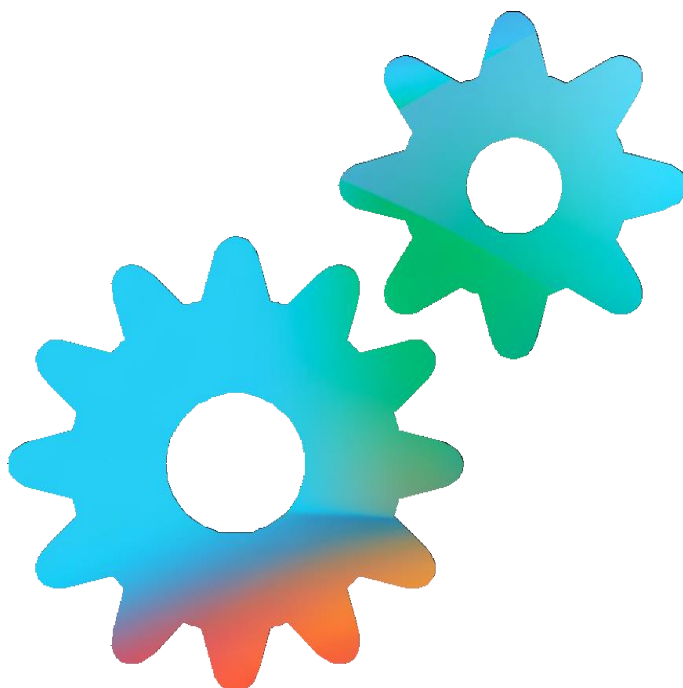
Product Disclosure
Statement

8 April 2024

Part 2 – Managed Models Booklet
BlackRock Global Specialist Series

BlackRock®

BlackRock GSS Conservative Index Model - MACC000143
BlackRock GSS Balanced Index Model - MACC000144
BlackRock GSS Growth Index Model - MACC000145
BlackRock GSS High Growth Index Model - MACC000146
BlackRock GSS Total Growth Index Model - MACC000159
BlackRock GSS ESG Screened Conservative Model - MACC000675
BlackRock GSS ESG Screened Moderate Model - MACC000676
BlackRock GSS ESG Screened Balanced Model - MACC000677
BlackRock GSS ESG Screened Growth Model - MACC000678
BlackRock GSS ESG Screened Aggressive Model - MACC000679



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General information only

The information provided in the Managed Account disclosure documents is general information only and is not intended to imply any recommendation or opinion about a financial product. This information does not take into account your personal objectives, financial situation or needs. You should consider whether the information is appropriate for you in light of your personal objectives, financial situation and needs, and you should consider consulting a financial adviser before making a decision about whether to invest in the Managed Account or any of the models.

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Important Information

This Managed Models Booklet is Part 2 of the product disclosure statement for the Netwealth Managed Account Service (ARSN 633 923 887) ('PDS'). It has been prepared and issued by Netwealth Investments Limited (ABN 85 090 569 109, AFS Licence No. 230975) ('Netwealth', 'we', 'us' or 'our') in our capacity as the responsible entity of the Netwealth Managed Account Service ('Managed Account') which is a registered managed investment scheme (ARSN 633 923 887).

The PDS in relation to the Managed Account issued by Netwealth is made up of two parts:

- a document titled 'Part 1 – General Information'; and
- this 'Part 2 – Managed Models Booklet' document.

The PDS also incorporates information from the Managed Account Guide for the Managed Account ('Managed Account Guide'). The PDS should be read together with the Managed Account Guide (together, the 'Managed Account disclosure documents'). Part 1 of the PDS sets out some important terms which are also used in this document.

This document describes the BlackRock Global Specialist Series Managed Models ('BlackRock GSS managed models') for which Netwealth has appointed BlackRock Investment Management (Australia) Limited (ABN 13 006 165 975, AFS Licence No. 230523) ('BlackRock') as the Model Manager. It also contains information about the fees and other costs you may be charged if you invest in any of these models. There is a different 'Part 2 – Managed Models Booklet' for each suite of Managed Models in the Managed Account.

If you received any of the Managed Account disclosure documents electronically, we will provide a paper copy free upon request. If obtaining an electronic copy, please ensure you have a complete copy of each of the other Managed Account disclosure documents¹ that are relevant to you.

The information in this document about BlackRock and the BlackRock GSS managed models is based on information provided to us by BlackRock and:

- BlackRock and its related bodies corporate have not authorised or caused the issue of the Managed Account disclosure documents, or been involved in the preparation of them, other than providing information about BlackRock and information about the BlackRock GSS managed models;
- we have not independently verified the information provided by BlackRock and, to the extent permitted by law, take no responsibility for it; and
- BlackRock and each of its related bodies corporate expressly disclaim and take no responsibility for any part of the Managed Account disclosure documents other than in respect of any part of this document to which they have expressly given their consent.

We may choose not to implement the advice provided by BlackRock in relation to the investment portfolio for the BlackRock GSS managed models where we believe that doing so may breach relevant law or result in an outcome that is not consistent with the investment mandate of the BlackRock GSS managed models. We may adjust the investment portfolios of the BlackRock GSS managed models in our absolute discretion.

An investment in the Managed Account is not a deposit with, or other liability of, BlackRock or any of its related bodies corporate. An investment in the Managed Account is subject to risk including possible delays in repayment and loss of income or principal invested (see 'Key risks' in Part 1 of the PDS). Netwealth, BlackRock and its related bodies corporate do not guarantee the performance of the Managed Account, the repayment of capital from the Managed Account or any particular rate of return.

BlackRock has given and not withdrawn its consent:

- to be named in this document in the form and context in which it is named;
- to any statements made by, or attributable to, BlackRock in the form and context in which those statements appear; and
- to the inclusion of the information about BlackRock and the BlackRock GSS managed models in the form and context in which such information appears.

¹ The documents described on this page are available free of charge, on netwealth.com.au/ManagedAccountForms, in printed form by calling Freecall 1800 888 223 or from your Nominated Financial Adviser.

About the Model Manager

BlackRock's purpose is to help people experience financial well-being. As a fiduciary to investors and a provider of financial technology, BlackRock helps millions of people build savings that serve them throughout their lives by making investing easier and more affordable.

BlackRock Australia's Multi-Asset Strategies and Solutions team ('**MASS team**') is responsible for the management of the BlackRock GSS Managed Models. This integrated team of investment strategists and portfolio managers is part of BlackRock's global multi-asset team. The MASS team has managed multi-asset portfolios since 1992 with its diversified funds range, model portfolios, absolute return strategies and custom mandates.

Investment strategy and process

The BlackRock investment philosophy is based on its belief that people, leveraged by technology, are central to the consistent achievement of clients' investment goals. Knowledgeable investment people leveraging their skills through the extensive use of technology is a hallmark of its investment approach. BlackRock believes that a focus on total performance management is the best way to achieve superior investment results. Through total performance management, BlackRock aims to understand, measure, forecast and manage the three dimensions of investment performance – return, risk and cost.

The BlackRock GSS Managed Models are designed as long-term strategic asset allocations, benefiting from diversification across asset classes including Australian equities, international equities (hedged and unhedged), Australian fixed interest, international fixed interest and cash. The models are constructed to provide a long-term core holding utilising index funds and exchange traded funds ('**ETFs**') for efficient and cost-effective portfolio implementation.

Investment in related products or related parties

The models may invest in managed funds and/or ETFs that are issued or managed by BlackRock and/or Netwealth or their related parties. Where a model invests in such products, BlackRock and/or Netwealth or their related parties may receive management fees in relation to those products. These fees are in addition to the Investment management fees that apply to the model and may form part of the indirect costs of the model.

ESG investment strategy and process

The environmental, social and governance ('ESG') investment strategy and process only applies to the BlackRock GSS ESG Screened Managed Models.

The BlackRock GSS ESG Screened Managed Models predominately invest in managed funds and ETFs ('underlying funds') that the BlackRock Group has already approved for inclusion on its BlackRock Sustainable Investing Platform ('BSIP'). The BSIP comprises a suite of underlying funds issued by the BlackRock Group which uses third-party ESG data as a portfolio construction input. The BlackRock Group assigns one of the following ESG investment categories to each underlying fund on the BSIP, and BlackRock as model manager of the BlackRock GSS ESG Screened Managed Models predominately selects underlying funds classified as "Screened" or "Uplift" which meet the considerations described:

1. **Screened:** These underlying funds seek to use exclusionary screens to avoid issuers or companies that engage in certain activities such as oil and natural gas reserves, thermal coal-based power generation, controversial weapons, tobacco, and United Nations Global Compact Violators.
2. **Uplift:** These underlying funds seek to invest in issuers or companies that can demonstrate improved ESG characteristics (such as a higher ESG score or lower carbon footprint) when compared to the underlying fund's stated universe or benchmark. For example, companies or issuers with a higher ESG score or lower carbon footprint than others in the sector will be preferred for investment at BlackRock's discretion.
3. **Thematic:** These underlying funds seek to make investments in issuers or companies whose business models target and drive long-term sustainability outcomes.
4. **Impact:** These underlying funds seek to invest in issuers that generate positive, measurable, and additional sustainability outcomes.

In addition to the sustainability considerations described above, the BlackRock Group's stewardship team actively engages with the management of the companies held within the underlying funds with the aim of promoting better sustainability-related outcomes. The BlackRock Group's approach to stewardship, including its engagement priorities and principles can be found here: www.blackrock.com/corporate/about-us/investment-stewardship.

What you should know before investing in the BlackRock GSS ESG models

- The BlackRock Group assigns ESG investment categories to the underlying funds on the BSIP. BlackRock, as model manager, takes into account environmental, social, ethical issues and labour standards when selecting, retaining and realising the underlying funds from the BSIP (to the extent described above).
- Where an existing underlying fund is deemed as no longer suitable for a BlackRock GSS ESG Screened Managed Model, based on the above sustainability considerations, BlackRock will use reasonable efforts to divest or otherwise respond to the change within a reasonable period (for example, at the following rebalance date) considering the materiality of the change, liquidity, and transaction costs.
- The BlackRock Group's exclusionary screens vary between underlying funds and do not guarantee the underlying funds will exclude certain types of investments that might be deemed contrary to traditional ESG principles.
- The BlackRock Group relies on third-party index providers for ESG data which is used to undertake exclusionary screens on investments within the indexes tracked by the underlying funds. If data about an issuer or company is incomplete, inaccurate or unavailable, the exclusionary screens therefore may not exclude an issuer or company. The methodology of index providers may differ.
- The BlackRock Group does not apply its ESG investment strategy and process to cash as an asset class.
- Netwealth does not undertake any initial or ongoing ESG assessment of the underlying funds in the model.

Model Profiles

BlackRock GSS Conservative Index Model (MACC000143)

Investment objective and timeframe The model aims to exceed the Morningstar passive composite benchmark defined as the Morningstar Australia Moderate Target Allocation NR AUD Index, before fees and costs, over a rolling 5-year period.

Investment strategy The strategy is to invest in a diversified portfolio of managed funds across a range of asset classes. The model uses a strategic asset allocation ('SAA') that provides long term exposures to each asset class through a passive underlying investment strategy. Over the economic cycle, the asset allocation is expected, on average, to be approximately 70% to defensive assets and 30% to growth assets. The SAA is generally reviewed yearly which involves generating expected returns, correlations and risk for each asset class. Reviews may result in changes to the strategic asset allocation. The model is typically re-weighted back to the SAA every six months.

Asset allocation ranges

Asset class	Minimum asset allocation (%)	Strategic asset allocation (%) ²	Maximum asset allocation (%)
Australian equities	5	11	30
International equities	3	19	50
Australian property	0	0	12
Australian fixed interest	7	29	70
International fixed interest	10	33	70
Cash	1	8	10

Investment universe Unlisted managed funds and cash. The model typically holds between 5 and 8 investments.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$5,000

² This strategic allocation may change from time to time. The current strategic allocation is available on our website.

BlackRock GSS Balanced Index Model (MACC000144)

Investment objective and timeframe The model aims to exceed the Morningstar passive composite benchmark defined as the Morningstar Australia Balanced Target Allocation NR AUD Index, before fees and costs, over a rolling 5-year period.

Investment strategy The strategy is to invest in a diversified portfolio of managed funds across a range of asset classes. The model uses a strategic asset allocation ('SAA') that provides long term exposures to each asset class through a passive underlying investment strategy. Over the economic cycle, the asset allocation is expected, on average, to be approximately 50% to defensive assets and 50% to growth assets. The SAA is generally reviewed yearly which involves generating expected returns, correlations and risk for each asset class. Reviews may result in changes to the strategic asset allocation. The model is typically re-weighted back to the SAA every six months.

Asset allocation ranges

Asset class	Minimum asset allocation (%)	Strategic asset allocation (%) ³	Maximum asset allocation (%)
Australian equities	5	19	42
International equities	11	31	55
Australian property	0	0	13
Australian fixed interest	2	20.5	40
International fixed interest	5	21.5	42
Cash	1	8	10

Investment universe Unlisted managed funds and cash. The model typically holds between 5 and 8 investments.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$5,000

³ This strategic allocation may change from time to time. The current strategic allocation is available on our website.

BlackRock GSS Growth Index Model (MACC000145)

Investment objective and timeframe The model aims to exceed the Morningstar passive composite benchmark defined as the Morningstar Australia Growth Target Allocation NR AUD Index, before fees and costs, over a rolling 5-year period.

Investment strategy The strategy is to invest in a diversified portfolio of managed funds across a range of asset classes. The model uses a strategic asset allocation ('SAA') that provides long term exposures to each asset class through a passive underlying investment strategy. Over the economic cycle, the asset allocation is expected, on average, to be approximately 30% to defensive assets and 70% to growth assets. The SAA is generally reviewed yearly which involves generating expected returns, correlations and risk for each asset class. Reviews may result in changes to the strategic asset allocation. The model is typically re-weighted back to the SAA every six months.

Asset allocation ranges

Asset class	Minimum asset allocation (%)	Strategic asset allocation (%) ⁴	Maximum asset allocation (%)
Australian equities	10	27	54
International equities	19	43	70
Australian property	0	0	14
Australian fixed interest	0	12.5	45
International fixed interest	8	13	45
Cash	1	4.5	10

Investment universe Unlisted managed funds and cash. The model typically holds between 5 and 8 investments.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$5,000

⁴ This strategic allocation may change from time to time. The current strategic allocation is available on our website.

BlackRock GSS High Growth Index Model (MACC000146)

Investment objective and timeframe The model aims to exceed the Morningstar passive composite benchmark defined as the Morningstar Australia Aggressive Target Allocation NR AUD Index, before fees and costs, over a rolling 5-year period.

Investment strategy The strategy is to invest in a diversified portfolio of managed funds across a range of asset classes. The model uses a strategic asset allocation ('SAA') that provides long term exposures to each asset class through a passive underlying investment strategy. Over the economic cycle, the asset allocation is expected, on average, to be approximately 15% to defensive assets and 85% to growth assets. The SAA is generally reviewed yearly which involves generating expected returns, correlations and risk for each asset class. Reviews may result in changes to the strategic asset allocation. The model is typically re-weighted back to the SAA every six months.

Asset allocation ranges

Asset class	Minimum asset allocation (%)	Strategic asset allocation (%) ⁵	Maximum asset allocation (%)
Australian equities	15	32	63
International equities	24	53	75
Australian property	0	0	15
Australian fixed interest	0	7.7	20
International fixed interest	0	4.3	21
Cash	1	3	10

Investment universe Unlisted managed funds and cash. The model typically holds between 5 and 8 investments.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$5,000

⁵ This strategic allocation may change from time to time. The current strategic allocation is available on our website.

BlackRock GSS Total Growth Index Model (MACC000159)

Investment objective and timeframe The model aims to exceed the Morningstar passive composite benchmark defined as the Morningstar Australia Aggressive Target Allocation NR AUD Index, before fees and costs, over a rolling 5-year period.

Investment strategy The strategy is to invest in a diversified portfolio of managed funds across a range of asset classes. The model uses a strategic asset allocation ('SAA') that provides long term exposures to each asset class through a passive underlying investment strategy. Over the economic cycle, the asset allocation is expected, on average, to be approximately 2% to defensive assets and 98% to growth assets. The SAA is generally reviewed yearly which involves generating expected returns, correlations and risk for each asset class. Reviews may result in changes to the strategic asset allocation. The model is typically re-weighted back to the SAA every six months.

Asset allocation ranges

Asset class	Minimum asset allocation (%)	Strategic asset allocation (%) ⁶	Maximum asset allocation (%)
Australian equities	19	37	80
International equities	19	61	80
Australian property	0	0	17.2
Cash	1	2	5

Investment universe Unlisted managed funds and cash. The model typically holds between 4 and 7 investments.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$5,000

⁶ This strategic allocation may change from time to time. The current strategic allocation is available on our website.

BlackRock GSS ESG Screened Conservative Model (MACC000675)

Investment objective and timeframe The model aims to match or outperform the Morningstar Australia Conservative Target Allocation NR AUD Index after fees and costs over rolling 5-year periods.

Investment strategy BlackRock applies the ESG investment strategy and process when constructing this model, as described on page 5. The model invests in a diversified portfolio of managed funds and ETFs across a range of asset classes. The model uses a strategic asset allocation ('SAA') that provides long term exposures to each asset class. Over the economic cycle, the asset allocation is expected, on average, to be approximately 85% to defensive assets and 15% to growth assets.

Asset allocation ranges

Asset class	Minimum asset allocation (%)	Strategic asset allocation (%) ⁷	Maximum asset allocation (%)
Australian equities	0	6	20
International equities	0	9	20
Australian property	0	0	10
International property	0	0	10
Alternatives	0	0	10
Australian fixed interest	40	51	65
International fixed interest	10	18	30
Cash	0	16	20

Investment universe Managed funds, ASX listed ETFs and cash. The model typically holds between 5 and 15 investments.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$10,000

⁷ This strategic allocation may change from time to time. The current strategic allocation is available on our website.

BlackRock GSS ESG Screened Moderate Model (MACC000676)

Investment objective and timeframe The model aims to match or outperform the Morningstar Australia Moderate Target Allocation NR AUD Index after fees and costs over rolling 5-year periods.

Investment strategy BlackRock applies the ESG investment strategy and process when constructing this model, as described on page 5. The model invests in a diversified portfolio of managed funds and ETFs across a range of asset classes. The model uses a strategic asset allocation ('SAA') that provides long term exposures to each asset class. Over the economic cycle, the asset allocation is expected, on average, to be approximately 70% to defensive assets and 30% to growth assets.

Asset allocation ranges

Asset class	Minimum asset allocation (%)	Strategic asset allocation (%) ⁸	Maximum asset allocation (%)
Australian equities	3	11	23
International equities	13	19	33
Australian property	0	0	10
International property	0	0	10
Alternatives	0	0	10
Australian fixed interest	30	43	55
International fixed interest	5	14.5	25
Cash	0	12.5	20

Investment universe Managed funds, ASX listed ETFs and cash. The model typically holds between 5 and 15 investments.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$10,000

⁸ This strategic allocation may change from time to time. The current strategic allocation is available on our website.

BlackRock GSS ESG Screened Balanced Model (MACC000677)

Investment objective and timeframe The model aims to match or outperform the Morningstar Australia Balanced Target Allocation NR AUD Index after fees and costs over rolling 5-year periods.

Investment strategy BlackRock applies the ESG investment strategy and process when constructing this model, as described on page 5. The model invests in a diversified portfolio of managed funds and ETFs across a range of asset classes. The model uses a strategic asset allocation ('SAA') that provides long term exposures to each asset class. Over the economic cycle, the asset allocation is expected, on average, to be approximately 50% to defensive assets and 50% to growth assets.

Asset allocation ranges

Asset class	Minimum asset allocation (%)	Strategic asset allocation (%) ⁹	Maximum asset allocation (%)
Australian equities	10	19	30
International equities	25	31	45
Australian property	0	0	10
International property	0	0	10
Alternatives	0	0	10
Australian fixed interest	20	31.5	44
International fixed interest	0	10.5	25
Cash	0	8	20

Investment universe Managed funds, ASX listed ETFs and cash. The model typically holds between 5 and 15 investments.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$10,000

⁹ This strategic allocation may change from time to time. The current strategic allocation is available on our website.

BlackRock GSS ESG Screened Growth Model (MACC000678)

Investment objective and timeframe The model aims to match or outperform the Morningstar Australia Growth Target Allocation NR AUD Index after fees and costs over rolling 5-year periods.

Investment strategy BlackRock applies the ESG investment strategy and process when constructing this model, as described on page 5. The model invests in a diversified portfolio of managed funds and ETFs across a range of asset classes. The model uses a strategic asset allocation ('SAA') that provides long term exposures to each asset class. Over the economic cycle, the asset allocation is expected, on average, to be approximately 30% to defensive assets and 70% to growth assets.

Asset allocation ranges

Asset class	Minimum asset allocation (%)	Strategic asset allocation (%) ¹⁰	Maximum asset allocation (%)
Australian equities	15	27	35
International equities	35	43	55
Australian property	0	0	15
International property	0	0	15
Alternatives	0	0	15
Australian fixed interest	10	18.5	30
International fixed interest	3	7	23
Cash	0	4.5	15

Investment universe Managed funds, ASX listed ETFs and cash. The model typically holds between 5 and 15 investments.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$10,000

¹⁰ This strategic allocation may change from time to time. The current strategic allocation is available on our website.

BlackRock GSS ESG Screened Aggressive Model (MACC000679)

Investment objective and timeframe The model aims to match or outperform the Morningstar Australia Aggressive Target Allocation NR AUD Index after fees and costs over rolling 5-year periods.

Investment strategy BlackRock applies the ESG investment strategy and process when constructing this model, as described on page 5. The model invests in a diversified portfolio of managed funds and ETFs across a range of asset classes. The model uses a strategic asset allocation ('SAA') that provides long term exposures to each asset class. Over the economic cycle, the asset allocation is expected, on average, to be approximately 15% to defensive assets and 85% to growth assets.

Asset allocation ranges

Asset class	Minimum asset allocation (%)	Strategic asset allocation (%) ¹¹	Maximum asset allocation (%)
Australian equities	20	32	50
International equities	40	53	65
Australian property	0	0	15
International property	0	0	15
Alternatives	0	0	15
Australian fixed interest	0	7	15
International fixed interest	0	5	15
Cash	0	3	10

Investment universe Managed funds, ASX listed ETFs and cash. The model typically holds between 5 and 15 investments.

Income setting Accumulate income
(Note that different combinations of this model income setting and your individual income instruction (as defined in Part 1 of the PDS) can impact cash holdings, rebalancing, and transaction costs. More information about income settings is available in the 'Managed Account income instruction' section of the Managed Account Guide).

Minimum investment amount \$10,000

¹¹ This strategic allocation may change from time to time. The current strategic allocation is available on our website.

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 investment 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) 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.

Information about taxes is set out on page 16 of Part 1 of the PDS.

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

Fees and costs for particular models are shown from page 21 in this document.

Fees and costs summary

Netwealth Managed Account Service

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs¹² The fees and costs for managing your investment ^{13,14}	Investment management fee An investment management fee is payable for each model. The fee ranges from 0% to 0.14% p.a. of the value of your investment in the model and depends on the model/s you select. PLUS Interest retained on the cash account Estimated to range from 0.0162% to 0.0451% p.a. of the value of your investment in the model/s and depends on the model/s you select, the amount of cash held in the Managed Account for all investors, and the interest earned on the pooled cash account. PLUS Indirect costs Estimated to range from 0.093% to 0.3223% p.a. of the value of your investment in the model/s and depends on the model/s you select.	Calculated daily and deducted monthly in arrears from your managed account cash account. ¹⁵ We retain our share of the interest (from the total interest paid by the bank) at the end of each month, before any interest is credited to your managed account cash account. ⁶ It is not deducted from your managed account cash account. Indirect costs are costs that are not deducted from your managed account cash account, but which reduce the return from the underlying investments in your selected model. In the case of underlying investments held in your managed account such as managed funds, indirect costs are reflected in the unit price of the relevant managed fund.
Performance fees¹⁶ Amounts deducted from your investment in relation to the performance of Netwealth Managed Account Service	Underlying performance fees Estimated as 0% p.a. of the value of your investment in the model/s and depends on the model/s you select.	In the case of underlying investments held in your selected model, the underlying performance fees are reflected in the unit price of the relevant investment. These underlying performance fees are not deducted from your managed account cash account.
Transaction costs¹⁷ The costs incurred by the scheme when buying or selling assets	Managed Account transaction fee – listed securities 0.150% of the value of each sale and each purchase of Australian listed securities and/or international securities.	The 'Managed Account transaction fee – listed securities' is deducted from your managed account cash account at the time of the trade. ¹⁵

¹² For more information on the various fees and costs described in this section, and how they are calculated, see 'Management fees and costs' under 'Additional explanation of fees and costs' in this document.

¹³ None of these fees and costs includes amounts payable to an adviser.

¹⁴ The relevant fees and costs for each model are set out in the 'Additional explanation of fees and costs' in this document.

¹⁵ The amount of this fee or cost may be negotiated. For more information, see 'Negotiation of fees or costs' under 'Additional explanation of fees and costs' in this document.

¹⁶ For more information, see 'Underlying performance fees' under 'Additional explanation of fees and costs' in this document.

¹⁷ For more information, see 'Transaction costs' under 'Additional explanation of fees and costs' in this document.

Type of fee or cost	Amount	How and when paid
	PLUS	
	Underlying transaction costs	
	Estimated to range from 0.0125% to 0.0473% p.a. of the value of your investment in the model/s and depends on the model/s you select.	Underlying transaction costs are not deducted from your managed account cash account. Rather, they are deducted from the investments held in your selected model. In the case of investments in your managed account such as managed funds, the underlying transaction costs are reflected in the unit price of the relevant managed fund.
Member activity related fees and costs (fees for services or when your money moves in or out of Netwealth Managed Account Service)¹⁸		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee¹⁹ The fee on each amount contributed to your investment	Nil ²⁰	Not applicable
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by Netwealth Managed Account Service	Nil ²⁰	Not applicable
Withdrawal fee¹⁹ The fee on each amount you take out of your investment	Nil ²⁰	Not applicable
Exit fee¹⁹ The fee to close your investment	Nil ²⁰	Not applicable
Switching fee The fee for changing models	Nil ²⁰	Not applicable

¹⁸ See 'Additional explanation of fees and costs' in this document for other additional service fees, special request fees and incidental fees and costs that may apply.

¹⁹ None of these fees and costs includes amounts payable to an adviser.

²⁰ We do not charge a contribution fee, buy-sell spread, withdrawal fee, exit fee or switching fee when you move your investments in and out of the Managed Account. However, if you make additional investment(s) or withdrawal(s) from your managed account, transaction costs may be incurred. See 'Transaction costs' under 'Additional explanation of fees and costs' in this document for more information.

Example of annual fees and costs – BlackRock GSS Growth Index Model

This table gives an example of how the ongoing annual fees and costs in BlackRock GSS Growth Index Model can affect your investment over a 1-year period. You should use this table to compare this product with other managed accounts.

EXAMPLE – BlackRock GSS Growth Index Model		Balance of \$50,000 with a contribution of \$5,000 during year ²¹
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management fees and costs ²²	Investment management fee of 0% p.a. + Interest retained on the cash account of 0.017% p.a. + Indirect costs of 0.3041% p.a.	And , for every \$50,000 you have in the BlackRock GSS Growth Index Model you will be charged or have deducted from your investment \$160.55 each year
PLUS Performance fees ²³	Underlying performance fee of 0% p.a.	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs ²⁴	Transaction fees of 0% relating to the purchase of Australian listed securities. + Underlying transaction costs of 0.0268% p.a.	And , you will be charged or have deducted from your investment \$13.40 in transaction costs
EQUALS Cost of the BlackRock GSS Growth Index Model		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: \$173.95* What it costs you will depend on the models you choose and the fees you negotiate.

* **Note:** This example is illustrative only and assumes you have chosen the BlackRock GSS Growth Index Model. Fees and costs vary depending on the model you choose. The allocation to underlying investments may change depending on market movements and decisions made by the Model Manager. The 'Additional explanation of fees and costs' in this document includes estimated ongoing annual fees and costs for each model.

²¹ This example assumes that there is a constant balance of \$50,000 throughout the year with \$5,000 invested at the end of the year.

²² See 'Management fees and costs' under 'Additional explanation of fees and costs' in this document for more information on how these fees are calculated.

²³ See 'Performance fees' under 'Additional explanation of fees and costs' in this document for more information on how these fees are calculated.

²⁴ See 'Transaction costs' under 'Additional explanation of fees and costs' in this document for more information on how these fees are calculated. And, if you leave the Managed Account, additional transaction costs may apply depending on the assets you hold, see 'Transaction costs' under 'Additional explanation of fees and cost' in this document for more information.

Cost of product for 1 year

The cost of product gives a summary calculation of 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.

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 Model	Model Code	Cost of Product
BlackRock GSS Conservative Index Model	MACC000143	\$193.55
BlackRock GSS Balanced Index Model	MACC000144	\$184.85
BlackRock GSS Growth Index Model	MACC000145	\$173.95
BlackRock GSS High Growth Index Model	MACC000146	\$167.45
BlackRock GSS Total Growth Index Model	MACC000159	\$159.25
BlackRock GSS ESG Screened Conservative Model	MACC000675	\$175.00
BlackRock GSS ESG Screened Moderate Model	MACC000676	\$175.45
BlackRock GSS ESG Screened Balanced Model	MACC000677	\$178.80
BlackRock GSS ESG Screened Growth Model	MACC000678	\$179.30
BlackRock GSS ESG Screened Aggressive Model	MACC000679	\$179.05

Additional explanation of fees and costs

The following table provides additional information about the fees and costs for each of the models in the Managed Account offered under this Part 2 – Managed Models Booklet.

Managed Model	Model Code	Management fees and costs			Performance fees	Transaction costs		Risk band
		Investment management fee (p.a.)	Interest retained on the cash account (estimate p.a.)	Indirect costs (estimate p.a.)	Underlying performance fee (estimate p.a.)	Transaction fees (estimate p.a.)	Underlying transaction costs (estimate p.a.)	
Diversified models								
BlackRock GSS Conservative Index Model	MACC000143	Nil	0.0175%	0.3223%	Nil	Nil	0.0473%	4 - Medium
BlackRock GSS Balanced Index Model	MACC000144	Nil	0.0171%	0.3171%	Nil	Nil	0.0355%	5 - Medium to high
BlackRock GSS Growth Index Model	MACC000145	Nil	0.0170%	0.3041%	Nil	Nil	0.0268%	6 - High
BlackRock GSS High Growth Index Model	MACC000146	Nil	0.0175%	0.2991%	Nil	Nil	0.0183%	6 - High
BlackRock GSS Total Growth Index Model	MACC000159	Nil	0.0162%	0.2898%	Nil	Nil	0.0125%	6 - High
BlackRock GSS ESG Screened Conservative Model	MACC000675	0.1400%	0.0451%	0.1022%	Nil	0.0227%	0.0400%	4 - Medium
BlackRock GSS ESG Screened Moderate Model	MACC000676	0.1400%	0.0439%	0.1007%	Nil	0.0319%	0.0344%	4 - Medium
BlackRock GSS ESG Screened Balanced Model	MACC000677	0.1400%	0.0422%	0.0985%	Nil	0.0474%	0.0295%	5 - Medium to high
BlackRock GSS ESG Screened Growth Model	MACC000678	0.1400%	0.0405%	0.0956%	Nil	0.0591%	0.0234%	6 - High
BlackRock GSS ESG Screened Aggressive Model	MACC000679	0.1400%	0.0392%	0.0930%	Nil	0.0668%	0.0191%	6 - High

Additional explanation of fees and costs (continued)

Management fees and costs

Investment management fee

The investment management fee described in the table above is deducted from your managed account cash account and paid to us. The investment management fee is calculated based on the fee rates for the models you select and the amount you hold in those models.

Interest retained on the cash account

All investors' cash held in the Managed Account is pooled in one or more interest-bearing accounts with an Australian bank (**pooled cash account**). Each month we retain part or all of the interest earned on the pooled cash account. The interest retained is the difference between the amount of interest earned on the pooled cash account and the amount of interest we credit to investors' cash accounts and depends on the amount of cash held in the Managed Account and the models in which you invest. We set the amount of interest we retain so that the rate of interest credited to each investor's managed account cash account is equal to the current declared interest rates available on our website. The rate is variable and, as at the date of this document, is no less than 0.65% p.a. below the average target cash rate set by the Reserve Bank of Australia for the month (which is often referred to as the official cash rate (**Official Cash Rate**)).²⁵

The amount of interest we retain is deducted from the interest earned on the pooled cash account before interest is allocated to investors at the declared rate. This amount is not deducted out of your managed account cash account.

Indirect costs

Indirect costs are an estimate of the costs incurred on the underlying investments in a model and are set out in the table above under the 'Additional explanation of fees and cost' heading. Indirect costs are not charged by us in relation to the model/s and are deducted from the underlying investments in your selected model/s. In the case of underlying investments such as managed funds, indirect costs are reflected in the unit price of the relevant managed fund and may include (but are not limited to) management fees charged by the issuer of the underlying investments and certain recoverable expenses (such as legal, accounting, custody and regulatory compliance expenses).

Other fees and costs

We are entitled to recover certain expenses payable in relation to the operation of the Managed Account from your managed account. These expenses include, but are not limited to, audit fees, legal fees, accountancy fees, custody fees and fees or levies imposed by regulators. We do not currently intend to deduct any such operating expenses from your managed account, and we will provide investors with 30 days' notice prior to doing so.

Performance fees

Underlying performance fees

In the case of underlying investments such as managed funds, the performance fees (if any) charged by the underlying fund managers are reflected in the unit price of the relevant funds. These fees are not deducted by us out of the assets of the Managed Account.

The total estimated annual performance fees charged by the underlying fund managers for each model, which are based on their average performance fee for the last 5 years, are set out in the table above under the 'Additional explanation of fees and cost' heading.

²⁵ The interest rate cannot be less than 0% p.a. even if the Official Cash Rate is less than 0.65% p.a. At the date of this document, the Official Cash Rate is 4.35% p.a. and the rate of interest is currently 3.70% p.a.

Transaction costs

Transaction fees

[Managed Account transaction fee – listed securities](#)

Investments are bought and sold in your managed account when a rebalance occurs. When listed securities are bought or sold in your managed account, we charge the Managed Account transaction fee – listed securities of 0.15% of the value of each sale and each purchase. This fee is deducted from your managed account cash account at the time of the trade and is an additional cost to you.

Underlying transaction costs

[Buy-sell spread on underlying managed funds](#)

Buy-sell spreads are incurred when purchasing and redeeming interests in managed funds. The responsible entity of the relevant fund is usually entitled to charge an amount to the member for the cost of purchasing or selling the managed fund's assets. These costs are an additional cost incurred at the time of the transaction and are usually reflected in the difference between the application price and withdrawal price of an interest in the managed fund. This is called the 'buy-sell spread'. Buy-sell spreads are generally used to fairly distribute the costs of buying and selling assets between those joining (in the case of buy costs), those leaving (in the case of sell costs) and the other investors in the managed fund. Buy-sell spread estimates for each model are included in the 'Underlying transaction costs' column as set out in the table above under the 'Additional explanation of fees and cost' heading.

[Other underlying transactional and operational costs](#)

Some underlying investments may incur additional transactional and operational costs which may reduce the value of your investment. These costs arise from trading activities and may include brokerage on investments made by the underlying managed fund, buy-sell spreads incurred by the underlying managed fund, settlement costs, clearing costs and stamp duty on an investment transaction. In the case of investments in your selected model/s such as managed funds, the underlying transactional and operational costs are reflected in the unit price of the relevant managed fund. Other underlying transaction and operational cost estimates for each model are included in the 'Underlying transaction costs' column as set out in the table above under the 'Additional explanation of fees and cost' heading.

Other costs

[Foreign exchange conversion costs](#)

The exchange rates used for any purchase, sale, income receipt, corporate action, or any other foreign currency requirement in relation to international securities are the exchange rates provided to us by the third parties through which the conversion is settled.

Estimated fees and costs

The estimates of fees and costs for each model are set out in the table above under the 'Additional explanation of fees and cost' heading. Generally, these estimates are based on the applicable model's holdings, fees, costs and transactions that have occurred for the model over a previous financial year. Where the model was not available over the previous financial year, the estimated fees and costs are based on the assets held in the model at its commencement or at a point in time. Future estimates may differ from past estimates.

Negotiation of fees or costs

We may, at our discretion, negotiate the amount of the fees or costs where indicated in the above 'Fees and costs summary' table. You should contact us for further information regarding this.

Your Nominated Financial Adviser (if you have one) may negotiate the fees or costs. By using a financial adviser, you provide us with certain efficiencies which may be reflected in the negotiated fees or costs. If you change or remove your Nominated Financial Adviser, you may lose access to those negotiated fees or costs and the fees or costs set out in this document will subsequently apply to your managed account. Your financial adviser can provide you with more information about any negotiated fee or cost arrangements that they have agreed with us.

GST on fees and costs

All fees and costs referred to in this document include GST (where applicable). We may be entitled to claim a reduced input tax credit ('RITC') on the GST payable on certain fees. If the Government changes the rate of GST or RITC or the method of determining the RITC, fees and costs deducted from your managed account may change.

Changes to fees and costs we charge

Until you are notified otherwise, the fees and costs applying to the Managed Account will remain as set out in this document. We cannot charge more than the maximum fees permitted under the constitution of the Managed Account, which are:

- a management fee of up to 3% per annum of the gross value of the investments in your managed account; and
- a transaction fee of up to the greater of \$200 or 2% of the value of any transaction in your managed account.

We are also able to recover all expenses we incur in relation to the proper performance of our duties in respect of the Managed Account. We may, at our discretion, either waive or defer payment of any fees or costs payable to us. We will give at least 30 days' prior notice to investors of any proposed increase in fees or introduction of new fees for the Managed Account.

Other payments and benefits paid or received by Netwealth

Payments from Model Managers

We may receive an ongoing fee from a Model Manager for each model managed by them that is available in the Managed Account. As of the date of this document, this ongoing fee may be up to \$22,000 p.a. per model. This fee is for services in connection with making each model available. This is paid to us from the Model Manager's own resources and is not an additional cost to you. The fee is retained by us.

Payments to Model Managers

If we appoint a Model Manager (and we are not ourselves the Model Manager), we may pay the Model Manager a component of the investment management fee (which may be up to 100% of the investment management fee) received by us in relation to each model they manage, for the ongoing provision of investment expertise and advice regarding the investments of the model.

Are our related parties paid fees?

Our related parties may perform various functions and services in relation to the Managed Account, subject to meeting any applicable requirements of the relevant law regarding transactions with related parties. Related parties may receive benefits from organisations, such as fund managers, including the opportunity to subscribe for securities. This is not done in competition with our clients or in a way that would adversely affect our clients. In all dealings in relation to the Managed Account, we deal with related parties on arm's length terms. Fees paid to our related parties in connection with the Managed Account are paid at no more than commercial rates.

Netwealth, as platform operator of Netwealth Wealth Accelerator and administrator of Netwealth Super Accelerator, receives administration fees based on amounts invested in the Managed Account through the relevant platform service. You should refer to the disclosure documents for the relevant platform service.