

November 2020

Continuous Disclosure Update Implemented Portfolio Fee Changes

Changes to Management Fees – Effective 1 January 2021

From 1 January 2021, the management fee on each of the Portfolios will increase by 0.03% per annum.

Implemented Portfolio	Current management fees effective 1 October 2020	Management fees from 1 January 2021
Fixed Income	0.44%	0.47%
Real Estate	0.67%	0.70%
Australian Share	0.87%	0.90%
International Share	0.90%	0.93%

Why are we changing fees?

Prior to 1 October 2020, in addition to our management fees, all operating expenses were recovered from the Portfolios and these amounts varied from year to year.

From 1 October 2020, we introduced changes to the structure of our management fees and costs to instead pay any normal operating expenses incurred in the day-to-day operation of the Portfolios (and, wherever possible, any abnormal operating expenses) out of our management fees.

This increase, from 1 January 2021, represents our estimated cost of covering at least the Portfolios' normal operating expenses each year out of our management fees, based on those incurred over the past five financial years. Paying such costs out of our fixed management fees rather than recovering them from the Portfolios will also help to reduce the variability of total fees and costs paid by investors from year to year.

We will not be recouping any operating expenses that have been incurred by the Implemented Portfolios between 1 October 2020 to 1 January 2021.

When are the fees changing?

New management fees will be applied from 1 January 2021.

Disclosure changes:

Relevant disclosure documents will be updated effective 1 January 2021.