



Refer to glossary for definition of the rating

Product Review

About this Product

Investment manager	Orbis Investment Management Limited
Benchmark	MSCI Emerging Markets NR Index AUD
Product structure	Managed Fund
Product size	\$12.40m
Inception date	Aug 2024
Asset class	Global Equities
Sector	Global Emerging Markets
Peer group	Global Emerging Markets
Rated peers	28

Product Characteristics

Business Life Cycle	Mature
Product Wind-Up Risk	Medium
Key Person Risk	High
Tenure of Decision Makers	High
Complex (RG240)	No
Strategy Remaining Capacity	Not specified
ESG Approach	Risk or Value
Peer Relative Fees and Costs	Above median

Annual Fees and Costs (% p.a.)

Management fees & costs	1.20
Performance fee costs	0.00
Net Transaction Costs	0.11
Buy/Sell Spread	0.35/0.35
Annual fees and costs	1.31

Source: FE fundinfo, PDS Date: 01/Aug/2024

Strengths

- Consistent application of the disciplined investment process to identify contrarian opportunities.
- Private ownership supports the investment approach of long-term decision making.
- Strong alignment with investors via the 'refundable' performance fee structure.

Weaknesses

- The base management fee for the Fund is high relative to the peer group, leading to the higher Annual Fees and Costs.
- Wind-up risk is elevated given the recent launch of the Fund, albeit support from the broader business and AUM of the underlying strategy which has been in operation since 2016 are mitigating factors.

Product Opinion

The Fund has been assigned the rating of **'Recommended'** at its initial review. The rating is underpinned by the depth of experience and expertise of the team in implementing the disciplined, analyst-driven and highly detailed fundamental bottom-up research process. Further, the 'refundable' nature of the performance fee strengthens alignment between the team and end investors. Moderating conviction is the relatively high total fee load and elevated wind-up risk inherent in the recent launch of the Fund.

Lonsec Rating Model

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

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

Allocation Profile

Core		
Satellite		
	Low Complexity	High Complexity

Return Profile

Income		
Capital		
	Defensive	Growth

Key Facts

Key Objectives

Investment objective	To seek higher returns than the average of the emerging markets' equity markets without greater risk of loss
Internal return objective	No stated return objective
Internal risk objective	No stated risk objective

Asset Allocation (%) (as at 31/08/2024)

International Equities	100.00
Total	100.00

Source: FE fundinfo

Rating History

This is the initial review of the Product.

Product Distribution Profile

Frequency	Annually
Last Missed Distribution	None
Number of Missed Distributions in the last 5 years	None
AMIT Election	No
TOFA Election	No

Top 10 Holdings (as at 31/08/2024)

	Weight (%)
Jardine Matheson Holdings	9.9
Taiwan Semiconductor Mfg.	8.6
NetEase	7.1
Astra International	6.0
Gedeon Richter	6.0
Daou Data	5.7
Samsung Electronics	4.8
Kiwoom Securities	4.6
Naspers	4.5
Tencent Holdings	4.5

Source: FE fundinfo

Target Market Determination

Produced by issuer	Yes
Provided to Lonsec	Yes

Performance Analysis - annualised after fees at 31/08/2024

	1 Year	Median	2 Year	Median	3 Year	Median	5 Year	Median
Performance (% p.a)	-	5.64	-	8.08	-	0.09	-	3.48
Standard deviation	-	10.61	-	11.78	-	12.00	-	13.04
Excess return (% p.a)	-	-4.41	-	-0.64	-	0.72	-	-1.16
Outperformance ratio (% p.a)	-	33.33	-	50.00	-	50.00	-	48.33
Worst drawdown (%)	-	-3.67	-	-7.41	-	-18.98	-	-25.13
Time to recovery (mths)	-	-	-	-	-	18	-	NR
Sharpe ratio	-	0.14	-	0.37	-	-0.23	-	0.13
Information ratio	-	-1.21	-	-0.11	-	0.11	-	-0.15
Tracking error (% p.a)	-	4.97	-	6.01	-	5.94	-	6.30

Lonsec Peer Group: Global Equities - Global Emerging Markets -

Product Benchmark: MSCI Emerging Markets NR Index AUD

Cash Benchmark: Bloomberg AusBond Bank Bill Index AUD

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

Lonsec

Orbis Emerging Markets Equity Fund (Australia Registered)

Business data is as at 30 June 2024

Business

Facts

Investment Manager	Orbis Investment Management Limited
Ultimate Parent Company	The Allan and Gill Gray Foundation
Headquarters	Bermuda
Inception Date	Nov 1989
% Staff Ownership	0-10%

Governance

% Independent board members	0
% Female board members	29
Independent chair	No
CEO as Chair	No
Separate Audit Committee	No

Who is the Manager?

Orbis Investment Management Limited ('Orbis') forms part of the Orbis Group which was established in 1989 by Dr. Allan Gray. As of 30 June 2024, Orbis managed \$56.6b in assets under management, of which the vast majority was in the flagship global equities strategy. Orbis is a boutique with a global footprint, having investment offices in London, Hong Kong, Tokyo, San Francisco, Sydney and Bermuda.

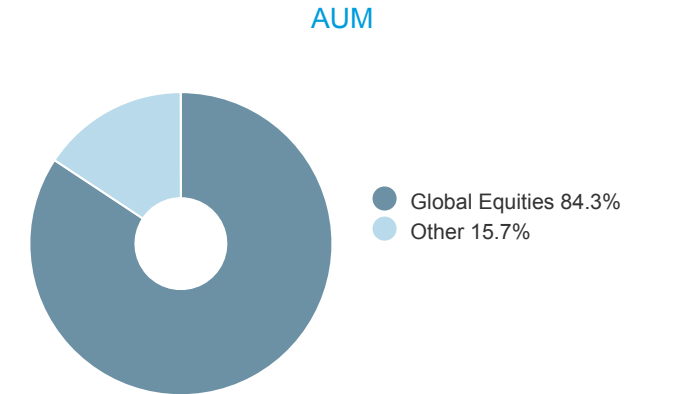
Lonsec Opinion

Profitability

The Manager is a well-capitalised, profitable standalone global asset management business, with a well-diversified client base and a successful track record of growing funds under management.

Business Track record

The firm has a long and successful track record of steady business growth across multiple equities strategies, since the firm's launch in 1989. The Fund is supported by a well-resourced internal marketing and distribution team, with intimate product knowledge.



Metrics

Total AUM	\$56.58b
Investment Management Headcount	437
Investment Professionals	63
Sales & Service	14
Distributor	Self

Business Ownership

Orbis continues to be 100% privately owned by The Allan and Gill Gray Foundation, which has a majority ownership stake. The foundation was established to promote the commercial success and continuity of the Orbis and Allan Gray groups and for philanthropic causes. A privately-owned funds management business is a positive feature of Orbis, as it creates a strong boutique culture that aligns staff well with performance outcomes and enhances team stability.

Business Governance

Day-to-day management of the business has been vested in Orbis Allan Gray Limited, a holding company whose board consists of a majority of present executives and includes non-executive directors. The governance structure is fit for purpose and in line with similar boutiques. There have not been any notable governance issues over time and no adverse regulatory findings.

Team



Key Decision Makers (KDM)

	Primary function	Dedicated to strategy	Appointed to strategy	Industry/Mgr exp. (yrs)	Exp. in PM roles (yrs)
Stefan Magnusson	Strategy lead	Yes	2009	24/21	15
Stanley Lu	Portfolio management	Yes	2024	15/15	<1

KDM Change*

No changes.

* Last 3 years

Profile

Size	6
Structure	Centralised
Turnover	Low

Alignment

KDM equity held in manager	Yes
KDM co-investment in strategy	Yes
Performance-Based bonus	Yes
Long term incentive plan	Yes

Resources

	Number	Average Years Experience
Key decision makers	2	19
Portfolio Managers		
Hybrid portfolio manager/analysts	4	14
Dedicated analysts		
Dedicated dealers		
Quantitative		
ESG/Sustainability		
Macro		
Investment Specialists		

Who is the Team?

The investment team of six is led by Lead Portfolio Manager Stefan Magnusson.

Magnusson joined Orbis in 2003 and was appointed to this strategy in 2009. Previously he has held roles in the investment banking and private equity departments at Morgan Stanley. Magnusson is supported by two senior investors, Portfolio Manager Stanley Lu and Head of EM Research Saurav Das. The investment team is rounded out by three investment analysts, with the team all centrally based in Hong Kong.

Portfolio decision making rests primarily with Magnusson as ultimate decision maker for the strategy, notwithstanding there is a specialised sleeve of the portfolio managed by Lu which focuses on China and Taiwan stocks.

The team has been stable over the past three years, with no team turnover during this period. Further, the team can draw on insights from the broader Orbis and Allan Gray investment teams.

Team (continued)



Lonsec Opinion

Skill

The key decision makers of the Fund are considered to be capable and well-experienced investors with an average of 19 years of experience. Portfolio management experience is largely concentrated in Magnusson, who has managed this capability for a decade and a half. Conversely, Lu's portfolio management experience is limited given his recent appointment as Portfolio Manager for the strategy in early 2024. The broader team is similarly well-experienced, with a respectable level of average industry experience of 14 years amongst the remaining four investors.

Team Size

The team size of six is considered to be adequate for the workload required of the investment process. In addition, the team can leverage further support from the broader Orbis and Allan Gray investment teams.

Track Record/Co-Tenure

Magnusson has a respectable track record of implementing the investment process throughout multiple market cycles over the past 15 years. Average co-tenure amongst the team is strong, with average tenure of 13 years across the team of six.

Alignment

The portfolio managers are strongly aligned with the performance outcomes of end investors by being granted participating units of the firm's profits. This is a prudent measure ensuring that variable remuneration is more closely tied to the performance of the aggregate strategy rather than an individual's regional sleeve. Industry best practice is to directly align variable remuneration with strategy performance rather than firm profits, albeit the strategy represents the bulk of Orbis' assets. The participation units are subject to a 12-year participation period or 'tail' on departure with no cash buy-out, to ensure that departing portfolio managers remain incentivised and aligned to make decisions that benefit the long-term prosperity of investors and the firm.

Key Person Risk

Key person risk is considered to be high in Lead Portfolio Manager Magnusson with no nominated successor formally in place. The appointment of Lu to the strategy as Portfolio Manager is a mitigating factor given his tenure with Manager and familiarity with the process, albeit his limited portfolio management experience is noted.

Process



What is the Investment Process?

Orbis Investment Management employs a long-term, fundamental bottom-up investment process to identify undervalued companies. This style is contrarian in nature, buying stocks when they have fallen out of favour with the wider market. Such processes can underperform during bull markets and in periods of short-term market stress, as Orbis tends to buy falling stocks early. The Manager does not identify with any particular style and the style bias can deviate through market cycles. Analysts have their view on what constitutes contrarian opportunities, which can be influenced by their sector or region of coverage. The Fund can feature a blend of 'deep value' stocks that are trading at heavily discounted prices and stocks that are GARP, which have solid longer-term growth prospects although trade at a discount to 'intrinsic value'. This diversity tends to impact on conventional style analysis characteristics.

Lonsec Opinion & Supporting Facts

Philosophy and Universe

Investment Type	Fundamental
Investment Approach	Bottom-up
Investment Style	Value
Typical market cap	Large and mid-cap
Minimum market cap	\$1b
Available Universe	Selected emerging market securities, money market instruments, cash and near cash

Orbis implements a disciplined, analyst-driven and highly detailed fundamental bottom-up research process. The contrarian-based investment process attempts to exploit market misunderstandings and heavy share price discounts to intrinsic value. Orbis employs an opportunistic approach to research where each analyst has the discretion to investigate any idea within their universe. Quantitative screens assist in the discovery process, helping to narrow and prioritise opportunities. These screens are customisable by analysts but typically include return on equity, net asset value, sustainability of earnings growth and working capital adequacy metrics. The Fund's investment style is fluid. Orbis do not conclusively prescribe with any particular style and the Fund can deviate significantly from the benchmark through market cycles. This is a function of the degree of flexibility and individualism implicit in the process. That is, reflecting the investing bias of each portfolio manager and the emphasis on determining their own view of 'intrinsic value' when assessing investments. At times, this can lead to a mixed portfolio of 'value' and 'growth' names, challenging performance outcomes.

Research Process

Key screens	Liquidity, market cap
Screened universe	600
Idea generation	Variety of qualitative and quantitative tools including internally-developed models and screening tools
Stocks researched	150
Annual manager meetings	800
Key research inputs	Financial statements, company meetings, company data, industry data, expert networks
Primary valuation approach	IRR

The research process involves three layers of self-vetting by analysts, with each stage progressively requiring deeper analysis. This promotes a high level of individual accountability and conviction. Analysts are considered to have sufficient time to conduct due diligence as they may only generate three to five new ideas annually. The experience of the portfolio managers is critical in guiding the development of the team and quality of research output. This is particularly important given the risk of inexperienced analysts pursuing poor quality ideas. The bottom-up research emphasises internal financial models and valuations, although broker research can be used to gauge market and consensus views. The primary valuation metrics are DCF and IRR models, although analysts are free to select their own methodology and input their own assumptions. Albeit, a more standardised approach to valuation and financial assumptions can improve consistency and comparability, the flexible approach is well aligned with the analyst ownership of their research. Notably, the valuation techniques and assumptions adopted are critically assessed at the Policy Group Meeting ('PGM').

Process (continued)



Portfolio Construction

Portfolio management structure	Portfolio Manager
Approach to benchmark	Benchmark agnostic
Typical security numbers	35
Typical securities range	25-40
Typical portfolio turnover p.a.	40.00%
Typical active share	85.00%

Once a stock idea has been developed by an analyst, they are required to make a presentation to the PGM. The PGM is a peer review forum and does not involve any formal stock approvals. All stock ideas are evaluated in a PGM before being added to an analyst's 'Recommended List'. This is a valuable feature, ensuring all stocks have been consistently evaluated given the team's varied experience. Overall portfolio construction is managed by Magnusson with the exception of a specialised sleeve of the portfolio managed by Lu which focuses on China and Taiwan stocks. The quantum of this sleeve is varied based on market conditions and is currently circa 10% of the total portfolio. Portfolio construction is designed to ensure capital flows to the best risk-adjusted opportunities, enhancing the Fund's appeal.

Capacity Management

Capacity guidance	Not specified
Strategy AUM	\$3.2b
Portfolio liquidity (1 week)	100.00%
Substantial holdings by manager	None
Strategy previously closed	No

The Manager does not have a formal capacity limit. Given the Manager's contrarian approach, investing in stocks when they are out of favour with the market, there are potential liquidity challenges that may be encountered during heightened sell-offs, especially further down the market capitalisation spectrum. A formal capacity study and definitive capacity figure would be a positive development.

Investment Risk Management

Monitoring external to investment team	Yes
Frequency of monitoring	Daily
Primary risk management system	Proprietary
Security Limits (Min./Max.)	Soft: Absolute, 0-10%
Sector Limits (Min./Max.)	No limits
Country Limits (Min./Max.)	No limits
Cash Allocation (Typical, Max.)	1%, 10%

The evaluation of risk is well-featured in the bottom-up process. A stock's 'margin of safety' is a key element of the research and each investment thesis is thoroughly tested at the PGM. There is less emphasis on benchmark risk management compared to peers. Quantitative risk models are employed to measure risk exposures and this process aims to review the risk-return trade-offs of large exposures and reduce exposures that do not offer commensurate returns. Notably, unlike some of the Manager's other strategies, this Fund does not seek to generate alpha via the currency management overlay which is managed by the currency team. However, the Fund does leverage the currency team's insights for risk management and construction of the final portfolio.

ESG

Manager Positioning - Product

Responsible investment style	ESG Integration
ESG approach	Risk or Value
Sustainability thematic	No Sustainability Thematic
Non-financial objective	None

What is the Manager's ESG approach for this product?

The Manager has indicated that their Responsible Investment ('RI') style is 'ESG Integration' and as such they take Environmental, Social, and Governance factors into consideration when assessing investment opportunities. A dedicated RI team helps the investment team execute its responsible investing principles. With a primary ESG style of 'Risk or Value', the Manager will determine inclusion based on the balance of overall risk (including ESG risk) and potential return. As a result, this approach may mean that lower-quality ESG companies may be included if the return potential is sufficient and this may conflict with some client's perception of what a strong ESG process would deliver.

Sustainability Score

No score.

Lonsec Opinion & Supporting Facts

Overview

ESG Process Score	ModLow
Responsible Investment strategy risk: Clarity, measurability & reporting	Not applicable



Product Level Approach

The Manager uses ESG data within their investment process in a structured and thorough manner. Multiple providers are accessed. There are clear signs of defined ESG elements within the research process for the Fund, however, there is less structure to the Manager's approach than in leading managers. There are clear links from the Manager's research to the stock selection process through an unstructured adjustment of a company's cash flows based on, among other factors, ESG scores. ESG risks are focused on individual stocks and are reflected in position sizing. At the total portfolio level, ESG monitoring is limited to climate-related risks in the portfolio. There is a clear system for prioritising engagements and for measuring success. The RI team developed processes to identify, prioritise, execute and monitor engagement activity and provide input ahead of votes at shareholder meetings.

Strategy: Clarity, Measurability & Reporting

This product does not make any specific claim to being a sustainable, ethical or impact offering. As such the alignment review does not apply to the product and the risk score of misalignment is not applicable.

Manager Level Approach

The Manager's overall ESG policy framework and disclosure is aligned with peers. The Manager has an articulated commitment to the integration of ESG within their investment process with evidence of public positioning. While relevant policies are published on the firm's website, the proxy voting and engagement policy frameworks remain rather generic and lack depth compared to peers. Reporting on voting and engagement outcomes is publicly available, although further disclosure at the company level for engagement outcomes would be welcomed.

Product

Service Providers

Responsible entity	Equity Trustees Limited
Investment manager	Orbis Investment Management Limited
Custodian	Citibank N.A, Hong Kong Branch
Administrator	Citigroup Pty Ltd
Fund Auditor	Ernst & Young
Change in Key Providers? (Over last 12 months)	No

Product Details

Product size	\$12.40m
Distribution model	Internal
Buy/sell spreads	0.35/0.35
Investment structure	Direct
Product type	Registered Managed Investment Scheme
Currency hedged	Unhedged
Use of derivatives	Yes
Types of derivatives	OTC, Futures, FX

What is the Product Structure?

The Fund is a vanilla Australian-domiciled unit trust and currency unhedged. The Fund is a long-only emerging market equity capability that invests primarily in large and mid-cap stocks.

Lonsec Opinion

Service Providers

The Manager has engaged large 'tier 1' service providers for critical functions such as custodial, administration, auditing and broking services. The Responsible Entity is Equity Trustees, which is not related to the Manager.

Wind-up Risks

The Fund was only recently launched in August 2024 and currently has a low level of funds under management. As such, wind-up risk is currently elevated, albeit support from the broader business and AUM of the underlying strategy which has been in operation since 2016 are mitigating factors.

Operational 'Red Flags'

The Fund is a long-only strategy which typically invests in large and mid-cap positions, and should not be operationally challenging to implement.

Fees

Annual Fees and Costs (% p.a.)	
Management fees & costs	1.20
Performance fee costs	0.00
Net Transaction Costs	0.11
Buy/Sell Spread	0.35/0.35
Annual fees and costs	1.31

Source: FE fundinfo, PDS Date: 01/Aug/2024

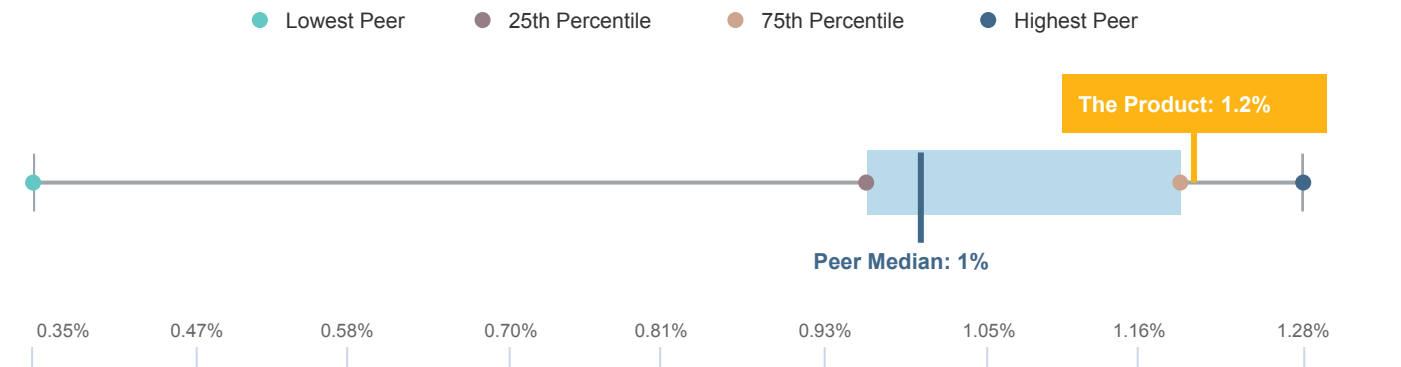
Performance Fees	
Applicable	Yes
Hurdle type	Benchmark relative
Hurdle	25% of outperformance above benchmark
Rate	25%
Fee capping	Yes
High watermark	Yes
Above high watermark	No
Reset Allowed	No

Fees Explained

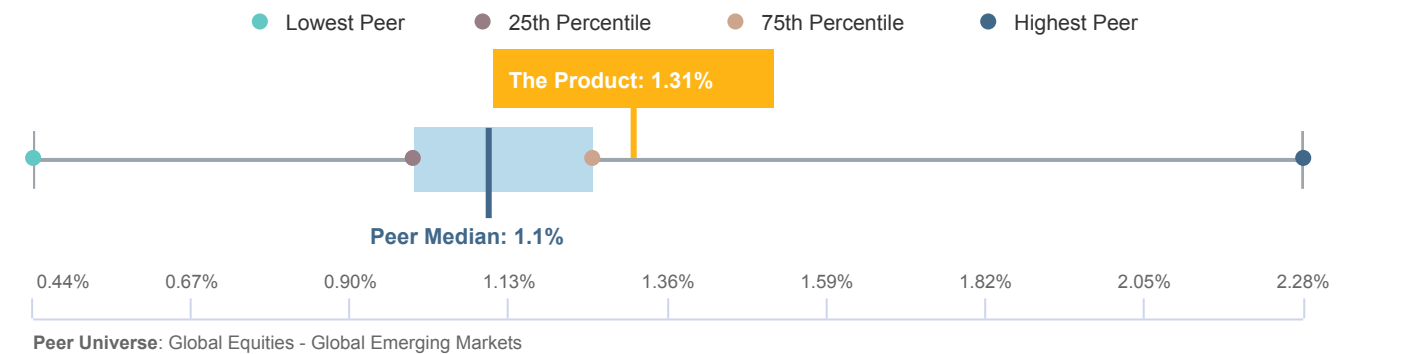
The Fund's Annual Fees and Costs ('AFC') total 1.31% p.a. This value comprises Management Fees and Costs of 1.20% p.a., Performance Fee Costs of 0.00% p.a. and Net Transaction Costs of 0.11% p.a.

The Fund operates a 'refundable' performance fee structure whereby when the Fund outperforms the Benchmark, 25% of the outperformance is paid into a reserve. Conversely, where the Fund underperforms, refunds are issued at the same 25% rate from the reserve. Orbis receives payment from the reserve only where the reserve has positive value, and this amount is capped at 2.5% (per year) of the NAV.

Management Fees and Costs Peer Comparison



Annual Fees and Costs Peer Comparison



Lonsec Opinion

Annual Fees and Costs

The AFC of the Fund is considered to be high relative to the peer group, primarily as a result of higher Management Fees and Costs.

Fairness

The total fee load is considered to be less competitive relative to peers, albeit the presence of a high watermark and 'refundable' performance fee structure are positive attributes.

Performance data is as at 31 August 2024

Performance

Performance Summary

PDS return objective	To seek higher returns than the average of the emerging markets' equity markets without greater risk of loss
Internal return objective	No stated return objective
Internal risk objective	No stated risk objective
Product benchmark	MSCI Emerging Markets NR Index AUD
Lonsec peer group	Global Emerging Markets

Alpha Generation

Given the recent launch of the Fund, the performance commentary provided below is based on the underlying strategy composite that has been in operation since November 2016.

Over the medium to long term, the underlying strategy composite has notably outperformed the Benchmark, generating alpha of 5.2% and 1.7% p.a. (net of fees) over three and five-year rolling periods to 31 August 2024. Shorter term performance has been weaker, underperforming the Benchmark by 4.5% over the last 12 months.

Alpha Consistency

Given the limited track record of the product, meaningful analysis for this component of performance cannot be conducted.

Performance data is as at 31 August 2024

Performance *(continued)*

Benchmark Relativity

Given the limited track record of the product, meaningful analysis for this component of performance cannot be conducted.

Return Volatility

Given the limited track record of the product, meaningful analysis for this component of performance cannot be conducted.

Product Defensiveness

Given the limited track record of the product, meaningful analysis for this component of performance cannot be conducted.

Ratings

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

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

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

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

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

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

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

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

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

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

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

General

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

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

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

Excess return: Return in excess of the benchmark return.

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

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

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

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

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

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

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

Standard deviation: Volatility of monthly Absolute Returns.

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

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

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

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

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

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

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

1.2 About Lonsec Research and its related parties

ASX listed Generation Development Group Limited (ABN 90 087 334 370) is the parent company of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings). Lonsec Research is a wholly owned subsidiary of Lonsec Holdings Pty Ltd (ABN 41 151 235 406) (Lonsec Holdings) and provides in-depth, investigative investment research across a broad range of listed and unlisted investments.

Other subsidiaries of Lonsec Holdings include SuperRatings Pty Ltd (ABN 95 100 192 283), Implemented Portfolios Pty Limited (ABN 36 141 881 147) and Lonsec Investment Solutions Pty Ltd (ABN 95 608 837 583). All employees of the Lonsec group entities, including Lonsec Research, are employed by Lonsec Fiscal Pty Ltd (ABN 94 151 658 534).

Contact Details

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

1.3 What kind of financial services can Lonsec Research provide?

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

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

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

1.4 Provision of general advice

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

1.5 How Lonsec Research is paid

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

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

1.6 How do we manage our compensation arrangements?

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

1.7 What should you do if you have a complaint?

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

Complaints Manager

Level 39, 25 Martin Place
Sydney NSW 2000
Tel: 1300 826 395

Email: complaints@lonsec.com.au

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

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail:

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

1.8 Conflicts of Interest

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

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

Lonsec Research review and rate products for Fund and Equity Managers who may from time to time have holdings within Generation Development Group Limited. Lonsec Research manages any potential conflict by disclosing to investors who access the research for these products and by implementing a comprehensive ratings process, information barriers and monitoring program. For further information on how Lonsec manages its conflicts refer to our Conflicts of Interest Statement accessible here <https://www.lonsec.com.au/lonsec-group-conflicts-of-interest-statement/>. For more information refer to Lonsec Research Ratings Methodology available on our platform iRate or by contacting us on 1300 826 395.

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

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

This FSG was prepared on 1 August 2024.