



August 2021

CARE Enhanced IEQ Portfolio Model Changes

As the Investment Manager of your CARE managed portfolios, the CARE Investment Committee is committed to help you to achieve your financial goals and objectives in the long-term. An important part of our investment process is to engage skilled investment specialists to manage the Enhanced portion (E) of your overall CARE investment portfolio. We follow a thorough selection process to choose the managers that align with our macroeconomic views and outlook for the domestic and global economy and global investment markets. Following a comprehensive review of our CARE Enhanced International portfolio, the Investment Committee will appoint two new managers to replace Magellan Financial Group. The SPDR® S&P® Global Dividend Fund, which is focused on providing a high income to investors will be maintained.

WHO ARE THE NEW MANAGERS?



Hyperion Asset Management Limited is a Brisbane-based high conviction, investment manager established in 1996. Hyperion has approximately \$10 billion under management across Australian and global equities asset classes. The Hyperion Global Growth Companies Fund (Managed Fund) is a long-only, high conviction global equities strategy that invests in a concentrated portfolio of 15-30 companies around the world. The fund aims to identify businesses with long-term structural growth from a research driven, bottom-up investment philosophy.



Insync Funds Management is a Sydney based independently owned asset manager that specialises in global equities management. The manager has a relatively low amount of funds under management which allows them to be nimble when making portfolio changes and gives them a good growth runway. The Investment Committee understands the importance of maintaining relatively modest amounts of funds under management that can give managers an edge in performance relative to their index. The Insync Global Quality Equity Fund seeks to invest in companies by identifying and assessing disruptors, global megatrends and building a portfolio from the subset of the most profitable and innovative companies. Insync believes that investing in a concentrated portfolio of high-quality companies with a long runway of growth opportunities will lead to higher returns over time.

The Investment Committee identified both Hyperion Asset Management and Insync Funds management as worthy to continue deliver on the long-term investment returns. We have high conviction that both managers are strongly aligned with our investment philosophy via their robust and well-established investment approach and stock selection process and you, our clients.



OUR MOTIVATION FOR THE CHANGE?

The CARE Investment Committee continuously monitors our specialist investment managers to ensure our clients achieve their long-term investment goals particularly as markets ebb and flow. Within the Enhanced international shares portfolio, we aim to select managers that remain focused on researching and investing in companies that can maintain earnings growth without material dependence on the cyclicity of the economy. Both the selected managers have been identified to provide diversification to the portfolio and will blend well with the existing investment that focuses on income. We also negotiate favourable investment management fees for our clients where the indirect cost ratio for our Enhanced International Portfolio will reduce to be around 0.62% from 0.925% (estimated).

WHAT DO THESE CHANGES MEAN FOR INVESTORS?

While there is a change to the underlying investment options, your investments will continue to be managed according to your selected CARE managed portfolios. The manager changes will be made to your portfolio seamlessly.



Emmanuel Calligeris

Chairman of the CARE
Investment Committee

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