

BELL POTTER GUIDED PORTFOLIO SERVICE (GPS).

Expert design. Personal control.

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BELL POTTER

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BELL POTTER GUIDED PORTFOLIO SERVICE

The Bell Potter Guided Portfolio Service (GPS) is a cost-effective way to invest in a professionally designed model portfolio with personal ownership and control.

The GPS combines the benefits of a directly held share portfolio with the research capabilities and portfolio-design expertise of leading global investment managers.

Using the GPS, you and your adviser can choose from a suite of model portfolios, designed and overseen by asset allocation experts.

Throughout the life of your investment, your adviser can continue to oversee the model portfolio, modifying it to ensure your investment stays on track. You retain direct ownership and control over every transaction, so you and your adviser can tailor your strategy to suit your needs.

WHY CHOOSE THE GPS?

Simplicity

The GPS is a simple and streamlined way to create a diversified portfolio of direct investments, with expert guidance from investment managers to keep you on track, advice and administrative support from your adviser, and consolidated reporting that makes it easy to keep track of performance.

Expertise

The GPS model portfolios are designed and maintained by asset allocation experts and sector specialists, with expertise covering Australian and international shares, real estate, infrastructure, fixed interest investments and more. So you can instantly create a diversified portfolio backed by institutional-grade asset selection capabilities, while still enjoying the benefits of direct ownership.

Control

Unlike many managed accounts, investments through GPS are held in your name, under your own individual CHESS Holder Identification Number (HIN) – giving you complete control. With support from your adviser, you approve any changes or rebalances to your portfolio before they are made, and decide whether to follow the portfolio manager's recommendations for corporate actions, such as share buybacks and rights offers. Direct ownership also means you can leave the GPS and continue to hold your assets or sell your assets at any time.

Tax efficiency

Because you're in control, you can manage transactions to suit your individual tax situation. Unlike a unitised investment, such as a managed fund, your tax situation isn't impacted by the asset redemptions made on behalf of other investors – so you choose the timing of any capital gains. There are also no tax consequences if you choose to withdraw from the GPS, with no need to redeem assets and crystallise gains.

Cost-effectiveness

The GPS features a transparent and cost-effective pricing model, with one low management fee, regardless of the number of transactions required to keep your asset allocation on track. Brokerage is included, so the cost is driven by how much you invest, not the number of trades involved in establishing or rebalancing your portfolio. There may also be indirect costs applicable to some model portfolios – for more information see the 'Model Portfolio Profiles' brochure.

Flexibility

You can invest in more than one model portfolio under the same account, so you and your adviser can view and manage your investments in a single integrated portfolio. You can also switch investments between model portfolios, quickly and efficiently – and we'll identify common equities to keep transactions to a minimum, reducing any tax impact.

INVESTING WITH THE GPS

Investing with the GPS is fast and convenient – here's how it works:

1	Choose your strategy	You and your adviser choose one or more model portfolios to suit your individual investment strategy. This is usually done in a statement of advice (SOA) provided to you by your adviser.
2	Apply	Your adviser will help you apply. Before applying, you should ensure you have read: <ul style="list-style-type: none">– the Third Party Platform Pty Ltd Financial Services Guide– the Third Party Platform Pty Ltd Terms and Conditions– the Guided Portfolio Service Terms and Conditions, and– the Bell Cash Trust Product Disclosure Statement and Additional Information. Your adviser will give you copies of these documents. When we receive your application, we will: <ul style="list-style-type: none">– open a CHESS-sponsored broking account in your name (GPS Trading Account)– open your Bell Cash Trust – a dedicated cash account for your GPS portfolio (GPS Cash Account).
3	Invest	You can invest simply by transferring funds to your GPS Cash Account (by BPAY or electronic funds transfer), transferring your current shareholdings to your GPS Trading Account, or both. Your GPS Cash Account is a unit in the Bell Cash Trust and pays a competitive rate of interest.
4	Implement	To match your portfolio with your chosen model portfolio(s), your investment will need to be rebalanced. You will receive a General Advice Record by email detailing the trades that will need to take place for your electronic approval within 3 days of receiving that email. We will only implement the rebalance once you've approved it. Just like any other CHESS-sponsored trade, you'll receive contract notes confirming each investment.
5	Manage	Together with your adviser, we will continue to monitor and report on your portfolio to keep your strategy on track. If a model portfolio investment manager recommends a change, we will send you another General Advice Record recommending a rebalance of your portfolio for your approval. We will generally implement your trades on the same day as receiving your approval of the rebalance instruction. You can also make additional investments, switch model portfolios, or make withdrawals at any time, simply by contacting your adviser.

MANAGING YOUR INVESTMENTS

The GPS is designed for maximum flexibility and control, so you and your adviser can manage your investment transactions to suit your individual needs.

Here are some important things you need to know about managing your investments:

Minimum cash balance

You must have at least 5% of your portfolio value in your GPS Cash Account at any time, to ensure there is enough money to cover rebalancing transactions, fees and charges.

If your cash balance falls below that level, we will ask you to top up your GPS Cash Account balance or your adviser may rebalance your portfolio to bring it back to the minimum. If we are unable to contact you within 14 days, we may sell investments – at our discretion, but only to the extent required to return your GPS Cash Account balance to 5% of your portfolio value.

For example, if you invest \$100,000 into the GPS, a minimum balance of \$5,000 will need to be maintained in the GPS Cash Account. If the value of the portfolio rises to \$150,000, the minimum balance required in the GPS Cash Account will be \$7,500.

Minimum trade size

The minimum trade size is \$1,000. If a rebalance will result in trades that are smaller than the minimum trade size, those trades will not be implemented.

There are some situations in which we will waive this requirement, including:

- if holdings need to be sold to meet the minimum cash balance
- if we need to sell small holdings to process a withdrawal request
- if a security has been removed from a model portfolio by a portfolio model manager.

Managing corporate actions

The equities in your portfolio are registered in your name, so you (or your adviser) will receive corporate action notifications directly. We will let you know the recommended action from the investment managers, but you are free to decide what to do. If you choose not to follow the investment manager's recommendation, your portfolio may need to be rebalanced later to realign it with the model portfolio.

Rebalancing your portfolio

Rebalancing is the process of buying or selling equities to realign your portfolio with the model portfolio. Your portfolio may need to be rebalanced when:

- the model portfolio has changed – for example, a security has been added or removed, or the weighting of the security has changed
- you have made an additional investment, or a partial withdrawal from your portfolio
- your cash balance falls below the minimum required.

Before rebalancing, we will send you a General Advice Record detailing the rebalancing transactions for your review and approval.

Making additional investments

You can make additional investments in your account at any time by transferring funds and/or securities to your portfolio. Your additional investments will be re-invested in line with your chosen model portfolio(s) when your portfolio is rebalanced, subject to minimum trade size requirements.

Switching model portfolios

Your adviser can help you switch between model portfolios, or change the combination of model portfolios within your account. Like the rebalancing process, you will need to authorise the recommended trades before the switch can be made.

When you switch between model portfolios, we'll avoid selling and rebuying equities that are common to both model portfolios.

Making withdrawals

You can make withdrawals of \$5,000 or more from your portfolio investments at any time. The withdrawal value must not be greater than the value of your portfolio (including the 5% of your portfolio value being held in cash in your GPS Cash Account) after taking into account all outstanding liabilities (including fees) associated with your GPS Trading Account.

We'll pay withdrawals to the external bank account you nominated when you set up your GPS Cash Account.

We will try to make your withdrawal from your available balance in your GPS Cash Account. If there are insufficient funds, we will sell securities from your model portfolio. If we have to do this:

- a transaction fee of 0.11% of the value of the equities sold applies
- funds will generally be available within 10 days.

After a withdrawal, your portfolio may no longer reflect your chosen model portfolio and may need to be rebalanced. If you ask us to withdraw the full value of your investments, we may treat this as an instruction to terminate the service.

Transferring equities out

As for any CHES-sponsored broking account, you can ask your adviser to transfer equities out of your GPS portfolio. If your portfolio no longer reflects your chosen model portfolio after the transfer, your portfolio may need to be rebalanced.

Ending the GPS

You can end the GPS at any time by instructing us in writing. After we process your request, your portfolio will no longer be rebalanced to match any model portfolios.

If you owe any fees at the time of your instruction, this amount will be deducted from your GPS Cash Account. Your GPS Cash Account and GPS Trading Account will remain open unless you instruct us to close them.

If you end the GPS without closing your broking account, we will re-enable trading access on the account so that your adviser can continue to provide you with financial advice on your investments. The GPS Cash Account will also become a standard Bell Cash Trust account.

We may also terminate the GPS if:

- we reasonably believe that you are no longer making use of the GPS. For example, if you've failed to approve 3 consecutive rebalances or there have been no rebalancing activities on your portfolio for 6 months
- you end your relationship with your adviser
- there are insufficient funds in your portfolio to pay fees owed

If we exercise our right to end the GPS, we will generally do so within 28 days of determining that you are no longer using it. You will no longer be required to pay the GPS fees on your portfolio once the service has ended.

RISKS & CONSIDERATIONS

All investments carry risk, and the different model portfolios carry different levels of risk, depending on the underlying mix of assets that make up those model portfolios.

When you make an investment using the GPS, you are accepting the risks associated with that investment.

It is therefore important for you to understand that:

- the value of your investment will fluctuate
- investment returns will vary, and future returns can be different from past returns
- returns are not guaranteed, and you may lose some or all of the money you invest through the GPS.

KEY RISKS YOU NEED TO BE AWARE OF:

Market risk

Movements in a market sector may have a negative impact on your investment. For example, interest rate changes, economic factors, and political or other events that impact market sentiment.

Model portfolio manager risk

Managers of the model portfolios may not always achieve their desired performance objectives, or their investment strategy may not always be effective. To help mitigate this risk, we choose investment managers based on their past success and continuously review their performance to ensure they remain appropriate.

Specific equities risk

The performance and returns of equities in your model portfolios will impact the value of your investment. For equities, performance can fluctuate depending on the performance of underlying companies.

Other securities, like exchange traded funds (ETFs), may be structured using complex financial products and strategies, such as margin lending, short selling and derivatives. You should speak to your adviser to find out more about the ETFs that may be included in your model portfolio(s).

Liquidity risk

Certain equities may not be able to be bought or sold when you want them to be, due to limited buying or selling interest. This can delay the implementation of your investment strategies and withdrawals.

Regulatory risk

Changes to laws or regulations that apply to the GPS can impact the performance of your investments, or even your ability to keep using the GPS.

Tracking risk

We'll do our best to match your portfolio to your chosen model portfolios. However, there are circumstances that can cause the performance of your portfolio to differ from your chosen model portfolio. These may include:

- if you don't approve recommended rebalancing transactions, or don't approve them in time
- if your rebalancing trades aren't implemented because the minimum trade value or minimum cash balance requirements aren't met
- if general market conditions or liquidity in the investments affect when we can implement rebalance transactions
- if your portfolio is not rebalanced in a timely manner when model portfolios change, or when you make additional investments to/withdrawals from your portfolio.

Operational risk

We rely on our technology, and the technology of other service providers, to operate the GPS. If this technology (or associated processes) fails, this may affect your portfolio.

For example, there may be a delay in processing the trades required to establish, manage or rebalance your portfolio.

FEES + CONTACT

The GPS provides the benefits of a professionally designed and managed investment, at a fraction of the cost of a separately managed account.

FEE	WHAT YOU'LL PAY	WHEN YOU'LL PAY
Guided Portfolio Service fee	1% of your portfolio value (excluding GST) with a minimum of \$500 a year	Monthly in arrears
Withdrawal transaction fees	0.11% of the value of securities sold	When we sell securities to process your withdrawal request

Note: These fees do not include any indirect costs applicable to some model portfolios – for more information see the 'Model Portfolio Profiles' brochure.

Find out more

For more information about the Bell Potter Guided Portfolio Service, call us on 1300-0-BELLS(23557), visit www.bellpotter.com.au or email support@bpgps.com.au.

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