A CHANGE TO YOUR AUSTRALIAN SHARES HOLDINGS.

We are removing one of the three funds held in the Australian shares part of your portfolio and directing that money to a fund you already own. Your income is expected to be maintained and you do not need to do anything.

PREPARED BY
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PORTFOLIOS
iQ Income · Conservative / Balanced / Growth

DATE
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— THE CHANGE IN SHORT

What is happening. The Vertium Equity Income Fund is being removed from the Australian shares part of your iQ Income Portfolio. The money it held is being directed to the Plato Australian Shares Income Fund, which your portfolio already owns.

Why. The firm managing the Vertium fund is being replaced, and the incoming manager has a different focus to the job this fund does in your portfolio.

Your income. The Australian shares part of your portfolio is expected to keep paying income of around 8% a year, including the value of franking credits, the same as before the change.

Your overall mix. The total amount invested in Australian shares does not change, and neither does the overall balance of your portfolio between growth and defensive assets.

01 WHAT IS CHANGING

Your iQ Income Portfolio invests through a set of professionally managed funds, grouped according to the job each one is there to do. Until now, the Australian shares part of your portfolio has been made up of three funds.

We are removing one of those three, the Vertium Equity Income Fund, and directing the money it held into the Plato Australian Shares Income Fund. Plato is already one of your holdings, so this is a change in how much you hold rather than the introduction of something new. The third fund, AB Managed Volatility Equities, is unaffected and stays at exactly the same weight.

02 WHY WE ARE MAKING THIS CHANGE

Vertium Asset Management, the firm that has been running the Vertium Equity Income Fund, is selling part of its investment management business. From on or around 7 September 2026, the fund will be run by a different firm, Tacking Point Asset Management, and Vertium will step away entirely.

Tacking Point is an Australian firm, but its stated focus is spreading investments across international markets and managing risk globally. That is a different job from the one this fund has been doing for you, which is investing in Australian companies that pay reliable income. When both the manager of a fund and the direction of that fund change at the same time, we do not assume it will keep doing the thing we originally selected it for.

We could have held on and watched how the new manager performed. We have chosen instead to replace the fund now, so that the Australian shares part of your portfolio continues to do what it was designed to do without a period of uncertainty.

03 WHERE THE MONEY IS GOING

The Plato Australian Shares Income Fund invests in Australian companies with a specific focus on generating income. It is purpose built for investors who pay little or no tax, such as people investing through superannuation or drawing a pension, because those investors receive the full benefit of franking credits.

Over the year to 30 June 2026, the fund returned 7.20% including the value of franking credits. Importantly, that return came through income rather than through a rise in the value of the shares it holds, which means the fund was able to pay its distributions out of the income it earned rather than by selling down investments to fund them.

FRANKING CREDITS, BRIEFLY

When an Australian company pays tax on its profits and then pays you a dividend from those profits, you receive a credit for the tax it has already paid. If your own tax rate is low or nil, that credit is worth real money to you and can be refunded. When we describe income as being “including franking”, we mean the dividend plus the value of those credits.

04 WHAT THIS MEANS FOR YOUR INCOME

Protecting your income was the deciding factor in how we made this change. Vertium was held for the income it generated, so its weight has gone to the fund that does the same job. On that basis, the Australian shares part of your portfolio is expected to keep paying income of around 8% a year including franking credits, in line with the level before the change.

The AB Managed Volatility Equities Fund continues to provide the steadier, lower volatility exposure within this part of your portfolio.

05 YOUR NEW ALLOCATION

The table below shows the Australian shares part of your portfolio after the change. Find the column that matches your risk profile.

AUSTRALIAN SHARES	CONSERVATIVE	BALANCED	GROWTH	CHANGE
AB Managed Volatility Equities	3.0%	5.5%	8.0%	UNCHANGED
Plato Australian Shares Income	7.0%	12.5%	17.0%	INCREASED
Vertium Equity Income	nil	nil	nil	REMOVED
Total Australian shares	**10.0%**	**18.0%**	**25.0%**	UNCHANGED

Weights are shown as a percentage of your total portfolio. The Vertium weight has moved to Plato in each risk profile, so the total invested in Australian shares is unchanged.

06 WHAT IS NOT CHANGING

- The total amount your portfolio has invested in Australian shares.
- The overall balance of your portfolio between growth assets and defensive assets.
- The overall mix of your portfolio across shares, property, bonds, cash and other assets.
- Your holding in the AB Managed Volatility Equities Fund, which stays at its existing weight.
- The objective of your portfolio and the way it is managed day to day.

07 WHAT YOU NEED TO DO

Nothing. Because your investments are held through a managed account, we put changes like this into effect on your behalf. The change has been made as of the 14th of August, and you will see it reflected in your account and in your next statement.

If you would like to talk through what this means for your own circumstances, please contact your financial adviser.