

Maxim Atlas Core Australian Equity Portfolio

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ABOUT THIS MANAGED PORTFOLIO DISCLOSURE DOCUMENT

This Managed Portfolio Disclosure Document (Disclosure Document) has been prepared and issued by Diversa Trustees Limited (ABN 49 006 421 638, AFSL 235153, RSE Licence No. L0000635) (Trustee, we, us) as Trustee of the HUB24 Super Fund (ABN 60 910 190 523, RSE R1074659) (Fund).

The information contained in this Disclosure Document is incorporated by reference into the Product Disclosure Statement Part I and Part II (PDS) for the Fund and should be read in conjunction with the PDS, Additional Information Booklet, Investment Booklet, individual insurance policies (as applicable) and the relevant underlying disclosure documents (if any) for each investment option.

This Disclosure Document is intended only for the purpose of providing an overview of the key features of the managed portfolio available through the Fund. The information contained in this Disclosure Document is not intended to be a definitive statement nor an endorsement that this managed portfolio is appropriate for you, and should not be solely relied upon in making a decision to invest.

All dollar amounts are in Australian dollars unless otherwise indicated. All fees include GST (where applicable) unless otherwise specified. Information in this document is subject to change from time to time. Other fees and costs apply. To understand all the fees payable when you select a particular investment option, you must refer to the PDS (including the information incorporated into the PDS) and the product disclosure statement (or other disclosure document) for the investment option. Refer to Part II of the PDS and, if applicable, the disclosure document for the particular investment option(s) for details.

This managed portfolio is comprised of a number of underlying financial products. By selecting this managed portfolio, you instruct the Administrator to purchase on your behalf the underlying financial products that make up the managed portfolio.

Any statement made by a third party or based on a statement made by a third party in this Disclosure Document has been included in the form and context in which it appears with the consent of the third party, which has not been withdrawn as at the date of this Disclosure Document.

GENERAL ADVICE WARNING

The information in this Disclosure Document is general information only and does not take into account your personal objectives, financial situation, needs or circumstances. Before acting on this information, you should consider its appropriateness, having regard to your personal objectives, financial situation, needs and circumstances.

Before making an investment decision about the product, including about whether to acquire or continue to hold the Maxim Atlas Core Australian Equity Portfolio, you should consider the PDS (including incorporated information). These documents are available free of charge by contacting your financial adviser or the Administrator or through the product website shown in the front cover of the PDS. When designing the portfolio, the portfolio manager does not take into account any potential investor's investment objectives, financial situation or needs.

You should also consider the product disclosure document (or other disclosure document) for any underlying investment acquired under this managed portfolio before making any investment decision. Upon request, your financial adviser must give you (free of charge) a copy of this documentation.

If you'd like to request a free printed copy of this Disclosure Document or have any questions or would like any more information about the Fund or the Maxim Atlas Core Australian Equity Portfolio, please contact your financial adviser or HUB24 Custodial Services Limited (ABN 94 073 633 664, AFSL 239122) (HUB24, Administrator).

ELIGIBILITY

You can only invest in the Fund if you are advised by a financial adviser (adviser), unless otherwise approved by us, so you can receive financial advice for each investment you are considering, including investments held through the managed portfolio described in this Disclosure Document.

Managed portfolio

Maxim Atlas Core Australian Equity Portfolio

Portfolio manager

Atlas Funds Management Pty Ltd (ABN 83 612 499 528, AFSL 491395) ('Atlas'). The portfolio manager is responsible for designing and managing the composition of this managed portfolio to meet the investment objectives and investment strategy detailed below.

Execution of investment strategy

HUB24 has been appointed by the Trustee to provide various services in relation to the Fund, including promoter, administration, investment management and custody services.

HUB24 is responsible for implementing the investment instructions of the portfolio manager by buying and selling investments, taking into consideration timing, trading costs (such as brokerage and currency costs, if applicable) and the mandate of the portfolio. HUB24 has the right to vary the managed portfolio, as set out in the Additional Information Booklet.

By investing in this managed portfolio, you instruct HUB24 to buy and sell on your behalf the underlying financial products that make up the managed portfolio as advised by the portfolio manager.

Code

ATL011

Inception date

4/04/2018

Minimum initial investment amount

No minimum

Holding limits

100%

For more information refer to 'Investment Holding Limits' in the Investment Booklet.

Designed for

The portfolio is designed for investors who:

- are seeking a concentrated core portfolio of listed Australian equity companies; and,
- are looking for consistent tax effective distributions above that offered by the ASX 200.
- accept the risk of price fluctuations particularly over periods less than the minimum investment timeframe and that capital preservation is not guaranteed; and
- are prepared to invest for the minimum investment timeframe of five years.

Investment objective

The portfolio aims to outperform the S&P/ASX 200 (TR) Index over a five-year period, after fees.

The portfolio will also aim to deliver investors long term capital growth and a higher dividend yield and franking credits than the portfolio benchmark.

Investment strategy

The portfolio's investment strategy is based on the concept of quality investing. By focusing in on the quality of a company and its earnings statements, Atlas seeks to invest in a select group of companies with high quality recurring earnings.

The portfolio actively uses franking as a signal of earnings quality and sustainability and is managed in a tax-aware manner in order to potentially benefit from franking credits.

Refer to the 'Investment strategy and process' section below for further details.

Investment universe

The portfolio may invest in:

- S&P/ASX 200 listed securities (excluding A-REITs) at time of purchase;
- Exchange Traded Funds (ETFs); and
- cash

The portfolio does not invest in derivatives.

Benchmark

S&P/ASX 200 (TR) Index

Asset allocation ranges

	Minimum	Maximum	Expected long term average target*
Australian shares	90%	100%	98%
Cash	0%	10%	2%

*The portfolio manager does not target a particular strategic asset allocation. The long term asset allocation represents the portfolio manager's indicative expected long-term average asset position.

Portfolio income

All income derived from the portfolio will be distributed to your cash account when received.

Typical number of securities

18 to 30 stocks

Turnover aim

The aim of the portfolio is to keep turnover to a minimum. The portfolio is monitored on a monthly basis. Turnover is estimated to be between 20% and 40% p.a.

Minimum suggested timeframe

5 years

Risk level (Standard Risk Measure)

High. The estimated likelihood of a negative annual return is 4 to less than 6 years in 20 years.

The Standard Risk Measure is a way of describing the level of risk of different investment options and provides a guide on the expected number of negative annual returns over any 20-year period. It does not consider all form of investment risk. Please refer to the Investment Booklet for more information about the Standard Risk Measure.

Investment fees

Investment management fee

0.495% p.a. inclusive of GST of the balance in the managed portfolio.

The investment management fee is calculated as a percentage of the managed portfolio calculated daily and deducted from your cash account monthly in arrears.

The investment management fee is paid to the Administrator and used to remunerate the portfolio manager for its services in relation to the Fund, and to meet the costs of the asset consulting and the investment management services associated with the portfolio.

Investment performance fee

N/A

Other fees and costs

In addition to the Investment fee described above, there may be other fees and costs relating to the underlying investments that make up the managed portfolio, including, but not limited to, a cash management rate ¹ and transaction fees.

For more information refer to Part II of the Super PDS and, if applicable, the product disclosure document (or other disclosure document) for any underlying investments acquired under this managed portfolio.

¹ A cash management rate will apply to the cash account portion you hold in this managed portfolio. The cash management rate is the amount that the Administrator earns from its cash management activities and is not a separate fee payable by you. Refer to Part II of the Super PDS for more information.

ABOUT THE PORTFOLIO MANAGER

Atlas Funds Management Pty Ltd

Atlas Funds Management Pty Ltd (ABN 83 612 499 528, AFSL 491395) ('Atlas') is a boutique investment manager based in Sydney that focuses on generating regular income for pension phase investors and self-managed superannuation funds.

Investment strategy and process

Investment philosophy

Atlas base their investment strategy on three core beliefs:

1. Investment success through making fewer mistakes: Rather than chasing high return and higher risk investments, Atlas see that superior performance and lower volatility of returns are best delivered by concentrating on avoiding mistakes.
2. Smaller certain returns today are worth more than larger uncertain future returns: Atlas prefer to invest in companies paying certain dividends today which can be distributed to investors, rather than deploying investors' capital in companies promising more variable returns in the future.
3. Markets are not efficient: Atlas believe efficient market theory underpins much of the professional portfolio management process around the world. They believe as elegant as these theories are, they simply do not accord with what happens in the real world of managing investor's portfolios.

Investment approach

The underlying investment philosophy behind the portfolio is based on the concept of quality investing. By focusing in on the quality of a company and its earnings statements, Atlas seeks to avoid 'risky' companies, where 'risky' is defined as companies with high leverage and volatile earnings.

Atlas use a Quality Filter Model ("QFM") to filter the investment universe to remove any companies that do not meet their criteria.

Companies that pass the filters can be considered at the next stage – detailed company analysis & relative attractiveness assessment. This stage includes the fundamental analysis of a company's quality; focusing on site visits, management meetings and internally-generated forecasting models.

This approach results in Atlas aiming to populate the portfolio with a select group of companies with high quality recurring earnings and improving quality. In the case of improving quality, Atlas believe at times the market may be mispricing a company's earnings as low quality, when the underlying fundamentals of that company are improving.

Portfolio Construction

The portfolio is managed with the goal of:

- constructing a concentrated portfolio of 18-30 large cap securities which are not trading at excessive valuations, relative to the peer group; and
- maximizing after tax returns for investors, based on favouring stocks that pay a high franked yield, and capital gains deferral through reduced turnover and by utilizing long-term capital gains tax concessions.

How the portfolio manager manages risk

The portfolio manager is unable to eliminate all investment risks, but does analyse, research, manage and aim to reduce the impact of risks on investments by actively monitoring investment markets and the portfolio and use carefully considered investment and risk management guidelines.

The portfolio manager conducts monthly stressing testing of the portfolio, which includes a number of different metrics such as maximum drawdown, volatility, beta, correlation, risk-adjusted return, days of gain and loss, rolling weekly volatility, upside and downside capture and rolling 90-day returns.

Labour standards and environmental, social and ethical considerations

The Trustee does not take into account labour standards, environmental, social or ethical considerations when making the investments available. The approach in relation to any consideration of labour, environmental, social or ethical standards as part of the investment decision making process for the portfolio is left by the Trustee to the individual discretion of the portfolio manager.

This investment strategy does not directly measure or incorporate labour, environmental, social or ethical standards as part of the investment decision making process. The portfolio manager is aware that these issues can influence social, business and investor outcomes, in certain circumstances they may consider these issues when making an investment decision. The portfolio manager's consideration of labour, environmental, social or ethical considerations is in its own right and not on behalf of the Trustee.

Risks

Before you consider investing in this portfolio, it's important you understand the risks that can affect your investments.

A summary of key risks is in the PDS. See the 'Risks' section in the PDS. Please note this is not an exhaustive list of all the risks. The risks relevant to this portfolio reflect the underlying investments. For information about risks with regard to your personal situation speak to your adviser.

Trade notifications

HUB24 may send you an email notifying you of a set of pending investment instructions if the portfolio manager is planning to perform a rebalance or reallocation on your investment. This is called a 'trade notification'.

The specific details of the investment instructions will be set out on InvestorHUB. You have a minimum of 24 hours from the time and date of the trade notification to cancel these pending investment instructions.

If you do not respond or take any action in relation to the pending investment instructions, the portfolio manager will submit the investment instructions on or around 10.00 am the next business day. If you opt out (i.e. do not consent) to the portfolio manager's proposed rebalancing or reallocation your investment in the managed portfolio will be withdrawn and be deposited into your cash account.

If you cannot contact your adviser to cancel the pending investment instructions, you can give HUB24 verbal and/or written instructions directly, as long as the verbal and/or written instructions are received by HUB24 within the time frame mentioned above.

The rebalance and reallocation of managed portfolios may occur regularly, and you may receive a trade notification each time a rebalance or reallocation occurs.

Note: The trade notification feature has been developed to provide transparency and the right to veto any pending investment instructions within the agreed timeframe with your adviser or HUB24.

Universe of investments

A managed portfolio can only be made up of asset classes and underlying assets and securities from the approved list of investments in the Fund.

The portfolio manager will select from the approved list to construct this managed portfolio.

The actual list of assets and securities acquired in all of the above asset categories will be set out in your Statement of Advice.

By investing in this managed portfolio, you instruct HUB24 to buy and sell on your behalf the underlying financial products that make up the managed portfolio as advised by the portfolio manager.

Contact details

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