



Principles of Internal Governance and Asset Stewardship

(FSC Standard No. 23)
Specialised Private Capital Ltd
As at 30 September 2025

Specialised Private Capital Ltd
(ABN 87 095 773 390, AFSL 246744)

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1. Organisational and investment approach

About Specialised Private Capital

Specialised Private Capital Limited is the Responsible Entity (RE) and Manager of a range of registered and unregistered investment schemes.

Specialised Private Capital manage and advise on assets of over \$3.4 billion across a number of registered and unregistered managed investment schemes.

Specialised Private Capital is part of Findex Group Limited. Findex employs about 2300 people in over 90 offices across Australia and New Zealand. Founded over 30 years ago, Findex Group has grown both organically and through acquisition and now operates one of the largest privately-owned integrated financial advisory and accounting offering in Australia. Findex has at present \$17 billion in funds under advice (FUA), including over \$8 billion under Managed Discretionary Accounts (MDA) as of 30 June 2025. As one of the largest non-bank financial advisory firms in Australia and along with their specialist MDA in-house investment expertise, Findex is one of the largest providers of holistic wealth investment advice in Australia. More broadly, our group of companies have demonstrated expertise in business advisory, wealth management, audit, performance consulting, accounting and tax. Today Findex serves 250,000+ clients across sectors such as agribusiness, Not-For-Profit, Education, Government, Small and Medium-sized Enterprises (SMEs) and individuals.

Investment Approach

At its core, our investment philosophy is underpinned by the following principles:

- **Rigorous due diligence.** We believe in identifying superior active managers that can outperform their benchmarks over the long-term and seek experienced fund managers with a demonstrated track record. To create solutions, we draw upon the team's long-standing expertise in multi-asset investing (over a decade in managing MDA portfolios) including asset allocation, manager selection and portfolio construction.
- **Portfolio construction is key.** The selection of investment managers with the appropriate capabilities and investment philosophy is critical. We seek managers who demonstrate expertise across key disciplines including strategic and tactical asset allocation, security selection and portfolio diversification, whilst maintaining a strong focus on costs efficiency and risk adjusted performance.
- **Manage the risks.** We adopt a disciplined multi-faceted risk management framework designed to ensure that each investment strategy operates within its risk parameters. The framework incorporates ongoing monitoring of key risk metrics including volatility, beta, and Sharpe ratio, as well as the assessment and management of strategy specific risks such as liquidity, concentration, currency and operational risks. Downside protection remains a central focus of our approach. Accordingly, we appoint fund managers who demonstrate a strong culture of compliance and risk management.

- **Diversification is key.** Each Fund is constructed with consideration of its benchmark composition and the active risks undertaken, including underlying portfolio weights (on both an absolute and benchmark-relative basis), sector and industry exposures, investment factors or styles and market capitalisation segments (large, mid, small and micro-cap).

For multi-manager portfolios, we seek to combine complementary investments strategies with low correlation and minimal holdings overlap. Each underlying strategy is appropriately weighed according to its intended role within the overall portfolio structure (for example Core or Satellite).

- **Ongoing monitoring** and portfolio management are undertaken to ensure that each Fund's investment thesis remains intact and aligned with its stated objectives. Market conditions and key factors influencing investors outcomes are regularly assessed to confirm the Funds continue to operate within expected parameters. Oversight and governance are provided by the Centric Investment Committee (IC) with additional oversight by the Centric Capital Board. Centric is part of Findex Group Limited.

Specialised Private Capital's funds span across multiple asset classes and are predominantly used by leading financial planning groups such as Findex in their model portfolios.

The funds are monitored and advised by the Investment Team with oversight from the IC. The Investment team is dedicated to multi-manager investing and supporting Specialised Private Capital's funds through their longstanding and structured investment process. The investment team works collaboratively, covering Equities, Fixed Income, Alternatives and Multi-Asset. They report to the Head of Research who reports to the Chief Investment Officer (CIO).

Specialised Private Capital does not directly manage an investment scheme's assets. An investment scheme's assets are managed directly by one or more selected external investment managers, or indirectly through pooled funds managed by the selected managers. Specialised Private Capital selects and blends investment managers with the potential to consistently deliver outperformance across the business cycle within actively managed risk tolerance levels. We are able to leverage our scale to deliver benefits to investors including lower minimum investment and withdrawal amounts as well as customised investment mandates (IMAs) that support effective risk management, liquidity and competitive fees structures. In addition, the Specialised Private Capital fund suite generally provides investors with access to specialist underlying investment managers who may not otherwise be available to retail investors in the Australian market.

Specialised Private Capital's purpose is to help facilitate investors goals and improve investor outcomes and financial security through efficient portfolio management.

2. Internal Governance

Code of Business Conduct and Ethics

Ethical Conduct and Professional Practice – Code of conduct

The Findex groupwide Code of Conduct policy sets out basic principles designed to guide employees in the course of their business activities and practices. These are the following ethical behaviours and standards described:

- Openness, honesty and integrity.
- Mutual Respect.
- Fairness.
- Best interests.
- Ethical conduct.

Personal Trading

A Staff Trading policy has been adopted by Specialised Private Capital that applies to all staff trading activity on existing financial products and future holding of financial products. The policy outlines the arrangements that are in place to manage potential conflicts associated with staff trading and ensure that employees do not misuse information or their position for personal gain.

Conflict of Interest

Specialised Private Capital employees assume a responsibility to act in the interests of our investors, customers, shareholders and counterparties. All employees are required to report to the Risk and Compliance department any actual, potential, or apparent conflicts of interest that arise to ensure that investor and company interests are protected. This includes directorships of public or private corporations or other interests which may cause potential conflicts with our obligations to investors.

The Conflicts of Interest Policy provides an overview of our framework for managing all forms of conflicts of interest which are by either:

- Disclosing the conflict – use this approach wherever possible.
- Allocating a different employee to deal with the other party or provide the service, i.e. creating a “Chinese wall” – use this approach to manage confidentiality conflicts.
- Avoiding the conflict – if it would lead us to prioritise our interests over the investors interests.
- Prioritising the interests of our investors ahead of our own interests – this ensures that the proposed actions remain suitable.
- Declining to provide some or all of our services.

The Risk and Compliance department manages conflicts register and conducts mandatory annual compliance training, which includes a discussion of the Conflicts of Interest Policy.

Gifts and Entertainment

As a regulated entity, Specialised Private Capital and its employees are subject to strict laws and regulations governing the offering and accepting of gifts and entertainment. The Soft Dollar Policy establishes rules for offering and accepting gifts and entertainment for all Specialised Private Capital employees. Employees are required to report gifts and entertainment offered or accepted through a register. Risk and Compliance review these reports and escalate exceptions, as necessary.

Risk Management and Compliance

Under the Risk Management Framework, Specialised Private Capital is responsible for identifying and managing its risks and meeting legislative requirements, industry codes, organisation, corporate governance, ethical standards and community expectations.

The Head of Risk and Compliance is responsible for establishing risk management procedures assuring the Board that major business risks are managed appropriately. The Head of Risk and Compliance is a member of the RE Compliance Committee and plays an active role in its operation.

This direct involvement ensures a strong connection between management oversight and the Committee's governance responsibilities.

Individual accountability is reinforced by regular training, and ensuring roles, responsibilities and delegations of authorities are clearly stated. Specialised Private Capital requires all employees to bear the responsibility for risk management and compliance through their adherence to policies, guidelines, procedures and internal controls in their management of business risks. These responsibilities form a continuing part of their ongoing accountability. Refer to the Compliance Committee section below for further details.

Unit Pricing Errors

In determining the appropriate treatment of errors Specialised Private Capital will adhere to the Financial Services Council (FSC) Guide Note 51 (formally Standard No.17) when determining the appropriate treatment of unit pricing errors that may occur from time to time. In the event Specialised Private Capital detects a pricing error, there are clear procedures in place to rectify the error and determine its impact on investors within each of the funds. All unit pricing errors will be reported to the Compliance Committee and monitored to ensure that they are not systemic.

Brokerage and Commissions

As outlined in the Investment Approach section, Specialised Private Capital does not directly manage an investment scheme's assets. The underlying investment managers are external to Specialised Private Capital and have full discretion in relation to trading. When it is required, Specialised Private Capital selects brokers that can help it achieve 'best execution' and obtain the best outcome for the investors in the fund.

Equitable Asset Valuation and Pricing

Specialised Private Capital's Unit Pricing Policy provide guidance on the practices that relate to the different components in unit pricing. The Policy is designed to comply with Industry guidelines such as the Australian Securities & Investments Commission (ASIC) and Australian Prudential Regulation Authority (APRA) Unit Pricing Guide to Good Practice and the relevant FSC standards.

Assets and liabilities valuation and pricing methodology focus on fair market prices of listed securities. When the market price is unavailable, the valuation methods used by Specialised Private Capital will be independently verifiable.

Security prices are obtained, where possible, from widely used price feeds from independent security pricing services and are based on market price where the security is traded on a regulated market.

Investments in unlisted managed funds are periodically revalued by determining their fair value. Fair value is determined on the most recent financial information made available by the relevant fund manager for the underlying fund. Where Specialised Private Capital reasonably believes that the

latest financial information does not accurately reflect the fair value, investments will be valued according to Australian Accounting Standards.

Best Execution and Trade Allocation

Specialised Private Capital aims to achieve best execution for all investors. As outlined in the Investment Approach section, Specialised Private Capital does not directly manage an investment scheme's assets. The underlying investment managers are external to Specialised Private Capital and have full discretion in relation to trading. As part of the due diligence process Specialised Private Capital requests underlying investment managers to provide their best execution policy or similar. As per the IMA agreement with each underlying investment manager:

- Specialised Private Capital as the Fund RE expects them to act in the best interest of Fund members; and
- Specialised Private Capital as the Fund RE require that each investment manager act in good faith in determining any allocation of a Block-Booked Transaction to the Portfolio before, during and after the transaction has been entered into by the Manager.

Additionally, the investment team monitors and reports the performance of the underlying mandates to the IC and Board. Our objective is to limit unintended tracking error relative to underlying investment manager's flagship strategies, while maintaining alignment with the stated investment objectives. Certain mandates, given the nature and extent of customisation, are expected to trade within reasonable ranges from the flagship strategies.

Remuneration policy

Specialised Private Capital strives to maintain fair and competitive remuneration packages which are consistent with the financial position of the business and commensurate with the external environment. The external environment includes the financial services industry and other industries which compete for people with similar skills, qualifications and experience that are required by the business. The Remuneration policy outlines the remuneration philosophy in which it is merit based and has been developed to achieve the following:

- provide the opportunity for people to increase their earnings through demonstrated performance achievement;
- provide financial incentives and rewards for people who achieve outstanding performance
- maintain internal equity and external competitiveness; and or
- to provide guidelines for Managers within which they can utilise their judgment and authority to achieve the most effective result for both their people and the business.

Whistle-blower Protection Policy

Specialised Private Capital is committed to the highest standards of ethical and fair business conduct. The Whistle-blower policy promotes a culture of compliance, honesty, and ethical behaviour. Employees are encouraged to report known, suspected or potential improper behaviour via the appropriate channels (immediate manager or with the Whistle-blower Protection Officer), in good faith and in an environment free from victimisation, so that the Board and Senior Management can deal with risk and cultural issues within the organisation.

Training and Development

Specialised Private Capital ensures that all staff must attain and maintain the competency required to perform effectively in their roles. All employees also take responsibility for their own personal development. To support this, Specialised Private Capital provides a number of mandatory training courses that must be completed on joining the company and then periodically in line with the requirements of the role. Specialised Private Capital also provides opportunities for training that is relevant to specific roles.

Specialised Private Capital continues to provide mandatory compliance training for all its staff through an external learning service.

Complaints and Dispute Resolution

Resolving investors complaints is a priority for Specialised Private Capital. The Complaints Management Policy in place meets the appropriate regulatory standards and provides a Complaint Resolution process on the website.

Specialised Private Capital considers a complaint as any an expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required. Complaints received are recorded in an internal Complaints register and are reviewed quarterly by our Compliance Committee.

Governance Structure

The governance structure can be described by the Board of Directors, Compliance Committee, and the IC.

Board of Directors

The Board of Directors of the RE (Specialised Private Capital) consists of 3 experienced directors with an average of 29 years of industry experience.

Compliance Committee

The RE's Compliance Committee is composed of 3 Committee Members, 2 of whom are independent. The Chair is independent. We view independence in an RE oversight body such as the Compliance Committee as a strong and favourable factor in Fund governance. Compliance Committee members have an average of 32 years of industry experience.

Centric Investment Committee (IC)

The IC provides oversight to the investment process. The IC will consider and endorse investment-related issues such as asset allocation, manager selection, portfolio construction and performance monitoring. The IC members include industry professionals, including 3 external members with over 25 years' of experience. Other members of the committee include the CIO, Head of Research, a Risk and Compliance representative and others.

3. Asset Stewardship

Approach to Asset Stewardship

Specialised Private Capital ensures policy advocacy and consideration of stewardship capabilities are incorporated in the selection, appointment, and monitoring of external investment managers.

As mentioned above in the Investment Approach section, Specialised Private Capital does not directly manage an investment scheme's assets. As most of the underlying investment managers offer their strategies via pooled trusts, the responsibility remains with the fund managers for the voting rights and engagement. As such, Specialised Private Capital delegate its voting and engagement to the appointed external investment managers. This is in line with the Australian Asset Owner Stewardship Code (ACSI).

Monitoring of Company Performance

Specialised Private Capital monitors the holdings of external investment managers to ensure the standards of stewardship are of quality and in line with agreed upon mandates or investment strategies. In carrying out monitoring, Specialised Private Capital considers both financial and non-financial matters. Specialised Private Capital leverages external risk and portfolio systems such as Morningstar, Bloomberg and S&P Capital IQ to better understand such issues relating to company performance.

Specialised Private Capital monitors its external asset managers' stewardship activities via a variety of ways such as:

- Investment Manager stewardship capability review including policies, procedures and staff experience are incorporated into our manager selection, appointment, and annual review process.
- Review of reports on company engagement and proxy voting.
- Monitor assets to ensure their management is based on agreed upon mandates which may include environmental, social and governance (ESG) considerations.

Environmental, Social and Governance Factors

In selecting, retaining or realising an investment in any of our Funds, Specialised Private Capital typically will not take into account labour standards, or environmental, social or ethical considerations. We do not have a predetermined view as to what constitutes labour standards, environmental, social and ethical standards and do not apply a predetermined method for determining the extent to which they are taken into account.

We seek, where possible, to invest the assets of the Fund with investment managers that are signatories to prominent environmental, ESG initiatives that promote sustainable investing. We acknowledge that an underlying investment manager or strategy may have its own approach to integrating ESG into their investment processes and, whilst it is expected that the underlying investment manager will engage on these issues as appropriate for the investment strategy of the Fund, it is ultimately not a matter considered by Specialised Private Capital.

Investor Engagement, Education and Communication

We seek external fund managers that are open and dedicated to upholding high-quality standards of stewardship. As the RE and Manager of several funds we will aim to promote sound corporate governance and business practices.

Specialised Private Capital along with its content partners, aim to educate and communicate to investors on matters relating to stewardship through various forums including:

- Investor meetings and webinars;
- Financial planner briefings and webinars;
- Publication newsletters and articles from underlying investment managers; and or
- Facilitating and hosting of events focused on sustainability issues and the needs and interests of Investors (Investor Advisory focus groups).

Disclosure

Specialised Private Capital Ltd (ABN 87 095 773 390, AFS Licence No. 246744). Specialised Private Capital is part of Findex Group Limited (ABN 40 128 588 714).

The information contained herein is not personal advice and is of a general nature only. It does not take into account the investment objectives, financial situation or needs of any person. Investors should consider the Product Disclosure Statement and Target Market Determination relating to the product before making a decision. Offer documents are available at www.specialisedprivatecapital.com.au or by contacting Specialised Private Capital on 02 9250 6500. We also recommend you speak with your financial and/or taxation adviser before making any investment decisions.

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