Centric

DISINVESTMENT POLICY

ISSUER

Specialised Private Capital Ltd

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Background & Application

Centric

This Disinvestment Policy (**Policy**) has been prepared and issued by Specialised Private Capital Ltd, trading as Centric Capital. The Policy has been approved by the Centric Capital Board and applies to the Centric Platform Investor Directed Portfolio Service (**Centric**), where Centric Capital acts as the operator.

This Policy sets out Centric Capital's approach to the disinvestment of assets, to ensure that investors maintain cash above minimum requirements.

In this Policy, an Account Holder is an individual, corporation, trust or any other entity who holds a Centric Account and who has an investment in a Centric Accessible Investment. A Nominated Financial Adviser means a financial Adviser you have appointed to provide advice, and who you have nominated as being an authorised user of your Centric account.

Disinvestment Policy

Centric will automatically initiate the sale of assets from a Centric Account where the Centric Cash balance falls below the required minimum balance, or where there is insufficient cash to pay fees.

Note that term deposits and any investment options flagged as non-redeemable will not be sold during disinvestment.

Disinvestment Approach

Centric will trigger disinvestment as outlined below.

MDA Accounts:

- Where the available cash in an MDA
 Account is insufficient to meet upcoming
 fee payments, any cash held in the MDA
 model will be used to fund the fee payment.
 Where there is still a shortfall,
 disinvestment will be initiated.
- 2. Assets held in the MDA model will be disinvested based on an 'align to target'

- strategy. This will create orders for assets which are over-allocated based on the Account Holder's investment program requirements.
- Where assets held within the MDA model are insufficient, non-model holdings will be liquidated using the process outlined below for account types other than MDA Accounts.

All Accounts Except MDA Accounts:

For non-MDA Accounts, disinvestment notifications will be sent out as follows:

- When an Account Holder's cash balance drops below 50% of their minimum required cash balance, the Account Holder and their Nominated Financial Adviser, if they have one, will be sent an 'Update' notification that that their cash is below the minimum balance
- 2. When an Account Holder's cash balance drops below 15% of their minimum required cash balance, the Account Holder and their Nominated Financial Adviser, if they have one, will receive an 'Action Required' notification. This notification will ask that the cash balance is topped up either by transferring funds to Centric Cash, or by selling down investments of sufficient value.
- Should an Account Holder's Centric Cash balance remain below the minimum required balance for six days after the 'Action Required' notification has been sent, Centric will automatically initiate disinvestment to reinstate the cash balance to the required minimum.
- 4. A notification will also be sent to the Account Holder and their Nominated Financial Adviser, if they have one, where Centric initiates disinvestment to pay fees.

Where the available Centric Cash balance is below the required minimum balance for six days after the 'Action Required' notification is sent, or is insufficient to meet fee payments, disinvestment will be initiated as outlined below.





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An investment to be disinvested will be selected based on the following priority:

- 1. Listed fixed interest securities (and hybrids) with fixed maturity
 - The largest listed fixed interest security holding with fixed maturity will be disinvested first.
 - If the largest holding does not cover the required disinvestment amount, the second largest holding will then be sold, followed by the third largest holding and so on.
- 2. Listed fixed interest securities (and hybrids) with no fixed maturity
 - If the Account Holder does not hold listed fixed interest securities with fixed maturity, or the value of their holdings does not meet the required disinvestment amount, the largest listed fixed interest security holding with no fixed maturity will be disinvested.
 - If the largest holding does not cover the required disinvestment amount, the second largest holding will then be sold, followed by the third largest holding and so on.
- 3. Other listed securities
 - If the Account Holder does not hold listed fixed interest securities with no fixed maturity, or the value of their holdings does not meet the required disinvestment amount, the largest remaining listed security holding will be disinvested.
 - b. If the largest holding does not cover the required disinvestment amount, the second largest holding will then be sold, followed by the third largest holding and so on.

Should two or more listed securities have the same holding value, one of the securities will be selected at random.

- 4. Managed funds
 - If the Account Holder does not hold any listed securities, or if the value of listed securities does not meet the required disinvestment amount, the least volatile managed fund will be disinvested. Volatility measurements

- are sourced from a third-party data provider.
- Should two managed funds have the same volatility, the largest holding will be disinvested first.
- If the least volatile holding does not cover the required disinvestment amount, the second least volatile holding will then be sold, followed by the third least volatile holding and so

Where two managed funds have the same volatility and holding value, one of the managed funds will be selected at random.

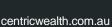
It is important to be aware that disinvestment will be initiated automatically based on the triggers described above. This means the orders placed may not results in an optimal outcome for the Account Holder or their investment strategy and may result in a gain or loss being realised.

Centric and its service providers do not have any liability to an Account Holder in relation to any disinvestment in accordance with the automatic disinvestment process.











Version History

Version Issue Date	Approved by
26 March 2019	Centric Capital Board
12 August 2019	Centric Capital Board

Disclosure

Disclosure has been provided within the Centric Capital IDPS Guide, application forms or other disclosure documents to inform clients and/or their nominated representative of restrictions in this regard.

Centric will make this Policy available to clients free of charge upon request. Centric Capital reserves the right to update this Policy at any frequency it deems appropriate and recommends that clients review the latest version of the Policy prior to submitting any request to Centric Capital.

Disclaimer

This document does not take into account any client's objectives, financial situation or needs. Before acting on this information, clients should consider whether it is appropriate for their situation.

Centric Capital has exercised reasonable care in preparing this document. Centric Capital and each of its related bodies corporate, and each director, officer, agent and employee of Centric Capital and each of its related bodies corporate will not be liable for any loss, harm or damage suffered by any person arising out of or related to this document.