



Managed Discretionary  
Account (MDA) Service  
Information Memorandum

This Information Memorandum is dated [November 2022], and is issued by FIIG Securities Limited ABN 68 085 661 632, AFS Licence No. 224659 (“FIIG”). This document describes an invitation to invest in fixed income investments using the MDA Service.

### **Investment is available to Wholesale Clients only, no cooling off period**

Investments in fixed income using the MDA Service is only available to “Wholesale Clients” (within the meaning of s761G of the Corporations Act 2001 (Cth) (“Act”) and including sophisticated investors pursuant to s761GA of the Act. You may only apply for a MDA by completing the MDA Application Form. As Wholesale Clients, investors in the MDA Service will not receive a product disclosure statement and will not have any cooling off rights.

This Information Memorandum is not a prospectus or product disclosure statement for the purposes of the Act and has not been lodged with the Australian Securities and Investments Commission (“ASIC”).

### **No offer outside Australia**

This Information Memorandum does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the interests or the offer, or to otherwise permit a public offering of interests in any jurisdiction outside Australia.

Information in this Information Memorandum is subject to change from time to time. Investors will be notified of any updates, and a paper copy explaining any changes will be available on request.

### **No personal advice**

FIIG provides general financial product advice only to MDA Clients. As a result, this Information Memorandum, and any information or advice, has been provided by FIIG without taking account of your objectives, financial situation and needs. Therefore, before acting on any advice from FIIG, you should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If this Information Memorandum relates to the acquisition, or possible acquisition, of a particular financial product, you should obtain a product disclosure statement relating to the product and consider the statement before making any decision about whether to acquire the product.

Neither FIIG, nor any of its directors, authorised representatives, employees, or agents, makes any representation or warranty as to the reliability, accuracy, or completeness, of this Information Memorandum.

Nor do they accept any liability or responsibility arising in any way (including negligence) for errors in, or omissions from, this Information Memorandum. FIIG, its staff and related parties earn fees and revenue from dealing in the securities as principal or otherwise and may have an interest in any securities mentioned in this Information Memorandum. Any reference to credit ratings of companies, entities or financial products must only be relied upon by a ‘wholesale client’ as that term is defined in s761G of the Act, or a sophisticated investor for the purposes of s761GA of the Act.

FIIG strongly recommends that you seek independent accounting, financial, taxation, and legal advice, tailored to your specific objectives, financial situation or needs, prior to making any investment decision.

FIIG does not provide tax advice and is not a registered tax agent or tax (financial) advisor, nor are any of FIIG’s staff or authorised representatives. A copy of FIIG’s current Financial Services Guide is available at [www.fiig.com.au/fsg](http://www.fiig.com.au/fsg).

Investment via the MDA Service is not a deposit with, or any other liability of, FIIG or any of its affiliates. It is subject to investment risk, including possible delays in selling your investments or repayment of withdrawal proceeds and loss of income and principal investment. FIIG does not sit behind or otherwise guarantee the capital value or investment performance of your investments via the MDA Service.

Past performance of any product described in any communication from FIIG is not a reliable indication of future performance. Forecasts contained in any communication from FIIG are predictive in character and based on assumptions and no reliance should be placed on the accuracy of any forecast information. The actual results may differ substantially from the forecasts and are subject to change without further notice. No liability is accepted for any unauthorised use of the information contained in this Information Memorandum.

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# About FIIG

**FIIG was established in 1998 and has offices in Sydney, Melbourne, Brisbane and Perth and provides deep expertise and unique access to fixed income markets for both investors and issuers.**

FIIG provides general financial product advice and facilitates fixed income investments in the areas of short term money market products, term deposits, government and corporate bonds, and hybrid securities. It also provides services such as DirectBonds, Bond trading facilitation, MDA Services, Debt arrangement and Issue Services, as well as Custodial and Foreign Exchange services.

FIIG is privately owned and not owned by any financial institution. This is a significant point of differentiation as it enables FIIG to transact an extensive and unrestricted range of interest rate securities and investments.

FIIG has an Australian Financial Services License (AFSL) issued by ASIC, and provides general financial product advice, custodial services and dealing services to wholesale and retail investors. FIIG is a licensed custodian regulated by ASIC, and uses JP Morgan Chase Bank (JP Morgan) as a sub-custodian. FIIG is an incidental provider of custodial services, as we provide custodial services for the purpose of facilitating our other main services, which includes client trading of, and investment in fixed income securities.

FIIG undertakes a regular independent assurance report completed by an auditor on internal controls relating to FIIG's custody service (GS007 Type 2) which is an international standard to which Global Custodians adhere.

FIIG provides comprehensive investment services for a wide variety of investors throughout Australia across four major sectors:

- Private clients: individual/personal investors, self-managed superannuation funds (SMSF), family and other trusts;

- Intermediaries: financial advisors and planners, brokers, accountants, family offices and SMSF administration platforms;
- Middle markets: companies, not-for-profits and charitable organisations, semi-government and government authorities, and family offices; and
- Institutions: major financial institutions, fund managers, and major corporations throughout Australia, as well as working with institutional counterparties internationally through Asia- Pacific and Europe.

FIIG also arranges and distributes corporate bonds for issuers of debt capital securities.

## **About our Managed Discretionary Account Service**

Under the Managed Discretionary Account (MDA) Service you retain beneficial ownership of the fixed income securities held in your MDA, whilst benefiting from experienced portfolio management by your Investment Manager.

Under the MDA Service you must select your specific investment parameters (Investment Mandate). Your Investment Manager will have day-to-day management of your portfolio and will be bound by your chosen Investment Mandate.

Our MDA service is restricted to Wholesale clients only.

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# About the MDA Service

## Overview

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Under the MDA Service you retain beneficial ownership of the fixed income securities held for your MDA(s), whilst benefiting from FIIG's experienced portfolio management.

Your portfolio will be managed in line with your selected Investment Mandate(s).

Under the MDA Service you may select from the Investment Mandates outlined in Section 3. The minimum investment amount is \$500,000 per Investment Mandate.



## Key benefits of investing through the MDA Service include

### Experience

Experienced investment management – FIIG’s experienced Investment Managers have day-to-day management of your fixed income securities and products to invest and trade in accordance with your Investment Mandate.

### Ownership

Retain beneficial ownership – you retain beneficial ownership of your portfolio of fixed income securities which are held in your own custody account in your name.

### Simplicity

Receive regular and timely income – you will receive your income in your Funding Account(s) within two (2) Business Days from the date on which it is received by FIIG from the security issuer. This can be reinvested, or the net proceeds can be transferred from your Funding Account(s) to your nominated account.

### Transparency

Your monthly and annual statements, which are available online, contain details of your portfolio’s investments, performance, valuations, transactions and income.

### One Fixed Income Solution

You will receive your fixed income portfolio management, administration, reporting and custody in one place.

### Easy Administration

FIIG will receive and administer any notices and corporate actions related to your MDA.

### Diversification

Your MDA will be invested in a minimum number of fixed income securities, as specified in your selected Investment Mandate(s).

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# Key Features of the MDA Service

TERM OR FEATURE OF MDA SERVICE	DESCRIPTION
Investment Manager	FIIG Securities Limited and appointed employee (your Relationship Manager).
Custodian and Administrator	FIIG Securities Limited, with JP Morgan appointed as sub-custodian.
Investment Mandate	<p>The MDA Service offers you the opportunity to invest in individually managed accounts which are managed to the following Investment Mandates.</p> <p>There are two (2) Investment Mandates to choose from:</p> <ol style="list-style-type: none"> <li>1. Investment Grade Portfolio; and</li> <li>2. Balanced Portfolio.</li> </ol> <p>Subject to meeting the Minimum Investment Amount of \$500,000 for each Investment Mandate.</p> <p>The details of each Investment Mandates are set out in Section 3 of this Information Memorandum.</p>
Managed Discretionary Account (MDA)	Your portfolio, managed by your Investment Manager pursuant to your Investment Mandate.
Investor Eligibility	Investment through the MDA Service is only available to investors who are both Wholesale Clients and Australian tax residents.
Minimum Investment Amount	\$500,000
In specie Transfers	You can transfer your existing fixed income investments into your MDA. In Specie transfers are subject to the investments meeting the parameters of your Investment Mandate, being sufficiently liquid to trade (having regard to market conditions), satisfying the minimum parcel sizes for Austraclear or Euroclear, and being Australian currency.



TERM OR FEATURE OF MDA SERVICE	DESCRIPTION
<b>Funding Account</b>	<p>To use the MDA Service, you will be required to open an at-call cash management account with Macquarie Bank Limited ABN 46 008 583 542 (<b>Macquarie</b>) or a replacement bank selected by FIIG.</p> <p>As a licensed Australian bank, Macquarie is subject to regulation by APRA. Macquarie also holds AFSL No. 237502 and is subject to regulation by ASIC. Fees and charges may be payable. Terms and Conditions apply and are included in the Product Information Statement that is available at: <a href="http://macquarie.com.au/personal">macquarie.com.au/personal</a></p> <p>You will appoint FIIG to operate and maintain the Funding Account on your behalf, which will only be used for the purposes of your MDA.</p>
<b>Fixed Income Securities</b>	<p>Your MDA will be invested in fixed income securities at FIIG's discretion but in compliance with your Investment Mandate.</p> <p>Examples of fixed income securities that may be in your MDA include (subject to the Investment Mandate):</p> <ul style="list-style-type: none"> <li>○ Cash</li> <li>○ Term deposits</li> <li>○ Bank bills</li> <li>○ Government, semi-government and index-linked bonds</li> <li>○ Corporate bonds</li> <li>○ Subordinated debt</li> <li>○ Mortgage-backed securities</li> <li>○ Structured credit products</li> <li>○ Asset-backed securities</li> <li>○ Hybrid securities</li> </ul>
<b>Income Payments and Re-Investment</b>	<p>Coupons, interest, maturity payments, redemption payments, sale proceeds, repayments of principal and other distributions paid on your MDA will be paid directly into your Funding Account associated with your MDA.</p> <p>Any income earned on your investments in your MDA(s), including distributions, interest, coupons, and capital gains will accumulate in your Funding Account for reinvestment in accordance with your Investment Mandate, <b>unless</b> you expressly elect on the MDA Application Form to automatically transfer distributions, interest and coupons on your investments (net of fees and expenses and subject to maintaining the minimum balance to your nominated account).</p>

TERM OR FEATURE OF MDA SERVICE	DESCRIPTION
<p><b>Withdrawing Funds and Terminating your MDA</b></p>	<p>Subject to market conditions (including liquidity, volatility and pricing), you may withdraw funds from, or terminate, your MDA by giving FIIG:</p> <ol style="list-style-type: none"> <li>1. Ten (10) Business Days written notice in respect of a request for a withdrawal; and</li> <li>2. Thirty (30) days written notice in respect of a notice of termination.</li> </ol> <p>Assuming market conditions permit, when withdrawing your investment, you will have a choice between having:</p> <ol style="list-style-type: none"> <li>1. Your assets sold by FIIG and the proceeds paid to your nominated bank account;</li> <li>2. Your assets transferred (in specie) out of your MDA but remaining in FIIG's custody;</li> <li>3. Your assets transferred (in specie) out of your MDA to another custodian (NB: transferring assets out of your MDA to another custodian is subject to meeting the minimum Austraclear or Euroclear requirements); or</li> <li>4. A combination of the above.</li> </ol> <p>Unless you terminate your MDA Agreement, you must maintain the Minimum Investment Amount unless failure to do so is due to a diminution in value of your portfolio (i.e. rather than withdrawals).</p>
<p><b>Reporting</b></p>	<p>You will have secure online access to your monthly and annual MDA statements, detailing:</p> <ul style="list-style-type: none"> <li>○ Investments</li> <li>○ Portfolio Performance</li> <li>○ Fixed income holding valuations</li> <li>○ Funding Account balances</li> <li>○ Investment income</li> <li>○ Fixed income transactions</li> <li>○ Security ratings</li> <li>○ Portfolio expenses and fees</li> </ul>

TERM OR FEATURE OF MDA SERVICE	DESCRIPTION
<p><b>Key risks of investing through the MDA Service</b></p>	<p>There are a number of risks associated with investing in a MDA.</p> <p>Section 5 of this Information Memorandum outlines those risks that FIIG believes to be material risks. Risks associated with making an investment in our MDA Services include (but are not limited) to:</p> <ul style="list-style-type: none"> <li>○ Interest rate risk</li> <li>○ Market risk</li> <li>○ Credit risk</li> <li>○ Operational risk</li> <li>○ Liquidity risk</li> <li>○ Investment manager risk</li> <li>○ Risk of losing part, or all of your capital investment.</li> </ul> <p>You should understand the risks of making an investment in the MDA Service and FIIG strongly recommends that you seek independent accounting, financial, taxation and legal advice tailored to your specific objectives, financial situation or needs, prior to making any decision to invest using the MDA Service.</p> <p>FIIG does not provide tax advice and is not a registered tax agent or tax (financial) advisor, nor are any of FIIG's staff or authorised representatives.</p> <p>FIIG does not provide personal advice.</p>
<p><b>Conflicts of Interest</b></p>	<p>FIIG performs a number of roles in relation to your MDA including:</p> <ul style="list-style-type: none"> <li>○ Acting as Investment Manager with investment discretion over your fixed income investments;</li> <li>○ Acting as custodian for your fixed income investments (with the exception of the Funding Account and term deposits, which may be held in your name);</li> <li>○ Providing dealing services, under which FIIG transacts with your MDA as principal (i.e. it will buy Bonds from, and sell Bonds to, your MDA as principal); and</li> <li>○ Acting as the arranger or distributor for Bonds potentially invested in by your MDA.</li> </ul> <p>These roles raise a number of conflicts of interest for FIIG in relation to the MDA Service.</p> <p>Section 7 describes some of the significant conflicts of interest identified by FIIG, and how FIIG manages them.</p>

TERM OR FEATURE OF MDA SERVICE	DESCRIPTION
<p><b>Fees and Costs</b></p>	<p>FIIG will charge your Funding Account the following fees, on a prorated monthly basis:</p> <p><b>Management Fee</b></p> <ul style="list-style-type: none"> <li>○ Balanced Portfolio: 0.64% per annum (including GST)</li> <li>○ Investment Grade Portfolio: 0.54% per annum (including GST)</li> </ul> <p><b>Custody and Administration:</b></p> <ul style="list-style-type: none"> <li>○ 0.11% per annum (including GST) for the first \$5M; and</li> <li>○ 0.06% per annum (including GST) for additional amounts over \$5M</li> </ul> <p>The Management, Custody and Administration Fees are calculated on the value of the investments in your MDA.</p> <p>Amounts held in your funding Account(s) will be included in FIIG’s calculation of the MDA value for the purpose of determining the Management Fee, but will <u>not</u> be included in the calculation of the MDA value for the purpose of determining the Custody and Administration Fees.</p> <hr/>

# MDA Service Investment Mandates

## Overview

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This section provides an outline of the two Investment Mandates offered under the MDA Service.

Subject to meeting the Minimum Investment Amount of \$500,000 for each Investment Mandate, you may instruct FIIG to manage your MDA in accordance with one or more of the Investment Mandates outlined below.

For all Investment Mandates, each of the parameters outlined in the tables and throughout are subject to:

- An initial “grace period” of up to 30 Business Days while the Investment Manager constructs and invests your portfolio when you first invest, or when you invest additional cash; and
- FIIG’s discretion to allocate large proportions of your portfolio (up to 100%) to cash (including cash held with a single financial institution), for example during periods of extreme market volatility or uncertainty.

INVESTMENT GRADE PORTFOLIO			
Investment Objective	<p>The Investment Grade Portfolio aims to provide:</p> <ul style="list-style-type: none"> <li>i. Direct access to regular income; and</li> <li>ii. Exposure to investment grade credit only.</li> </ul> <p>The Investment Grade Portfolio will provide investors exposure to a diversified portfolio of quality Investment Grade senior and subordinate fixed income securities which produce reliable and regular income with greater capital stability.</p> <p>This Mandate will have a lower entry yield, a lower coupon (income) yield and a higher probability of capital stability than the Balanced Portfolio.</p>		
Holding Limits	Liquid Assets	Cash (excluding Funding Account minimum)	Up to 100%
	Security Credit Rating <i>(As rated by at least one internationally recognised credit rating agency)</i>	Investment Grade Only	
	Fixed Income Issuer Concentration	Up to 25% exposure to any one issuer	
	Fixed Income Security Concentration	Up to 15% exposure to any one issue	
Minimum number of Bonds	A minimum of ten (10) Bonds will be included in each MDA.		
FIIG Arranged Bonds	FIIG Arranged Investment Grade Bonds will not comprise more than 30% of the value of your MDA, or more than 11% for a single FIIG Arranged issuer.		
Approved Currencies	Only Australian dollar denominated investments.		

BALANCED PORTFOLIO			
Investment Objective	<p>The Balanced Portfolio aims to invest in a combination of investment grade and sub-investment grade, offering:</p> <ul style="list-style-type: none"> <li>i. Direct access to higher regular income; and</li> <li>ii. Investing in both senior and subordinated debt tranches of Sub-Investment Grade and Unrated securities.</li> </ul> <p>The Balanced Portfolio aims to deliver investors a higher return than the Investment Grade Portfolio through exposure to a more diversified portfolio of higher risk (senior and subordinate) non-investment grade fixed income securities, in conjunction with an allocation to lower risk (senior and subordinate) investment grade fixed income securities, which collectively produce reliable and regular income.</p> <p>This Mandate will have a higher entry yield, a higher coupon (income) yield and a lower probability of capital stability than the Investment Grade Portfolio.</p>		
Holding Limits	Liquid Assets	Cash (excluding Funding Account minimum)	Up to 100%
	Security Credit Rating <i>(As rated by at least one internationally recognised credit rating agency)</i>	Investment Grade Only	Up to 100%
		Sub-Investment Grade and Unrated	Up to 50%
	Fixed Income Issuer Concentration	Up to 25% exposure to any one issuer	
	Fixed Income Security Concentration	Up to 15% exposure to any one issue	
Minimum number of Bonds	A minimum of ten (10) Bonds will be included in each MDA.		
FIIG Arranged Bonds	FIIG Arranged Bonds will not comprise more than 30% of the value of your MDA, or more than 11% for a single FIIG Arranged issuer.		
Approved Currencies	Only Australian dollar denominated investments.		

# How your MDA works

## Overview

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The MDA Service provides management, administration, reporting and custody services in relation to a portfolio of fixed income securities or investments and cash, providing you with access to FIIG's expertise in managing your fixed income investments. The service allows you to select from one or more of the Investment Mandates outlined in Section 3. The assets in your MDA(s) will be held by FIIG in your name, as beneficial owner, in custody with FIIG via FIIG's sub-custodian JP Morgan (or, in the case of the Funding Account(s) and term deposits, may be held directly in your name).

As a MDA Service's client, FIIG will construct and manage your fixed income portfolio in a manner consistent with the parameters of the Investment Mandate(s) you select.

Your MDA Service includes the following services:

- Determination of the fixed income asset allocation for your portfolio in accordance with the parameters of your Investment Mandate(s);
- Investment and ongoing management of your fixed income portfolio in accordance with the parameters of your Investment Mandate(s);
- Regular monitoring of your MDA(s), including identifying market opportunities and risks with the aim of enhancing performance and managing risk within the Investment Mandate parameters;
- Custody and administration of your MDA(s) and corporate actions; and
- Monthly and annual reporting on your MDA holdings, transactions, income, performance, fees and expenses.



## Applying for a Managed Discretionary Account

FIIG's MDA Services are only available to Wholesale Clients who are Australian residents for tax purposes. Refer to the MDA Application Form for information on how to apply.

### Fixed Income Securities

Your MDA will be invested in fixed income securities at FIIG's discretion but in compliance with the parameters and conditions of your Investment Mandate outlined in Schedule 1 of the MDA Agreement. Examples of fixed income securities that may be included in your MDA include (subject to chosen Investment Mandate):

- Cash
- Hybrid securities
- Index-linked bonds
- Government, semi-government and Corporate
- Bonds that are secured, unsecured, rated, unrated, senior, subordinate and/or guaranteed
- Asset-backed securities (including Residential and Commercial Mortgage Backed Securities (RMBS & CMBS) and other loan receivables)
- Structured credit products

The above list is not exhaustive. FIIG maintains an Approved Product List Policy that governs the fixed income securities in which your MDA may be invested.

When considering which fixed income securities to include according to an Investment Mandate, your Investment Manager selects in accordance with the Approved Product List Policy. When selecting in accordance with the Approved Product List Policy, FIIG considers a number of factors including, but not limited to, the suitability of the security having regard to the Investment Mandate, the nature of the security, any redemption or conversion features a security may have and the credit risk of the issue, issuer and/or guarantor(s).

### Ownership of Assets – Custody

FIIG acts as custodian for the investments in your MDA (other than the Funding Account(s) and term deposit investments, which may be held directly in your name). FIIG has appointed JPMorgan as sub-custodian. FIIG may change sub-custodians at its discretion and undertakes to provide you with at least 30 days' notice.

The legal interest in investments will be held with Austraclear or Euroclear, however the beneficial ownership will be recorded in your name by FIIG as custodian.

You will need to enter into a Custody Agreement with FIIG. The terms of the Custody Agreement, which forms part of this MDA Agreement, is available at [www.fiig.com.au/custodyterms](http://www.fiig.com.au/custodyterms).

### Minimum Investment Amount

The Minimum Investment Amount required to be eligible for our MDA Service is \$500,000. Should the value of your investment in your MDA fall below the relevant minimum investment amount for any reason (other than a diminution in value of your investments), FIIG may, at its discretion, choose to terminate this MDA Agreement.

### Method of Contribution

Once you have entered into the MDA Agreement with FIIG, you can choose to make your initial and any future additional contributions to your MDA by:

1. Depositing cash into your Funding Account;
2. In specie transfer of agreed investments, subject to certain conditions being satisfied (see below 'In Specie Transfers'); or
3. A combination of the above.

### In Specie Transfers

You can transfer your existing fixed income investments into your MDA with our consent.

We will consent to in specie transfers where the investments meet the Investment Mandate, are sufficiently liquid to trade (having regard to market conditions), satisfy the minimum parcel sizes for Austraclear or Euroclear (if applicable) and are Australian currency.

Once received, fixed income investments will be valued based on the valuation principles outlined under 'Asset Valuations' in this section. Upon transfer into your MDA, fixed income investments may be held or sold at FIIG's discretion.

### Funding Account(s)

MDA clients are required to open and retain a Funding Account. Your Funding Account will form the transaction cash account for the purposes of the MDA, and will be used by FIIG to:

- Fund the acquisition of assets that form part of your MDA;
- Receive maturities of your investments in your MDA;
- Receive income directly from your investments in your MDA;
- Make payments in connection with the MDA Service, including fees and expenses; and

- Accumulate income to be reinvested at FIIG's discretion – for investors who instruct FIIG to reinvest their income only.

When applying for a MDA you will provide FIIG with instructions to open, operate and maintain a Funding Account on your behalf.

You will receive an email from FIIG noting that a Funding Account (or Funding Accounts in the case of multiple accounts / Investment Mandates) has been opened by FIIG on your behalf. The email will provide the Product Information Statement which sets out the terms and conditions for this account.

The Funding Account will be opened in your name (matching the name of your MDA) and will not be held in custody by FIIG. Under the terms in this MDA Information Memorandum, you provide authority to enable FIIG, at its discretion, to:

- Access information about your Funding Account(s);
- Make withdrawals from, or deposits to, your Funding Account(s) to settle securities acquired or sold in accordance with your Investment Mandate;
- Make withdrawals from the Funding Account(s) for the purpose of paying fees and expenses related to your MDA under the MDA Agreement;
- Deposit coupon and interest payments or maturing capital amounts; and
- Instruct the Funding Account Provider of a change to the personal information associated with the Funding Account and use best endeavours to update these details within five (5) Business Days of receipt of written instructions from you.

FIIG requires that:

- You maintain a balance in each of your Funding Account(s) of at least 0.5% of the value of the MDA associated with the Investment Mandate at any time to ensure sufficient funds are available to meet your fee and expense obligations; and
- You do not use your Funding Account(s) for any purpose other than those relating to the MDA Service and therefore consent to being provided with online 'view access' to this account.

Your Funding Account balance(s) (and any returns earned on these balances) will be included when assessing the performance of your MDA.

## Income Payments and Reinvestment

Income payments, including coupons, interest, maturity payments, redemption proceeds and other distributions on securities in each of your MDA, will be paid into your Funding Account upon receipt by FIIG.

When investment income is paid into your Funding Account, it will accumulate in your Funding Account for reinvestment in accordance with your Investment Mandate *unless* you expressly elect on the MDA Application Form to automatically transfer distributions, interest and coupons on your investments (net of fees and expenses and subject to maintaining the minimum balance to your nominated account).

If you elect to have your income reinvested, then income received will accumulate in your Funding Account(s) until sufficient funds are available to meet the minimum parcel size for the relevant fixed income security to be acquired by your MDA in accordance with your Investment Mandate.

You may change instructions previously provided to FIIG regarding the reinvestment of your income at any time by completing a 'MDA Change of Details Form'. FIIG may take up to ten (10) Business Days from receipt of the form to give effect to your amended instructions.

## Asset Valuations

FIIG will determine the valuation of your MDA for the purposes of providing you with reports and as the basis for calculating fees.

FIIG will determine values as follows:

1. Cash (including your Funding Account balance(s)) and term deposits will be valued based on the deposit balance as advised by the relevant Authorised Deposit-taking Institution with whom the investment has been made; and
2. Other fixed income securities (including bonds and asset backed securities) will be valued using valuations sourced from an independent provider of fixed income pricing data.

Independent providers of fixed income valuations determine the value of assets using a combination of actual transaction data and relative value analysis.

Under the terms in this MDA Information Memorandum, you are required to give certain acknowledgements and undertakings regarding the use of third party valuation data provided through the MDA Service. In addition you are required to indemnify FIIG (for the benefit of

its third party service providers), for certain claims or losses suffered in respect of the MDA Service.

### Reporting

Secure online monthly and annual reports and current holdings will be made available to you in relation to your MDA. These reports will provide information relating to the following during the relevant reporting period:

- Investments;
- Portfolio Performance;
- Holding valuations;
- Funding Account balances;
- Transactions;
- Investment income;
- Holding security ratings;
- Portfolio expenses.

### Transaction Contracts and Coupon Advices

Contract notes providing details of each transaction FIIG makes in relation to your MDA, as well as coupon advices, will be uploaded to MyFIIG account for you to view/download at your convenience.

Please call FIIG on 1800 01 01 81 or email [clientservices@fiig.com.au](mailto:clientservices@fiig.com.au) to obtain copies of your contract notes and coupon advices.

### Maturing Fixed Income Securities

FIIG expects that your MDA may hold a number of fixed income securities that have different maturity dates. When a fixed income security matures, the amount paid by the issuer of the security will be reinvested in line with your Investment Mandate. For clarity, the amount paid by an issuer as a result of a maturing security, redemption or sale proceeds, will be paid into your Funding Account before being reinvested. Such amounts will not be subject to any instructions that you have provided in relation to payments of income.

### Changing your Investment Mandate

Your Investment Mandate may only be changed by agreement between the parties. Such agreement must be documented in writing.

You must maintain the Minimum Investment Amount when changing your Investment Mandate.

Changing your Investment Mandate may involve the sale of some or all of the existing fixed income

securities in your MDA to ensure that holdings align with your newly specified Investment Mandate.

Subject to market conditions, FIIG will seek to change your holdings in your MDA as soon as is reasonably practicable, after the parties have agreed to the new Investment Mandate and such agreement has been documented in writing.

However, you may experience a loss of capital when changing your Investment Mandate due to changes in the market (such as interest rate and credit movements), transaction costs in disposing of your securities, and securities in your MDA being sold prior to maturity.

The time it will take to change the holdings in your MDA, so that they are consistent with your new Investment Mandate, may be influenced by a number of factors, including the market liquidity for certain fixed income securities at the time of amending the Investment Mandate. Whilst FIIG cannot guarantee the maximum period of time it will take to make the relevant adjustments to the holdings in your MDA, FIIG believes that (in normal market conditions) it will generally take less than thirty (30) Business Days from the time the parties agree to the new Investment Mandate and document the agreement in writing.

### Withdrawal of Investments

Subject to market conditions (including liquidity, volatility and pricing), and maintaining the Minimum Investment Amount, a request to withdraw some or all of your investment may be made by providing instructions to your Investment Manager to withdraw, or terminate the MDA Agreement.

You may request that FIIG satisfy your withdrawal by the following options:

1. Having your assets sold by FIIG and the proceeds paid to your Funding Account;
2. Having your assets transferred (in specie) out of the MDA but remaining in FIIG's custody (where applicable);
3. Having your assets transferred (in specie) out of the MDA to another custodian, at your direction (NB: transferring assets out of your MDA to another custodian is subject to meeting the minimum Austraclear or Euroclear requirements); or
4. A combination of the above.

Upon receipt of your request, FIIG will seek to satisfy your withdrawal as soon as is reasonably practicable.

Where a cash withdrawal is requested, FIIG may need to sell assets to fulfil your request. Due to a potential lack of market liquidity at the time of your withdrawal

request, this may result in a delay in the satisfaction of your withdrawal request and a potential loss of capital.

The minimum investment size per security may also result in more cash being made available than you have requested. For example, bonds can only be traded in minimum denominations of \$10,000 or lots of \$10,000, then in the event of a \$5,000 withdrawal request, a surplus of \$5,000 cash may also become available to you for withdrawal or be held for reinvestment once additional funds accumulate.

Where a request is received to transfer assets (in specie) out of your MDA to another custodian, FIIG will need to ensure that the assets meet minimum Austraclear or Euroclear requirements for the transfer.

To terminate this MDA Agreement you must give FIIG thirty (30) days' written notice.

Upon termination of your MDA, if you elect for FIIG to sell your assets and pay the proceeds to your Funding Account(s), FIIG will undertake best endeavours to sell the bonds as soon as is reasonably practicable considering market conditions (including the liquidity of the securities). Funds received in relation to the sale of individual fixed income securities held in your MDA will be deposited into your Funding Account(s) as each holding is sold. You should be aware that selling assets under this option may result in a reduction of capital value and capital losses.

FIIG will continue to charge the MDA Management, Custody and Administration Fee until all net proceeds from the sale of assets and any associated coupon payments have been deposited into your Funding Account(s) or the assets transferred in specie out of your MDA. For clients who elect to have assets remain in FIIG's custody, and for clients who do not make an election their assets will remain in FIIG custody and, the terms of the Client Custody Agreement will continue to apply, which may include certain fees and charges.

Upon finalisation of your termination request, FIIG will no longer operate or maintain your Funding Account and will therefore notify the Funding Account Provider that FIIG's authority has been terminated.

FIIG will use best endeavours to arrange for your complete online access to this account within thirty (30) days of receipt of instructions to withdraw, or written notice terminating the MDA Agreement.

### Compliance with Investment Mandate

If your MDA ceases to comply with the parameters and conditions of your Investment Mandate after an investment is made due to reasons outside of FIIG's control (e.g. because of changes in value of assets within your portfolio), such

change will not constitute non-compliance with of your Investment Mandate or a breach of the MDA Agreement.

In these circumstances, FIIG will use its reasonable endeavours to rebalance your MDA to ensure it satisfies the parameters and conditions of your Investment Mandate as soon as is reasonably practicable after becoming aware of the imbalance. A rebalance in these circumstances might include selling investments.

# Risks

## Overview

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There are a number of risks associated with investing in a MDA and using the MDA Service and it is important you understand the risks that can affect your investments. Set out on the following pages are some of the significant risks associated with using the MDA Service and your Investment in a MDA.

The risks described are not exhaustive and FIIG cannot eliminate all risks nor guarantee that the methods FIIG may use will be successful in managing the risks.

Before investing in a MDA you need to give consideration to your own objectives, your financial situation and needs, and the level of risk you are prepared to accept.

Your decision to invest in a MDA using the MDA Service might be influenced by:

- The period of time you are looking to invest; whether you need capital growth on your investment, are seeking capital preservation and/ or require a regular income;
- Whether you would prefer to make specific self- directed investment decisions; and
- How the risks associated with an investment in a MDA interact with your other investments.

As the risks noted in this Agreement does not take into account your particular circumstances, objectives, financial situation or

needs, you should consider taking the following steps before making a decision about investing or reinvesting in a MDA:

- Obtain professional advice to determine if the MDA Service and the Investment Mandate suit your particular investment objectives, financial situation and needs; and
- Regularly review your investments in light of your particular objectives, financial situation and needs.

There is no guarantee of the performance of the investments within the limits or guidance of the Investment Mandate. Investing in a MDA may result in a part or total loss of capital invested.

RISK	DETAILS
<b>General Risk:</b>	In general, cash and fixed income securities can provide greater certainty in income flows and can offer greater capital price stability than alternative investments, such as shares and property. However, there are a number of risks associated with investing in fixed income securities that can result in significant variability in investment returns and a loss of income or capital value.
<b>Credit Risk:</b>	Credit risk is the risk of loss incurred when the issuer of a bond or other security fails to meet their principal, interest or other obligations when they are due. In these circumstances the security can lose some or all of its value.
<b>Capital Risk:</b>	Capital risk refers to the possibility of losing all or part of your capital invested. The level of capital risk varies depending on which investments you hold in your MDA. In theory, holding a diversified, well-rated portfolio of bonds which sit higher up the capital structure will lessen your capital risk.
<b>Liquidity Risk:</b>	Liquidity refers to the ease with which an asset can be traded (bought and sold) in the marketplace at its current value. Some fixed income securities can be more liquid than others, with lower rated structured bonds generally being less liquid than higher rated vanilla bonds. An asset subject to liquidity risk may be more difficult to trade and it may take longer for the full value of the asset to be realised (if it can be realised at all).
<b>Market Risk:</b>	Market risk is the risk that the value of the assets in your MDA will decrease due to movements in markets caused by factors such as the movement of cash rates, outright interest rates, interest rate curves, credit spreads, the stock market, political and economic climate, legal and tax conditions, commodity prices and environmental events.

RISK	DETAILS
<b>Regulatory and Business Risk:</b>	Changes in corporate, taxation or other relevant laws, regulations or rules may adversely impact your Investment. For example, such changes may adversely affect the ability to execute certain investment strategies, which could have a material effect on performance. The laws affecting unregistered managed investment schemes and managed discretionary accounts may also change in the future.
<b>Concentration Risk:</b>	Concentration risk relates to the risk that a portfolio of assets may experience a higher level of volatility or loss when exposed to a smaller number of investments. Your Investment Mandate may have limits as to the minimum number of bonds your MDA will hold.
<b>Volatility Risk:</b>	Volatility risk refers to the potential for the price of securities in your MDA to vary, sometimes markedly and over a short period of time. The value of your portfolio at any time will be subject to market movements.
<b>Investment Manager Risk:</b>	Manager risk is the risk that the Investment Manager or Investment Mandate relating to your MDA under-performs as a result of negative factors impacting the Investment Manager's ability to appropriately manage the MDA according to the agreed Investment Mandate objectives. These factors include, but are not limited to, the loss of key staff, inadequate portfolio management systems, and inadequate measures to address conflicts of interest.
<b>Interest Rate Risk:</b>	Movements in domestic and international interest rates may cause the value of your investment to decline.
<b>Operational Risks:</b>	The risk of loss resulting from inadequate or failed internal processes, people and systems. Adverse impacts may arise internally through human error, technology or infrastructure changes, or through external events such as third-party failures or crisis events.
<b>Early Withdrawal and Termination Risk:</b>	Unless you have provided notification of a withdrawal or termination in relation to your MDA, your portfolio will be managed on the basis that you will continue to invest in your MDA long term, or otherwise in accordance with the investment horizon specified in the Investment Mandate. Should you seek an early withdrawal or termination of your MDA, FIIG will seek to satisfy your request in accordance with the procedures outlined in this MDA Agreement. This may result in you receiving less back than you would if you held your investments until their maturity date.
<b>Counterparty Risk:</b>	Counterparty risk is the risk of loss due to a counterparty not honouring a financial commitment, which may cause the value of your portfolio to fall. Counterparties include custodians, dealers, sellers, buyers, brokers, settlement houses, issuers of fixed interest securities, banks and other Authorised Deposit-taking Institutions.
<b>Inflation Risk:</b>	The real value of the investments in, and income earned on, your MDA may reduce over time as a result of inflation.

RISK	DETAILS
<b>Portfolio Establishment Risk:</b>	It may take time for your MDA to become fully invested. During the initial deployment of the amounts you invest in your MDA, your portfolio may not be diversified in line with the limits outlined in your Investment Mandate and be subject to greater volatility than once your investments are fully deployed.
<b>Delay in the reinvestment of income:</b>	<p>If you instruct FIIG to reinvest income earned on your MDA, it may take time for this income to be reinvested. For instance, delays to reinvesting may arise if:</p> <ul style="list-style-type: none"> <li>○ There are insufficient funds in your Funding Account(s) to meet the minimum investment size for a particular fixed income security; or</li> <li>○ There is a lack of market liquidity, which causes delays in FIIG identifying a suitable Investment opportunity. Such delays may cause your income to remain in your Funding Account(s) where it may earn less interest than if it were invested in accordance with your Investment Mandate.</li> </ul>
<b>Conflict of interests risk:</b>	FIIG performs a number of roles in relation to your MDA, and these roles raise a number of conflicts of interest for FIIG in relation to the MDA Service. If FIIG's arrangements for managing these conflicts of interest (described in Section 7) are inadequate, the returns on your MDA could be adversely affected.
<b>Valuation:</b>	As set out in Section 4, FIIG's methodology and the calculation of the value or price of the securities or fixed income investments included in your MDA are subject to market changes and change without notice to you and may vary from the actual market price available to transact in these securities from time to time. FIIG does not make a market in these securities, and does not guarantee or represent the accuracy or reliability of the valuation or pricing as set out in Section 4, which may be obtained by FIIG from external sources.



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# Fees

This section outlines the fees and expenses you will incur when investing in a MDA. Fees and expenses will be deducted directly from your Funding Account(s) associated with your Investment Mandate.

Should you have insufficient funds in your Funding Account(s) to pay all fees and expenses, FIIG is entitled to deduct such fees and expenses from income payments (including interest and coupons) received in connection with your MDA, or to sell assets held in your MDA and to apply the proceeds to cover these amounts.

### Management, Custody & Administration Fee

The Management, Custody and Administration Fees (shown below) are calculated daily on each of your MDA balances and charged monthly in arrears.

#### Management Fee

- Balanced Portfolio: 0.64% per annum (including GST)
- Investment Grade Portfolio: 0.54% per annum (including GST)

#### Custody and Administration:

- 0.11% per annum (including GST) for the first \$5M; and
- 0.06% per annum (including GST) for additional amounts over \$5M

Amounts held in your funding Account(s) will be included in FIIG's calculation of the MDA value for the purpose of determining the Management Fee, but will not be included in the calculation of the MDA value for the purpose of determining the Custody and Administration Fees.

Refer to "Asset Valuation" in Section 4 for an explanation of how the value of the investments in your MDA are determined.

### Transfer Fee

Should you instruct FIIG to transfer any asset(s) in your MDA to an external custodian, a Transfer Fee of \$300 (exclusive of GST) per security will be charged.

Until such time as this Transfer Fee is paid, FIIG will not be obliged to execute your instructions to transfer the asset(s).



# Conflicts of Interest

FIIG is acutely aware of the inherent conflicts of interest and has established a number of procedures to effectively manage these conflicts.

FIIG performs a number of roles in relation to your MDA including:

- Acting as Investment Manager with discretion over your fixed income investments subject to the Investment Mandate(s);
- Acting as custodian for your investments; providing dealing services under which FIIG transacts with your MDA as principal (i.e. it will buy Bonds from, and sell Bonds to, your MDA);
- Acting on behalf of multiple clients, including MDA holders and DirectBonds clients, when transactions occur where a MDA is selling a fixed income security and another MDA is buying that fixed income security, or a DirectBonds client is selling a fixed income security and a MDA is buying that security (i.e. acting on behalf of both the seller and buyer of bonds); and
- Acting as the arranger or distributor for Bonds invested in by your MDA.

These roles raise a number of conflicts of interest for FIIG in relation to the MDA Service.

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**When you sign the MDA Agreement, you acknowledge disclosure of FIIG's conflicts of interest and give your informed consent to FIIG to act on your behalf notwithstanding the conflicts of interest.**

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### FIIG Principal Dealing

FIIG will (as principal) sell bonds to, and buy bonds from, your MDA. These transactions will be managed for your MDA by your Investment Manager, who will be a FIIG employee (your Relationship Manager). Under these principal transactions, FIIG acts (in a principal capacity) as the counterparty, that is, the seller or purchaser of the bonds that are bought or sold by your MDA. Given this dual capacity, conflicts of interest arise in relation to FIIG's principal dealing with your MDA, which are managed as set out below.

All MDA trades must be executed via FIIG's Order Management System and Facilitation department and form part of FIIG's secondary trading service across all client types. Facilitation operates as a segregated business unit to ensure that FIIG's financial products and services are provided to clients honestly, efficiently and

with reasonable diligence and care. External third-party pricing and data feeds are used by facilitation to determine the appropriate price for secondary market trading.

### Volume-Based Remuneration

Your Investment Manager will **not** earn volume-based remuneration with respect to your MDA(s). However, your Investment Manager will receive volume-based remuneration with respect to any DirectBond accounts in which they deal.

This conflict is managed by FIIG's Facilitation department. Facilitation oversees and approves all transactions between MDAs and DirectBond accounts. Elevated approvals are required where the same Investment Manager represents material volume on both sides of a MDA and DirectBond trade.

### Portfolio turnover

FIIG's Shared Services teams monitor the turnover of each MDA.

### FIIG Arranged Bonds

FIIG carries on a business of sourcing, structuring, arranging and distributing new bonds and securities issued by various corporations or entities ('FIIG Arranged Bonds'). FIIG earns fees from the bond issuer for providing this service and may act as the custodian on behalf of holders of these bonds.

FIIG Arranged Bonds may also be subject to secondary market trading activity by FIIG from time to time. FIIG faces conflicts of interest in relation to a MDA investing in FIIG Arranged Bonds because FIIG's interests might be advanced by causing a MDA to acquire a FIIG Arranged Bond (for example, FIIG's fees might be increased if more of its clients acquire a FIIG Arranged Bond, and/or its reputation might be enhanced by ensuring a successful capital raising, with strong pricing).

In these circumstances, FIIG's interests conflict with your interests in a MDA. You should be aware that for a limited number of bonds (including FIIG Arranged Bonds) FIIG may be the major dealer in a bond. As a consequence, the valuation for such bonds may be influenced by the bond prices supplied by FIIG to the independent provider of fixed income valuations.

MDA are eligible to participate in the new issue or secondary trading of a FIIG Arranged Bond subject to the limits stated in the relevant Investment Mandate. Refer to Section 3 for the specific limits applying to each Investment Mandate.

FIIG also manages these conflicts of interest through the Governance and separation arrangements described below.

### Distributor of non-FIIG Arranged Bonds

FIIG acts as the distributor of new issues of financial products

arranged by third parties, whereby FIIG will be paid a fee by the originator or arranger. In these instances the fee payable differs with each issue. The level of fee will be disclosed in the disclosure document for the issue and is likely to be between 0% and a maximum of 1.00% of the amount invested.

FIIG faces conflicts of interest in relation to a MDA investing in non-FIIG Arranged bonds because FIIG's fees might be increased by causing a MDA to acquire a non-FIIG arranged bond. FIIG manages these conflicts of interest through the Investment Manager separation arrangements described below.

### Governance and Separation

The Investment Manager responsible for the day-to-day management of your MDA, including making investment decisions in accordance with your Investment Mandate, is separate from the following FIIG business units:

- The FIIG Origination team, which is responsible for arranging the issue of FIIG Arranged Bonds;
- The FIIG Research team; and

FIIG maintains separation of its MDA business unit and its Facilitation business unit in the following ways:

- Separate personnel being members of each team (i.e. an individual FIIG employee (other than a Division Head) cannot perform functions across multiple teams);
- Information barriers between teams; and
- Separate reporting lines, to ensure that the Investment Manager for your MDA does not report to managers of other conflicting teams (i.e. the FIIG Facilitation team, or the FIIG Origination team);

### Audit by Shared Services and Compliance Teams

The Shared Services and Compliance teams are charged with oversight of the compliant operation of the MDA Service.

Specific responsibilities of these teams include, but are not limited to:

- Supervision and review of the ongoing compliance and performance by FIIG according to the terms of in this MDA Information Memorandum;
- Review of compliance of each MDA with their Investment Mandate; and
- Review of portfolio performance (taking into account market conditions).

### Commissions FIIG pays

To the extent permitted by law, FIIG may agree to pay commissions to your referrer, including employees in other business units. These payments may be upfront, or ongoing "trail" commissions. The commissions are paid to your referrer at FIIG's sole discretion and will be paid out of FIIG's assets and will not represent an additional cost to you.

### Referral Scheme

FIIG may pay a referral fee to external parties or employees upon referring clients to FIIG. This referral fee is paid to your referrer at FIIG's sole discretion and will be paid out of FIIG's assets and will not result in additional costs to you.



# General Information

## Investment Manager, Administration and Custodian

FIIG is the Investment Manager, administrator and custodian for your MDA. FIIG has appointed JP Morgan as sub-custodian for the MDA Service.

### No personal advice

FIIG does not provide any personal advice to clients in relation to MDAs. Any financial product advice that FIIG provides in relation to the MDA Service will be general advice only and will only consider the Investment Mandate, not your objectives, financial situation or needs.

### Wholesale Clients only

The MDA Service is only available to 'wholesale' clients as defined by s761G, and 'sophisticated investors' as provided for in s761GA, of the Corporations Act 2001 (Cth).

### Auditor

FIIG appoints a suitably qualified independent auditor to undertake regular GS007, financial and compliance audits.

### Privacy

FIIG has created a Privacy Policy and Collection Statement ('Privacy Policy') in order to demonstrate FIIG's firm commitment to your privacy. FIIG is bound by the Privacy Act 1988 and the Australian Privacy Principles.

FIIG will update the Privacy Policy as required.

If it is changed, the changes will be posted on <https://www.fiig.com.au/privacy-policy> so that you are always aware of the sort of information collected, how the information may be used, and under what circumstances it may be disclosed by FIIG.

### Privacy complaint

If you wish to complain about any breach of this Privacy Policy or the Australian Privacy Principles, you should contact FIIG by any of the methods detailed below. Complaints will be responded to within three (3) Business Days. Where we cannot respond to a complaint within three (3) Business Days we will notify you of the reason for the delay and provide an indication of when we expect to respond.

## Contact

If you have any questions about the Privacy Policy, you should contact:

### Legal and Compliance

#### *FIIG Securities Limited*

Level 31, 1 Eagle Street Brisbane QLD 4000

Telephone: +61 7 3231 6666

Facsimile: +61 7 3231 6699

Email: [compliance@fiig.com.au](mailto:compliance@fiig.com.au)

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# Tax



## Taxation information

Australian taxation law is complex and the impact of that law on you may vary according to your individual circumstances. Further, the treatment of your investments can also be subject to tax risk on the basis that taxation laws and relevant administrative practices are subject to change, possibly with retrospective effect.

Investment decisions you make (including in relation to the MDA Service) may have tax and stamp duty consequences. The particular tax implications (and their impact on you) will depend on your individual circumstances. You are responsible for all such consequences that arise in connection with your assets, including those held in your MDA.

Generally, you will be liable to pay tax on any assessable income that arises in relation to the disposal of assets or otherwise in respect of those assets, and on interest and income from your investments during the financial year (even if the income is reinvested). This assumes that you can treat yourself as being directly taxable in respect of all income or gains attributable to the assets and that you have an absolute, indefeasible entitlement as against the Custodian.

The relevant law in this area is complex and the Australian Taxation Office (ATO) has a current practice of not seeking to disturb the position of ignoring custody arrangements consisting of bare trusts (except where the trustee would have an obligation to withhold or is otherwise liable to pay tax in respect of you).

In all cases, FIIG recommends that you seek professional tax advice appropriate to your circumstances before you choose to invest through the MDA Service. FIIG does not provide tax advice and is not a registered tax agent or tax (financial) advisor, nor are any of FIIG's staff or authorised representatives.

It is not compulsory for you to quote your Tax File Number (TFN). FIIG is authorised to collect TFNs under taxation law and the Privacy Act, and those laws also regulate the use and disclosure of TFNs. In order to open your MDA, FIIG requires you to quote your TFN or ABN in the relevant section of the MDA Application Form. By supplying your TFN or ABN, you authorise FIIG to apply it to all investments made through the MDA Service on your behalf.

## Common Reporting Standard (CRS)

FIIG reports financial account information on non-residents to the ATO annually, in accordance with Australian CRS legislation. The ATO then exchange this information with the participating foreign tax authorities of those non-residents.

## U.S. Foreign Account Tax Compliance Act (FATCA)

FIIG is registered as a Reporting Australian Financial Institution under the Inter-Governmental Agreement (IGA) in relation to FATCA.

FIIG will conduct due diligence on investors to comply with the FIIG's obligations under the IGA. Prospective investors will need to provide FIIG with certain information and/or documentation when applying for a MDA and existing investors may need to provide FIIG with certain information and/or documentation on request.

FIIG will report information in respect of certain investors and their MDA to the ATO. Broadly,

FIIG will report to the ATO information in respect of investors who are U.S. citizens or residents, certain types of U.S. entities or certain types of non-U.S. entities that are controlled by one or more U.S. citizens or residents, and will also report information to the ATO on any payments made to "Non-participating Financial Institutions", as defined in the IGA.

If an investor does not provide FIIG with the required information and/or documentation upon request, FIIG may be required to report information in respect of that investor and its MDA to the ATO. In accordance with the IGA, the ATO will share information reported to it by Reporting Australian Financial Institutions (as defined in the IGA) with the U.S. Internal Revenue Service.

Investors should consult with their tax adviser for further information on how FIIG's due diligence and reporting obligations under the IGA may affect them.

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# MDA Contract

Your MDA Contract with FIIG comprises:

- The Investment Management Agreement set out below;
- The Client Custody Agreement (the terms of which may be downloaded at [www.fiig.com.au/custodyterms](http://www.fiig.com.au/custodyterms));
- Your Managed Discretionary Account Application Form. Your Managed Discretionary Account Application Form will also serve as the 'FIIG Client Account Application Form' for the purposes of your Client Custody Agreement; and
- Managed Discretionary Account (MDA) Services Information Memorandum.

## Investment Management Agreement

**THIS AGREEMENT** is made on the date specified in the Managed Discretionary Account Application Form.

**Parties:** You and FIIG

**You or you:** The person identified as the client in the Managed Discretionary Account Application Form

**FIIG:** FIIG Securities Limited (ABN 68 085 661 632), Address Level 31, 1 Eagle Street, Brisbane, Queensland

## 1. DEFINITIONS AND INTERPRETATION

### 1.1. Definitions

The following definitions apply in this Agreement and in the MDA Service Information Memorandum, unless the context requires otherwise:

**"ADI"** means an Approved Deposit taking Institution.

**"Agreement"** means this investment management agreement.

**"Approved Product List"** means the list of Investments that may be held in your Managed Discretionary Account, according to your Investment Mandate. Examples of Investments include cash, term deposits, bank bills and Bonds.

**"Attorney"** has the meaning set out in clause 8.

**"Austraclear"** provides depository, registration, cash transfer and settlement services for debt instrument securities in financial markets in Australia and the Asia-Pacific region.

**"Australian Financial Services Licence"** or **"AFSL"** means a licence under section 913B of the Corporations Act 2001 that authorises a person who carries on a financial services business to provide financial services.

**"Bond"** includes:

- a. Corporate bonds (secured, unsecured, senior, subordinated and/or guaranteed)
- b. Government and semi-government bonds;
- c. Index-linked bonds;
- d. Asset backed securities (e.g. Residential and Commercial mortgage backed securities, and other loan receivables);
- e. Structured credit products; and
- f. Hybrid securities.

**"Business Day"** means a day other than a Saturday, Sunday or New South Wales public holiday.

**"Client Custody Agreement"** means the Client Custody Agreement the terms of which can be downloaded at [www.fiig.com.au/custodyterms](http://www.fiig.com.au/custodyterms)

**"Commencement Date"** has the meaning set out in clause 2.

**"Investment Grade Portfolio"** means the Investment Mandate the investment objectives and parameters for which are set out in section 3 of the MDA Service Information Memorandum.

**"Balanced Portfolio"** means the Investment Mandate the investment objectives and parameters for which are set out in section 3 of the MDA

Service Information Memorandum.

**"Custodian"** means a corporation holding an appropriate AFSL appointed by you (with the approval of FIIG) as custodian of the whole or part of the Managed Discretionary Account. The initial Custodian will be FIIG, appointed on the terms of the Client Custody Agreement.

**"Deposit"** has the meaning set out in clause 8(a).

**"Euroclear"** is a clearing house for securities traded in the Euromarket and specialises in the settlement of securities transactions as well as the safekeeping and asset servicing of these securities.

**"Fee"** means any fee payable by you to FIIG or any other party in accordance with Schedule 1.

**"FIIG"** means FIIG Securities Limited, ACN 085 661 621.

**"FIIG Arranged Bond"** means a Bond for which FIIG has acted as

**"FIIG Client Trust Account"** means the trust account (if any) held in FIIG's name in connection with your Managed Discretionary Account.

**"FIIG Group"** means FIIG and each of its related bodies corporate from time to time, as that term is defined in the Corporations Act 2001.

**"Funding Account"** means an at-call cash management account with Macquarie Bank Limited ABN 46 008 583 542 (or a replacement bank selected by FIIG) in your name, or in the name of FIIG or the Custodian, which serves as the cash hub and administration account in connection with a particular Investment Mandate. For clarity, the Funding Account could be a FIIG Client Trust Account and there must be one Funding Account per each of your Investment Mandates.

**"GST"** means any goods and services tax, consumption tax, value-added tax or any impost or duty which is or may be levied or becomes payable

in any jurisdiction in connection with the supply of goods or services.

“**IGA**” means the Inter-Governmental Agreement between the Australian and US governments relating to FATCA.

“**Information**” means any information obtained from or derived through extraction, selection, manipulation or processing of any information or data provided to you in connection with your Managed Discretionary Account.

“**Instruction**” means any written instruction, direction, demand or request made or given in accordance with clause 6 and

“**Instruct**” has a corresponding meaning.

“**Investment**” means an investment held or to be held in your Managed Discretionary Account.

“**Investment Management Agreement**” means this investment management agreement.

“**Investment Manager**” means FIIG and the appointed employee (i.e. your Relationship Manager) that is responsible for the day-to-day management of your Managed Discretionary Account, including making investment decisions.

“**Investment Mandate**” means the investment Mandate for your Managed Discretionary Account, being one of the following:

- a. The Investment Grade Portfolio
- b. The Balanced Portfolio

“**Management, Custody & Administration Fee**” means the management fee set out in Schedule 1.

“**Managed Discretionary Account**” or “**MDA**” means your portfolio of Investments managed by FIIG under the MDA Service (under a particular Investment Mandate), and includes your Funding Account.

“**Managed Discretionary Account**

**Service**” or “**MDA Service**” means the managed discretionary account service that FIIG provides which is governed by the MDA Contract.

“**Managed Discretionary Account Application Form**” means the application form accompanying the MDA Service Information Memorandum to be completed in order to apply to invest through the MDA Service as varied by any subsequent Managed Discretionary Account Change of Details form.

“**Minimum Investment Amount**” means \$500,000 per Investment Mandate, or such lesser amount as FIIG may agree. FIIG may vary the Minimum Investment Amount by notice to you.

“**MDA Contract**” means the agreements governing your MDA Service, comprising this Agreement, the Client Custody Agreement and the Managed Discretionary Account Application Form.

“**MDA Service Information Memorandum**” or “**Information Memorandum**” means the FIIG MDA Service Information Memorandum, which accompanies this Agreement.

“**Performance**” for your Investment Mandate, means the annual income, including any interest, coupons or other distributions, plus any realised capital gains or losses, net of Management, Custody and Administration Fees, and starting from the date the Minimum Investment Amount is fully invested.

“**Relevant Law**” means any requirement of the Corporations Act 2001, the Australian Securities and Investments Commission Act 1989 and any other present or future legislation or regulation made by the Commonwealth of Australia or any State or Territory with which FIIG must comply with in carrying out its obligations pursuant to this Agreement.

“**Retail Client**” has the meaning it is given in section 761G of the Corporations Act 2001.

“**Taxes**” means all taxes of whatever nature lawfully imposed including income tax, GST, recoupment tax, land tax, sales tax, payroll tax, fringe benefits tax, group tax, capital gains tax, profit tax, interest tax, property tax, undistributed profits tax, withholding tax, municipal rates, financial institutions duty, bank account debit tax, stamp duties and other taxes, charges and levies assessed or charged or assessable or chargeable by or payable to any national, federal, state or municipal taxation or excise authority, including any interest related cost and expense or fee imposed in connection with any tax, rates, duties, charges or levies.

“**Wholesale Client**” has the meaning it is given in section 761G of the Corporations Act 2001 and includes sophisticated investors as provided for in s761GA of the Corporations Act 2001.

“**Withdrawal**” means a withdrawal of some, but not all, of your Managed Discretionary Account.

## 1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules of interpretation apply unless the context requires otherwise.

- a. The singular includes the plural and vice versa;
- b. A reference to a person includes a reference to a body corporate, a government organisation, body or instrumentality, an unincorporated body or any other entity;
- c. A reference to this Agreement or any other document includes any variation, replacement or novation of it;
- d. A reference to a thing includes a reference to any part of that thing;
- e. A reference to any party to this Agreement where relevant includes the party’s successors and permitted assigns;

- f. A reference to “dollars” or “\$” is a reference to Australian currency;
- g. Where a word or phrase is defined, its other grammatical terms have a corresponding meaning;
- h. A reference to conduct includes, without limitation, any omission, statement or undertaking, whether or not in writing;
- i. A word or phrase appearing in a certain context which, when used in a similar context in the Corporations Act 2001 would have a particular meaning, has that meaning in this Agreement; and
- j. If a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day.

## 2. INTRODUCTION AND COMMENCEMENT

This Agreement sets out the terms on which you appoint FIIG to manage the Investments that comprise your Managed Discretionary Account for a particular Investment Mandate. It commences when FIIG approves your Managed Discretionary Account Application Form or, if later, when you contribute cash or other Investments (or both) to your Managed Discretionary Account for that Investment Mandate with a value not less than the Minimum Investment Amount (“Commencement Date”).

Where you invest in more than one Investment Mandate, you and FIIG will automatically be deemed to have entered into a separate Agreement with respect to each Investment Mandate. This Agreement will apply separately for each Investment Mandate. FIIG will, on your behalf, instruct the Custodian to maintain a separate custody account for each Investment Mandate in which you invest and submit an application to Macquarie Bank on your behalf to open a separate Funding Account for each Investment Mandate.

## 3. APPOINTMENT

You appoint FIIG as your agent to invest and manage your Managed Discretionary Account on the terms set out in this Agreement. FIIG accepts that appointment. You will direct the Custodian to act in accordance with instructions given by FIIG as your agent and on your behalf in accordance with this Agreement and you appoint FIIG in this capacity as an “Authorised Person” for the purposes of your Client Custody Agreement.

## 4. FIIG’S OBLIGATIONS AND POWERS

### 4.1 FIIG’s obligations

FIIG must manage your Managed Discretionary Account in accordance with this Agreement, including the parameters of your Investment Mandate, and any Instructions you give FIIG in accordance with this Agreement.

### 4.2 Investment parameters

- a. The parameters for your Investment Mandate apply only at the time an Investment is acquired. If your Managed Discretionary Account breaches a parameter of your Investment Mandate after that time (for example because of changes in value, or credit rating), this will not constitute a breach of this Agreement. In these circumstances, FIIG must use its reasonable endeavours to rebalance your Managed Discretionary Account to bring it back into compliance with the parameters of your Investment Mandate as soon as reasonably practicable, having regard to the market conditions (including liquidity, volatility and pricing), after it becomes aware of the non-compliance.
- b. The parameters for your Investment Mandate will not apply for 30 Business Days (i.e. the ‘grace period’) following:

- i. The Commencement Date; and
- ii. Each date on which you make an additional contribution to your Managed Discretionary Account.

### 4.3 FIIG’s powers and authority

FIIG acts as your agent and on your behalf in relation to your Managed Discretionary Account. You agree that in that capacity, FIIG may exercise all the powers in respect of your Managed Discretionary Account that it is legally possible for a natural person to have, as if it was the absolute and beneficial owner of the Managed Discretionary Account acting in its personal capacity.

These include powers:

- a. To acquire and dispose of the Investments in or for your Managed Discretionary Account on your behalf; and
- b. To deal with the Investments in your Managed Discretionary Account on your behalf in combination with the investments in other client accounts managed by FIIG.

## 5. MAKING CONTRIBUTIONS OR WITHDRAWALS

### 5.1 Making a contribution

You may contribute cash to your Managed Discretionary Account by making payments to your Funding Account. You may also, subject to FIIG’s consent, contribute Investments to your Managed Discretionary Account by transferring them to the Custodian or a combination of the above (cash and in-specie transfer). Any contribution by a transfer of Investments must be accompanied by completed form(s) in such form as FIIG may approve from time to time.

### 5.2 Withdrawals

- a. Subject to market conditions (including liquidity, volatility and pricing), you may make a Withdrawal from your Managed Discretionary

Account by giving ten (10) Business Days written notice (thirty (30) days written notice for termination) and completing and lodging with FIIG a Withdrawal request in such form as FIIG may approve from time to time.

- b. For each Withdrawal:
- i. The value of your Managed Discretionary Account must, immediately following completion of the Withdrawal, be not less than the Minimum Investment Amount for your Investment Mandate. If a Withdrawal would result in your Managed Discretionary Account value being less than the Minimum Investment Amount, you acknowledge that FIIG may, and you authorise FIIG to, treat the Withdrawal request as being revoked by you or deem it to be a termination notice in accordance with clause 12.1; and
  - i. You acknowledge that FIIG may, and you authorise FIIG to, deem the Withdrawal request to relate to more or less than the amount specified in the Withdrawal request, for example, if minimum transaction sizes for Investments in your Managed Discretionary Account do not match the Withdrawal amount requested.
  - c. Subject to market conditions permitting, you may request that FIIG satisfy a Withdrawal request wholly or partially by an in specie transfer of Investments to you or your nominated custodian (which may include the Custodian). You acknowledge and agree that you will not request the transfer of an Investment:
    - i. To a person who is prohibited from holding it, including under the terms of the relevant Investment (for clarity, this might require the person to be

a participant of either or both of Austraclear and Euroclear); or

- i. Where the transfer will not meet any applicable Austraclear or Euroclear minimum parcel size requirements. If you make no such request, FIIG will endeavour to satisfy the request by selling the Investments.
- d. You acknowledge that FIIG will use its best endeavours to satisfy a Withdrawal request as soon as is reasonably practicable following receipt of your request.
- d. A withdrawal of your entire Managed Discretionary Account will constitute termination of this Agreement in respect of the relevant Investment Mandate by you in accordance with clause 12.1, and you acknowledge that FIIG will use its best endeavours to satisfy a Termination request as soon as is reasonably practicable following receipt of your request and having regard to market conditions (including liquidity, volatility and pricing).

## 6. INSTRUCTIONS

### 6.1 Instructions

You may give Instructions to FIIG in relation to:

- a. Withdrawals in accordance with clause 5.2 or termination of this Agreement under clause 12;
- b. Changing your Investment Mandate under clause 6.2; or
- c. How to deal with income and certain other payments received on the Investments in your Managed Discretionary Account, under clause 7.3.

You acknowledge that FIIG will not be required to comply with an Instruction to the extent that FIIG reasonably considers the Instruction to be ambiguous, unclear, in conflict with any Relevant Law or

outside the scope of this clause 6 and you agree that the Instruction is to be treated as withdrawn in these circumstances.

## 6.2 Changing your Investment Mandate

You may by completing and lodging with FIIG such forms as are required by FIIG, instruct FIIG at any time to:

- a. Change the Investment Mandate for your Managed Discretionary Account (or a portion of it) to another Investment Mandate (subject to meeting the Minimum Investment Amount requirements for all applicable Investment Mandates).

You acknowledge that FIIG will use its reasonable endeavours to comply with any Instruction given under this clause 6.2, having regard to market conditions (including liquidity, volatility and pricing), Minimum Investment Amounts and the parameters of the relevant Mandate.

## 7. FUNDING ACCOUNT AND FIIG CLIENT TRUST ACCOUNT

### 7.1 Funding Account requirements

- a. You must at all times maintain a balance in the Funding Account of at least 0.5% of the value of your Managed Discretionary Account. If your Funding Account balance falls below this minimum level, you authorise and direct FIIG to dispose, in part or in full, of one or more Investments in your Managed Discretionary Account, or terminate this Agreement.
- b. You must not take any action with respect to the Funding Account (including giving any instruction to the ADI with which the Funding Account is held), which adversely affects FIIG's ability to perform its obligations under this Agreement.

### 7.2 Operation of Funding Account

All payments received in respect of the Investments in your Managed Discretionary Account (whether income

or capital) will be paid into your Funding Account. You authorise and direct that FIIG may draw and deposit funds from and to the Funding Account on your behalf to facilitate transactions carried out under this Agreement.

### 7.3 Reinvestment or automatic Withdrawal

Any income including interest and coupon received on the Investments in your Managed Discretionary Account will accumulate in your Funding Account for reinvestment in accordance with your Investment Mandate unless you expressly elect on the MDA Application Form to automatically transfer distributions, interest and coupons on your investments (net of fees and expenses and subject to maintaining the minimum balance to your nominated account).

For the avoidance of doubt, any Instruction under this clause 7.3 will not apply to payments of capital or capital gain on your Investments, which you acknowledge and direct will be reinvested on your behalf in your Managed Discretionary Account unless you make a Withdrawal under clause 5.2. Any amount reinvested in your Managed Discretionary Account, whether interest, coupon, capital or capital gain, will not constitute an additional contribution for the purposes of clause 4.2(b)(ii) nor will it require a contribution request form under clause 5.1.

### 7.4 FIIG Client Trust Account

- a. You direct and authorise FIIG to pay amounts out of a FIIG Client Trust Account:
  - i. In order to make payments for transactions or Investments by (or for) your Managed Discretionary Account in accordance with this Agreement; and
  - ii. To FIIG for Fees to which it is entitled under this Agreement.
- b. You agree that you will not be

entitled to receive interest payable on any money, cash or funds deposited or held by FIIG for, and on behalf of, you in a FIIG Client Trust Account. FIIG will retain any such interest or benefit accrued on the FIIG Client Trust Account.

## 8. POWER OF ATTORNEY

You appoint FIIG and each of its employees and officers as your attorney ("Attorney") with full power and authority to undertake and perform on your behalf all actions necessary, usual or desirable to enable FIIG to perform all the functions and obligations forming part of and in connection with this Agreement, including:

- a. Opening or applying to open, varying or closing accounts with one or more ADIs, including term deposits, savings accounts and at call deposits included or to be included in your Managed Discretionary Account ("Deposits") from time to time;
- b. Paying Fees, settling transactions and other dealings in Investments included or to be included in your Managed Discretionary Account;
- c. Making withdrawals or debits from and deposits or credits to your Deposits;
- d. Receiving on your behalf all notices from and giving instructions to third parties as is necessary or incidental to the performance and fulfilment of all functions and obligations required to be performed and fulfilled by FIIG on your behalf in connection with this Agreement, the Client Custody Agreement, the Managed Discretionary Account and this clause 8; and
- e. Executing, entering into and delivering any document necessary or incidental to the functions and obligations required to be performed and fulfilled by FIIG on your behalf

as part of or in connection with this Agreement, the Managed Discretionary Account and the Client Custody Agreement. In the exercise of the authority conferred under the power of attorney in this clause 8, the Attorney is authorised to execute an assurance or other document or do any other act whereby a benefit is conferred upon the Attorney.

## 9. YOU INDEMNIFY FIIG

You indemnify FIIG against any losses, liabilities or expenses it incurs in connection with this Agreement except to the extent that the loss, liability or expense is directly caused by FIIG's negligence, fraud or dishonesty. This indemnity survives termination of this Agreement.

## 10. FIIG'S FEES

FIIG is entitled to the Fees set out below.

### 10.1 Management, Custody and Administration Fee

The Management, Custody and Administration Fee for each of your Managed Discretionary Account(s) is set out in the table in Section 2, determined separately for each Managed Discretionary Account by reference to the value of the Investments in the particular Investment Mandate in your Managed Discretionary Account.

The Management, Custody and Administration Fee for your Managed Discretionary Account will be calculated by applying the blended rate specified above to the value of the Investments in each Investment Mandate in your Managed Discretionary Account as determined by FIIG in accordance with clause 15 or, if greater, the minimum annual Management, Custody and Administration Fee specified above. It will be calculated daily and charged monthly in arrears. FIIG may, by notice to you, change the frequency with which the Management, Custody and Administration Fee is charged to your

Managed Discretionary Account.

### 10.2 Transfer Fee

Where you instruct FIIG to transfer any asset(s) to an external custodian, you acknowledge and agree that FIIG will charge you a Transfer Fee of \$300 (exclusive of GST) per security. Until such time as the Transfer Fee is paid, FIIG will not be obliged to execute your instructions to transfer any asset(s).

### 10.3 Payment of Fees

To effect payment of a Fee or other amount to which FIIG is entitled in respect of your Managed Discretionary Account, you authorise FIIG to pay to itself amounts out of your Funding Account.

If and to the extent that there are insufficient funds in the Funding Account to satisfy the Fee or other amount to which FIIG is entitled in respect of your Managed Discretionary Account you direct FIIG to dispose, in part or in full, of any Investments in your Managed Discretionary Account on your behalf and authorise FIIG to pay to itself the amount due to it from the proceeds and deposit the balance, if any, in the Funding Account.

### 10.4 GST

The parties agree that:

- a. Unless expressly stated otherwise, all payments under this Agreement have been calculated without regard to GST;
- b. If the whole or any part of any payment under or in connection with this Agreement is consideration for a supply for which the payee is liable to GST, that payer must pay to the payee an additional amount equal to the amount referable to GST, either concurrently with that payment or as otherwise agreed in writing;
- c. Any reference to a cost or expense in this Agreement excludes

any amount in respect of GST forming part of the relevant cost or expense when incurred by the relevant party for which that party (or the representative member of a GST group of which the relevant party is a member) can claim an input tax credit; and

- d. The payee will provide to the payer a tax invoice, or GST invoice as appropriate, for any supply made to the payer on which GST is payable.

## 11. REPORTS

FIIG must provide you with regular reports (monthly and annually) in reasonable detail concerning the Investments in your Managed Discretionary Account and transactions in relation to it. You acknowledge and agree that FIIG is not obliged to provide you with (nor to ensure that you receive) any notices, reports or other communications in relation to the Investments that comprise your Managed Discretionary Account.

## 12. TERMINATION OF THIS AGREEMENT

### 12.1 Termination by notice

You may terminate this Agreement by giving FIIG not less than 30 days' written notice. FIIG may terminate this Agreement by giving you not less than 30 days' written notice.

### 12.2 Immediate termination by you

You may terminate this Agreement immediately by written notice to FIIG if:

- a. FIIG becomes insolvent or if an administrator, receiver or similar person is appointed with respect to the assets and undertakings of FIIG, or any event analogous to that occurs with respect to FIIG;
- b. FIIG breaches a material provision of this Agreement, or a Relevant Law in respect of this Agreement; or
- c. FIIG's AFSL is revoked, cancelled or suspended by the Australian

Securities and Investments Commission, or varied so that FIIG is not authorised under its AFSL to provide all relevant financial services in connection with the MDA Service.

### 12.3 Immediate termination by FIIG

FIIG may terminate this Agreement immediately by written notice to you if:

- a. You become bankrupt or insolvent or if an administrator, receiver or similar person is appointed with respect to your assets and undertakings, or any event analogous to that occurs with respect to you;
- b. You breach any material provision of this Agreement, or if any representation or warranty you give under this Agreement ceases to be true and correct including if FIIG believes that you have breached any material provision of this Agreement or that any representation or warranty given by you under this Agreement has ceased to be true and correct;
- c. The Client Custody Agreement is terminated; or
- d. At any time and in any circumstances you do not comply with applicable laws

### 12.4 Termination procedure

On termination of this Agreement under this clause 12, you may elect for your Managed Discretionary Account Investments:

- a. To be disposed of and to have the proceeds paid to your Funding Account;
- b. To continue to be held either:
  - i. By the Custodian on the terms of the Client Custody Agreement subject to the Client agreeing to pay any fees specified by the Custodian.



In these circumstances, you irrevocably waive any notice requirement under the Client Custody Agreement for the Custodian to charge fees under that agreement; or

- i. By you, where the relevant Investments are held in your name;
- c. To be transferred to you or a custodian nominated by you. You acknowledge and agree that you will not request the transfer of an Investment:
  - i. To a person who is prohibited from holding it, including under the terms of the relevant Investment (for clarity, this might require the person to be a participant of either or both of Austraclear and Euroclear); or
  - i. Where the transfer will not meet any applicable Austraclear or Euroclear minimum parcel size requirements; or
- d. If FIIG consents, through a combination of (a)-(c) above.

Upon termination of this Agreement, where you instruct FIIG to transfer any asset(s) to an external custodian, you acknowledge and agree that FIIG will charge you a Transfer Fee of \$300 (exclusive of GST) per security. Until such time as the Transfer Fee is paid, FIIG will not be obliged to execute your instructions to transfer any asset(s).

You acknowledge and agree that FIIG may continue to manage and deal with the Investments in your Managed Discretionary Account on your behalf for as long as is required in order to comply with your election under this clause 12.4. During that time FIIG may, on your behalf, enter transactions to settle, extinguish or offset obligations incurred by FIIG in relation to the Managed Discretionary Account before termination. If any obligations are not

capable of settlement, FIIG will notify you of any amount that FIIG retains in order to meet actual or contingent liabilities. You acknowledge that FIIG will continue to charge all applicable Fees under this Agreement until:

- e. All net proceeds from the disposal of the Investments comprising your Managed Discretionary Account have been deposited in your Funding Account; or
- f. All Investments have been transferred to you or your nominated custodian (which may include the Custodian).

If you do not make any election to FIIG under this clause 12.4 within five (5) Business Days of the relevant termination date, this Agreement will terminate and your Managed Discretionary Account Investments will continue to be held either:

- g. By the Custodian on the terms of the Client Custody Agreement; or
- h. By you, where the relevant Investments are held in your name, in accordance with clause 12.4(b). For clarity, termination of this Agreement does not automatically effect termination of your Client Custody Agreement.

### 13. REPRESENTATIONS, WARRANTIES, CONSENTS AND ACKNOWLEDGEMENTS

#### 13.1 Your representations and warranties

You represent and warrant to FIIG that on entering into, and during the term of, this Agreement:

- a. You have read and understood the MDA Contract, including the MDA Service Information Memorandum;
- b. You have the power to enter into and perform this Agreement;
- c. You are a Wholesale Client;
- d. You are an Australian resident for the

purposes of Australian taxation laws;

- e. You have received independent accounting, financial, taxation and legal advice, tailored to your specific objectives, financial situation or needs, prior to making any investment decision or completing your Managed Discretionary Account Application Form;
- f. You are an experienced investor, who is familiar with investment arrangements similar to the MDA Service and the investments available through it; and
- g. You have sufficient cleared funds available to cover the investment amount specified in your Managed Discretionary Account Application Form.

If any representation or warranty in this clause 13.1 ceases to be true and correct, you must immediately notify FIIG.

#### 13.2 Your consent to FIIG's conflicts

You acknowledge disclosure of FIIG's conflicts of interest, give your informed consent and agree:

- a. To the conflicts of interest FIIG faces in connection with the MDA Service, including those described in section 7 of the MDA Service Information Memorandum and any other potential conflicts of interest disclosed to you from time to time;
- b. To FIIG acting, in a principal capacity, as the counterparty for transactions under which your Managed Discretionary Account acquires and disposes of Investments;
- c. That FIIG may receive fees, margins, brokerage, commissions, or other benefits or advantages, as a result of transactions with your Managed Discretionary Account, and you consent to FIIG keeping for its own account those fees, margins, brokerage, commissions, or other benefits or advantages;

- d. That any one or more of FIIG, a FIIG Group company, and any directors, authorised representatives, employees, or agents of any of them, may deal in any Investments in your Managed Discretionary Account either on their own account, or on behalf of another person;
  - e. That FIIG may act as the arranger for an issuer of Investments acquired by your Managed Discretionary Account, and that FIIG may receive fees and other benefits in connection with this role;
  - f. That FIIG has no obligation to acquire or dispose of, or recommend for acquisition or disposal, for your Managed Discretionary Account, any investment which FIIG or any other company in the FIIG Group purchases or sells for its own account or for the account of any other client; and
  - g. That FIIG and any other FIIG Group company may give advice and take action in the performance of its duties for other clients which differs from the advice given and action taken in relation to your Managed Discretionary Account.
- c. That you are at risk in relation to, and FIIG is not responsible for, any payments (including coupon amounts or redemption or maturity payments) to be made by issuers of Investments in your Managed Discretionary Account;
  - d. That if more than one person is identified as the client in the Managed Discretionary Account Application Form, they are each jointly and severally bound by this Agreement;
  - e. That FIIG may deliver to you any contract notes, trade confirmations, coupon advices, maturity advices or any other reports including monthly Discretionary reports and tax invoices electronically by uploading them to the FIIG secure website or to any email address as notified by you from time to time;
  - f. That FIIG may pay fees, commissions, or other benefits or advantages, to its representatives or to other persons in connection with your Managed Discretionary Account and you consent to FIIG making those payments;
  - g. That FIIG may, at any time, reissue a contract note, trade confirmation, coupon advice or maturity advice in order to correct any errors or omissions;
  - h. That FIIG may with your consent, or under force of law and as advised by you (where legally permissible), give any information or assistance and make available any records relating to your Managed Discretionary Account reasonably required by your auditors or any applicable regulator; and
  - i. FIIG may provide your personal information as defined in the Privacy Act 1988 (Cth) to any other party, including but not limited to overseas recipients, in order to carry out FIIG's obligations under this Agreement.

### 13.3 Your general acknowledgements and consents

You consent, acknowledge and agree:

- a. That FIIG does not provide personal advice to clients in relation to the MDA Service. Any financial product advice that FIIG provides to you in relation to the MDA Service is general advice only and does not take into account your objectives, financial situation or needs;
- b. That before acting on any advice or information from FIIG, you should consider the appropriateness of the advice or information, having regard to your objectives, financial situation and needs;

### 13.4 FIIG's representations and warranties

FIIG represents and warrants to you that FIIG:

- a. Has power to enter into and perform this Agreement; and
- b. Holds an Australian Financial Services Licence and it will be the holder of any other licences required to be held by it in connection with the MDA Service.

### 14. INSTRUCTIONS AND OTHER NOTICES

Any Instruction or other notice given under this Agreement:

- a. To FIIG, must be sent to the following address, email or fax number:
 

**Attention:** Client Services  
**Address:** GPO Box 1186, Brisbane, QLD, 4001  
**Telephone:** 1800 01 01 81  
**Email:** [clientservices@fiig.com.au](mailto:clientservices@fiig.com.au)  
**Facsimile:** +61 7 3231 6699
- b. To you, must be sent to the details set out in your Managed Discretionary Account Application Form, or in accordance with any other address, fax number or email address that either party may specify in writing to the other. You acknowledge that FIIG will ordinarily send notices to you by email.

### 15. VALUATION OF INVESTMENTS

FIIG may, in its reasonable discretion, adopt any valuation policies and procedures for the purposes of determining the value of the Investments included, or proposed to be included, in your Managed Discretionary Account.

### 16. GENERAL

#### 16.1 No waiver

No failure to exercise and no delay in

exercising any right, power or remedy under this Agreement will operate as a waiver. Nor will any single or partial exercise of any right, power or remedy preclude any other or further exercise of that or any other right, power or remedy.

### 16.2 Assignment

You may not assign any of your rights and obligations under this Agreement without FIIG's prior written consent. FIIG may assign or novate its rights and obligations under this agreement to any of its related bodies corporate by giving not less than five (5) Business Days' written notice to you.

### 16.3 Death

If you are a natural person, then, in the event of your death, your Managed Discretionary Account will continue to be managed in accordance with your Investment Mandate and your Instructions until otherwise instructed by your legal personal representative.

### 16.4 Anti-money laundering

FIIG is bound by laws about the prevention of money laundering and the financing of terrorism, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 ("AML/CTF Laws"). You agree that:

- a. You are not and will not enter into any agreement with FIIG under an assumed name;
- b. Any funds you use to invest in the MDA Service have not been derived from or related to any criminal activities;
- c. Any payments received from FIIG will not be used in relation to any criminal activities;
- d. If FIIG asks, you will provide FIIG with additional information reasonably required (including information about the source of funds used to invest in the MDA Service); and

- e. FIIG may obtain information about you or any beneficial owner of an interest in your MDA from third parties if FIIG believes this is necessary to comply.

In order to comply with AML/CTF Laws FIIG may be required to take action, including:

- f. Delaying or refusing the processing of any transaction; or
- g. Disclosing information that it holds about you to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws.

### 16.5 Confidentiality

FIIG must not disclose any confidential information about you, except

- a. As required by law or any regulator;
- b. If necessary for the performance of its obligations under this Agreement, including if required under the terms of any Investment;
- c. To FIIG's professional advisers, related bodies corporate, agents, employees and service providers, or for the purposes of legal proceedings; or
- d. To your financial or professional adviser.

### 16.6 Force majeure

Each party agrees that if a party is unable to perform its obligations under this Agreement as a result of delays or failures due to any cause beyond its control, the party is only in breach of this Agreement if the delay or failure:

- a. Is due, in any way, to that party's own negligence; or
- b. Could have been avoided or overcome by that party's exercise of due care and diligence.

This clause does not apply to any obligation to pay money.

### 16.7 Amendment

FIIG may vary this Agreement by issuing a new version of this Agreement. FIIG will give you 30 days' prior written notice of any change to this Agreement that is materially adverse to your interests. Without limiting the preceding sentence, FIIG may only increase its Fees in respect of your Managed Discretionary Account by giving you 30 days' prior written notice.

### 16.8 Governing law and jurisdiction

This Agreement is governed by the laws of the State of New South Wales (NSW). The parties submit to the non-exclusive jurisdiction of Courts exercising jurisdiction in NSW.

### 16.9 Severance

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will be ineffective in that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

### 16.10 Execution

By executing the Managed Discretionary Account Application Form, you agree to be bound by the terms and conditions of this Agreement, as amended from time to time.

### 16.11 Relationship of parties

Except where this Agreement expressly states otherwise, it does not create a relationship of employment, trust, joint venture, fiduciary, partnership or other similar relationship between the parties.

## 17. ACKNOWLEDGEMENTS AND AGREEMENTS WITH RESPECT TO THIRD PARTY SUPPLIERS

- a. No third party supplier to FIIG ("Supplier") makes any warranties, express or implied, as to merchantability, fitness or

- any other matter, and shall have no liability to you or any third party for any errors, omissions or malfunctions in relation to the services it provides to FIIG.
- b. Services provided by the Suppliers to FIIG are intended for use as an aid to institutional investors, registered brokers or professionals of similar sophistication in making informed judgments concerning securities.
  - c. You are responsible for, and have exercised your own independent judgment in, your selection of the relevant services, your selection of the use or intended use of such, and any results obtained.
  - d. You indemnify against, and hold harmless from, FIIG, for its own benefit and for the benefit of its Suppliers, any and all losses, damages, liability and costs (including attorney's fees), resulting directly or indirectly from any claim or demand against any Supplier by a third party arising out of, or related to, the accuracy or completeness of any services received by you, or any data, information, service, report, analysis or publication derived therefrom. Neither FIIG nor any Supplier shall be liable for any claim or demand against you by a third party.
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## Talk to the experts

Please call our national number 1800 01 01 81 to speak to a FIIG fixed income expert, email us at [info@fiig.com.au](mailto:info@fiig.com.au) or contact your nearest office directly.

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